

Think about that for a minute...

The Real Digital Divide

Commentary by Steve Effros



Some readers of last week's column emailed asking that I add more detail to my concerns about unreasonable over-expectations relating to cable/broadband services and the geographic "digital divide." Unfortunately, I suspect I'm going to be doing that a lot.

I think we are swiftly moving toward a public understanding of our industry that doesn't recognize or acknowledge the vast difference in both technical capability and economic viability of what we can deliver, where, and when. In the context of the column last week, I was talking about Comcast becoming a "national" player. I think that's good. We've seen national advertising touting the technology and benefits of using the major telephone telecom companies, particularly Verizon and AT&T, for years. Same thing is true for DISH and DirecTV. But even though many cable operators (Cox comes to mind where I live) have done a great job of developing fine technology and excellent new consumer interfaces, we only hear about that on a local, or at best regional basis. Now, with Comcast poised to be in 19 of the 20 major DMAs, "cable" becomes a "national" player too. That's good.

But the reality is that what can be delivered in a major metropolitan area and its suburbs, or indeed an entire major population corridor like the East Coast, is very different than what can be reasonably delivered in many geographic parts of the country. I was reminded the other day that there are close to 5000 cable systems in the United States, most of them in non-major-market areas, to say the least, which serve more than 5 million customers in systems smaller than 5000 subscribers each. Those folks, and their Senators and Representatives, see those national ads too. They see all the buzz

about 1Gigbit broadband, Xfinity "cloud" guides with voice commands and all that other neat stuff.

But what they don't know, or will soon find out and be very upset about, is that those smaller, more rural systems simply can't provide some of those services, either technically or economically. And this has nothing to do with whether they have lots of money behind them (a telco being bankrolled by federal dollars) or a small local business, which describes many current long-time cable operators. Even if you have the best cable plant in the world right now, it doesn't make any difference, for instance, if there is no reasonable "middle mile" connection to an Internet broadband network access point. You could have built fiber to the home. Makes no difference if you are still reliant on "T1" line service to get broadband to your community, and that's the situation in a whole lot of communities today.

Yes, the feds spent some money trying to deal with the "middle mile" problem, but so far it hasn't worked. Long runs between bigger cities have been funded, but the access points to the smaller communities along the way were left out! So we have a growing "digital divide." The same thing is true with the migration to IP. The big systems in the big cities can do it, but it's totally uneconomical for smaller cable systems stuck with legacy RF headends and boxes locked in to existing hardware to quickly migrate. If they could technically ease that transition, while also addressing some of the "middle mile" issues, then we could make headway on the "divide." If not, we'll be hearing a lot more about it from the "Farm Team" legislators on Capitol Hill. There are lots of them!

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