

# Analysts like green light for 'data highway' upgrade

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Gov. John Kasich's plan to "open the faucet" on the state's broadband access is drawing praise and a little caution — but most analysts agree that Ohio's economy will benefit from the move to higher network speeds for business and research institutions.

The plan, announced Tuesday in the governor's State of the State address, would invest approximately \$10 million in the state's broadband infrastructure through a recent agreement with Cisco Systems and Juniper Network.

Upgrades will target network systems dedicated to research institutions and businesses. This is separate from the Internet access people use in their homes.

The plan aims to raise broadband network speeds from 10 gigabits per second to 100 gigabits per second.

"It's sort of the equivalent of making highways into superhighways," said Dana McDaniel, economic-development director in Dublin, where broadband deployment in recent years has received international recognition and spurred economic development.

McDaniel praised the plan as "a great investment," while adding, "I think it could position Ohio for the kind of global recognition that we've been able to achieve."

Columbus Partnership CEO Alex Fischer also compared the upgrade to the highway system.

"If we're not part of the interstate highway network and don't have an interchange, then we miss out," he said. "Likewise, if we're not part of the information highway network, we'll miss out. Our technology infrastructure is going to be the driver of central Ohio's economy."

Kasich said the upgrade to the state's "data highway" would directly benefit fields including manufacturing, engineering, medical research and education, leading ultimately to job growth.

In medical research, Kasich said, the upgrade would mean that "researchers no longer have to rely on overnight mail to share their massive files on hard drives but can email them instantly. This allows our research hospitals and universities to compete more successfully for the research grants that create breakthroughs in jobs."

The plan is “a powerful statement,” said Michael Marlowe, president and co-founder of Bluemile, a central Ohio-based data-center company.

“(Kasich) has great foresight to realize that expandable, high-availability, low-cost bandwidth is vital to business.”

New Albany is an example of how the upgrade could create economic development, said Scott McAfee, public information officer for the city.

“Our broadband network has been crucial in bringing in new jobs,” McAfee said. “It’s brought in over 3,500 jobs in the last three years to New Albany. It’s opened up new niches for us as well. We’ve been able to recruit data centers and create a niche with Fortune 500 companies we didn’t have previously.”

The expansion will use an 1,800-mile fiber-optic network already in place, operated by OARnet, a member of the Ohio Board of Regents Ohio Technology Consortium. No federal funds are involved, and no additional fiber networks will need to be installed.

The upgraded fiber-optic network will connect Ohio’s major metropolitan areas to northern and southern connection points of Internet2, a separate system from the Internet that was created in 1996 after universities realized that they were outgrowing the original system’s capacity.

While Kasich’s plan will lead to economic growth, it is far from revolutionary, analysts said.

“What he has announced is in line with what the networking industry is doing right now,” said Lee Ratliff, senior analyst for broadband and marketing research firm IHS iSuppli. “For a number of years, 10 gigabits per second have been standard. Starting a few years ago, upgrade efforts were under way to go to something else, initially to 40 gigabits. But, for the most part, industry decided it was going to leapfrog straight to 100 gigabits.

“So, nearly every network owner is in the planning stages for this upgrade.”

Technology industry analyst Jeff Kagan was wary of being too optimistic about the plan. While such speed “is what people and businesses want and will be good for building the economy, the question is, should this be government-driven or private-industry driven?” Kagan said. “I have not seen this dream work in any other city — not yet, anyway.”

The project will use \$8.1 million in Third Frontier money to connect Cleveland, Columbus, Cincinnati, Dayton and Toledo to the network by June. That will be followed by connections to Akron, Athens and Youngstown by October.

The state also said public and private partners would invest \$2.3 million in a state-of-the-art innovation center at Ohio State University.

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