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The Wi-Fi Backlash

BY THOMAS WAILGUM

Since Philadelphia officials announced that they wanted to offer low-cost wireless service to their citizens last fall, the city has become the focal point of an emerging and hotly contested trend. Local behemoths Verizon and Comcast are fiercely opposed to Philadelphia's Wi-Fi hot zone plan, citing unfair competition and what they claim will be one gigantic waste of taxpayer dollars.

About 1,200 miles west of Philly is Chaska, Minn., a town of 18,000, where residents have what Philadelphia wants: high-speed wireless Internet access. "We're a bit unique in that we have been acting as an ISP for five or six years," says Bradley Mayer, IS manager for Chaska. Initially, Mayer offered traditional broadband access only to district schools and local businesses. Over time, he thought about offering the service to residents and also started playing around with wireless. "We knew how to do a low-cost broadband connection to business, so we thought we'd leverage what we knew," Mayer says.

Bradley Mayer, IS manager for Chaska, Minn., deployed Wi-Fi hot spots under the radar of local Internet access providers.

The impetus for the Wi-Fi offering, which was rolled out in July, was to provide an affordable service that didn't yet exist, he says. For just \$15.95 per month, Chaska citizens can wirelessly access the Net and surf at speeds comparable to those provided with cable or DSL connections. Via Chaska.net, they also receive five e-mail accounts and 10MB of Web space. The Wi-Fi service charge appears on the bill from the electric utility, which, along with two golf courses, is run by the town.

Unlike Philadelphia, Chaska's Wi-Fi system was able to fly under the radar of the local cable provider. "Time Warner was saying, It's not going to work, so we're not going to worry about it," Mayer says. Philadelphia's plans, it seems, were too grand for Verizon and Comcast to ignore. In response to the uproar, Pennsylvania Gov. Edward G. Rendell signed a measure stating that cities must first give the local phone company the right to build a high-speed Internet network. Cities will have to drop their plans if the phone company moves forward within 14 months—though Philadelphia was exempted from the new law.

A recent report by the New Millennium Research Council notes that more than 200 U.S. cities are considering, testing or building municipal broadband networks, the majority being Wi-Fi mesh networks. The report, which mentions both Chaska's and Philadelphia's efforts, concludes that these Wi-Fi projects will not sustain themselves, will increase taxpayer burden and will hurt

existing DSL and cable providers. "The experience with municipal Wi-Fi networks to date has been long on hyperbole and short on quantifiable data," the report states.

Mayer knows the technology will change and create difficulties. "More likely than not, we will have torn down what we have in place right now in three years," he says. The small amount of revenue the service generates will allow the town to upgrade the systems. "It is designed to sustain itself," he says. The town took out a loan to pay for the service, which Mayer plans to pay off. So far, 28 percent of Chaska homes have signed up for the capability, and the Chaska police department planned to start using the Wi-Fi service this month.

Mayer's five-person staff did a lot of the system design in-house. He turned to two vendors: Tropos Networks (which provides the mesh network hardware) and Pronto Networks (which provides software for managing customers, revenue and services). Though Mayer says he doesn't want to become too reliant on vendors, he is thinking of outsourcing the customer service and help desk duties. "There are companies out there that can do customer support better than we're able to provide right now," he says.

With the tidal wave of furor created by Philadelphia, Mayer knows his timing couldn't have been any better. "Today, if we were going to start this, we would definitely garner more interest," Mayer says. **CIO**

A Tale of Two Wi-Fi Zones

Chaska's Wi-Fi service is up and running, and Philly's is still over a year out. Here's how the two communities stack up.

	Chaska, Minn.	Philadelphia
Citizens	18,000	1.5 million
Square miles	15	135
Wi-Fi antennas	267	4,000*
Wi-Fi charge per month	\$15.95	\$15-\$25*
Startup costs	\$850,000	\$10 million*
Subscribers	2,077 out of approx. 7,500 homes	TBD
Motive for Wi-Fi rollout	Offer low-cost access; make a little money?	Offer low-cost access; keep businesses in town

*Estimates