

Commission on Information Technology
City of Alexandria
City Hall
301 King Street
Alexandria, Virginia 22314

January 26, 2017

The Honorable Terry J. Kilgore
Chairman, House Commerce and Labor Committee
General Assembly Building, Room 704, Capitol Square
Richmond, Virginia 23219

Dear Delegate Kilgore:

As volunteer members of the City of Alexandria's Commission on Information Technology, and leading IT experts serving the high tech, intelligence, defense, education and government sectors in the nation's capital, we ask you to oppose Delegate Byron's HB2108 (the "VA Broadband Deployment Act") and let communities respond to the broadband infrastructure needs of our local businesses and citizens because the incumbents are not. HB2108 is a bill simply meant to protect incumbent monopoly Internet providers from the competitive impact of communities trying to modernize their local broadband infrastructure. By imposing barriers on local communities trying to create competition by investing public resources where private companies have not, HB2108 effectively kills competition and, in the bargain, denies our businesses and citizens access to the high speed, high capacity broadband infrastructure necessary to compete in the global knowledge economy. This dooms our communities to economic stagnation.

HB2108 Will Stagnate Our Rural Economies. The harshest impact of HB2108 will be on our rural communities. As the Center for Innovation has repeatedly [documented](#), the most broadband unserved areas of our state, and those most vulnerable to the resulting population loss and economic stagnation, are our rural areas. It is in these very areas where the incumbent Internet providers have refused to modernize the Internet infrastructure, only promising a maximum of 10Mbps/1Mbps service even when accepting federal subsidies. It is well understood that no modern business is going to move to, or young person will stay long in, a community with only 10 Mbps/1 Mbps service. It takes a child who lives in a home served with only 1Mbps upstream service 3 hours to upload a homework video, compared to 6 seconds for a child living in a home served with Gigabit fiber.¹ Home values and sales are now linked to the level of broadband connected to the home, as are healthcare options, educational opportunities, and public safety.

Despite its name, HB2108 does not prioritize, or even incentivize, modern Internet service for our underserved rural (and urban) areas. It actively stifles it. In a global knowledge economy where the gold standard for broadband is fiber-rich, Gigabit service, HB2108 prohibits a community from bringing modern broadband to itself except where 90% of the area theoretically could not, and is not, being served with 10Mbps/1Mbps Internet service by the incumbent.² It then effectively shuts down even that option, by loading onto a municipality numerous levels of reporting and procedural regulations³, artificial construction delays⁴, prohibitions on competitive pricing⁵, and outright prohibitions on "duplicative" networks⁶ (even where the minimum speed of the

¹ See speed comparisons presented by Unlimited, who is building fiber to every home in Israel in a partnership with the country's electricity provider: <https://www.unlimited.net.il/default.aspx?language=en-US>

² See HB2108 at § 56-484.26. Definitions & § 56-484.28. Provision of broadband expansion services at 6

³ See, e.g., § 56-484.28. Provision of broadband expansion services 1-6

⁴ *Supra*, at 6.

⁵ § 56-484.30. Operating requirements at (2)(b)

⁶ §56-484.27.1 Provision of broadband expansion services at 5

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new modern network represents the maximum speed of the incumbent's), among other barriers. HB2108 goes so far as to require communities who chose to expand their modern Internet to other underserved areas, to get a law passed in the Virginia Assembly for each new area in which they chose to expand.⁷ Obviously, no municipality could ever obtain financing in such a market-less environment which would scare away even a private sector competitor.

HB2108 even stifles public/private partnerships Not unlike many of Virginia's urban and rural communities, the City of Alexandria has no real competitive Internet choice, and our monopoly provider has little incentive to modernize our community's Internet infrastructure. After watching for years as our small businesses and knowledge workers left our city for neighboring communities with competition and fiber to the home speeds, Alexandria took action. Significant, long term, cost savings are predicted for our community (and its taxpayers) through deployment of our own high speed, high capacity fiber backbone for government and public data use. As a bonus, the City's investment will bring competition to the residential and business market through letting excess dark fiber to new competitors and incumbents, alike. The investment will bring Gigabit symmetrical broadband service to our community.

Let Local Communities Decide for Themselves: When local governments step in to provide, or stimulate, competitive broadband service in a community, it is typically because the marketplace has failed. Yet, despite the marked absence of high capacity Internet competition in our state, HB2108 strips local communities of the ability to step in and invest in this critical infrastructure to maximize or save our local economies. It should instead be incentivizing all options to keep Virginia globally competitive.

We urge you to oppose HB2108 and instead allow our Virginia communities to take steps to create competition where none exists and thereby continue to be self-reliant, and to make these broadband and economic investments as our local businesses and citizens deem fit.

Sincerely,

Phillip Acosta

Chair, Alexandria Commission on Information Technology

Cc: Members of House Commerce and Labor Committee
Delegate Mark Levine
Delegate Charniele L. Herring
Senate Minority Leader, Richard Saslaw
Senator Adam Ebbin
Senator George L. Barker
Governor Terry McAuliffe

⁷ § 56-484.29. *Provision of overbuild broadband services*