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From the Phoenix Business Journal:

<http://www.bizjournals.com/phoenix/blog/techflash/2016/08/google-fiber-may-miss-phoenix-but-will-phoenix.html>

Google Fiber may miss Phoenix, but will Phoenix miss it?

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Phoenix, Tempe and Scottsdale have spent more than two years trying to attract Google Fiber to deploy in their cities. The actions follow an announcement by the tech giant that they made the cut, along with several other U.S. metro areas.

Two years later, the question is, with plenty of fiber competitors fighting for business, does the Valley even need Google?

Experts say not really.

Phoenix and its surrounding cities already are well-connected for business fiber internet services, they say.

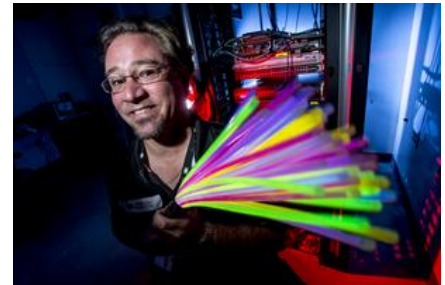
The Valley may have too many well-established territorial providers for Google Fiber to make a difference.

"Google would bring competition, but it's not a need for the Valley," said Mark Goldstein, president of Phoenix-based International Research Center and a member of the Arizona Telecommunications and Information Council's board.

Since Cox Communications Inc. became embroiled in a lawsuit against the city of Tempe regarding how the city approved an application for Google Fiber, the process of bringing the technology giant's offering to the region has been slow.

Waiting for Google

All three cities have approved licensing agreements with Google, but the company has given no



Alex Brusalis, technology solutions engineer for Phoenix-based Copper State Communications, said Google Fiber would face the same challenges as any other business internet provider.

indication that it's headed the Valley's way.

Kelly Mason, who handles global communications and public affairs for Google, said via email there were no updates for Phoenix.

Part of what may be holding up a decision is Cox Communications' lawsuit filed in September 2015. The state's largest cable and telecom company accused the city of "establishing a discriminatory regulatory framework" in favor of Google Fiber and that Tempe's license agreement with Google Fiber violates the Cable Communications Policy Act of 1984. (See page 6)

The court denied Tempe's request to dismiss the lawsuit, and the case currently is moving forward, according to Susan Anable, vice president of public affairs for the Southwest region at Cox.

The city of Tempe said it could not comment because of ongoing litigation.

Plenty of providers

Goldstein said while Google would add another name to the roster of fiber internet service providers, the company likely would provide competition to residential markets first, not focusing on business services for a while.

Immediately serving residential areas would excite locals familiar with the company, but experts say the arrival of Google Fiber would do little for business owners.

"They would have all the same roadblocks and hurdles as everyone else," said Alex Brusalis, technology solutions engineer for Phoenix-based Copper State Communications.

Brusalis said those challenges would include Google Fiber having to jump over the same regulatory hurdles as other providers when it comes to installing fiber in commercial real estate and providing business solutions.

Currently, any fiber provider seeking to be a part of the market plays a complex game of trying to become the sole provider for a commercial real estate development while keeping construction costs down, Brusalis explained. In many cases, Google Fiber would be competing with other providers in the same building.

Bringing customer service

Since many providers use what amounts to the same technology, the differentiator then becomes how they handle their customers, Brusalis said.

"The main difference between providers is customer service," he said.

Others who have spent years in the Valley telecom industry agree it's not easy to break in. Those that do must provide good customer service, said Ed Aaronson, vice president of Cox Communications in Arizona.

"Support is the lifeblood of our business," he said.

Cox brought fiber to the Valley in 2001 and reached 1 gigabit per second speeds for businesses in 2007.

The company has spent the past two years rolling out the service to residential customers, where top speeds had generally been held at 100 megabits per second, about one-tenth the gigabit speed.

“Arizona is our largest market, and we’ve put about

\$1 billion into expanding the capacity and network reach,” said Aaronson.

When it comes to business-service packages, Google has experimented with providing businesses internet services since the end of 2014 in the form of an early-access program.

But Google only recently announced three official business-service plans. The plans were announced in July and include speeds from 100 megabits per second to 1 gigabit per second. Prices range from \$70 per month to \$250 per month.

Other services

For Monroe, Louisiana-based CenturyLink, it’s bundles and services Google is just starting to announce that sets more traditional telecom companies apart.

Guy Gunther, vice president of operations in Arizona for CenturyLink, said the bundles the company offers help businesses consolidate and outsource technology solutions to lower operating costs.

“We’re helping them cut costs for equipment and services they used to have to set up themselves,” Gunther said.

Additionally, Gunther said the existing company offices and employees serve as an indication of the company’s investment to the Valley.

In 2011 CenturyLink merged with Qwest Communications International Inc., acquiring a 190,000 route-mile fiber network that doubled its network access points.

“From our standpoint, we’ve already invested a lot. We pride ourselves on people who live here and the people who work here,” he said.

Cassidy Trowbridge

Editorial Intern

Phoenix Business Journal

