

Gainesville Wants More Choices

A Low Tech Discussion of Our High Tech Dilemma

Background

Many of our citizens and business owners are frustrated by the limited number of internet and cable service providers we have in the area to fill our growing needs. The high cost of providing these services has created the situation we are in today.

In larger metropolitan areas, the high density of potential customers allows additional service providers to take on the risk of investing in the necessary infrastructure. The chances of getting enough subscribers to cover their start up costs are much higher, along with the likelihood of eventually making a profit. Gainesville, and the surrounding area, simply are not dense enough for outside providers to justify the risk of this large investment. To bring competing services to our area those services would have to attract enough subscribers away from the existing competition and that can be very difficult.

Taking Action

For most of us, this leaves Cox as the only provider of both cable and high speed internet, as AT&T's speeds are limited to what the existing telephone wires will allow, which isn't good enough for most of us. Satellite providers are even less flexible, offering cable but not internet services.

Our group believes the City of Gainesville can help bring more service providers to the area. We need to show the Commissioners that a large number of citizens want a study to be conducted by the City, exploring ways it can accomplish this goal. The Commission plans on taking up this subject in a February policy meeting.

We are encouraging those that can attend that meeting to do so, and show their support for this effort in person. If you can't attend and would still like to show support for this study, visit our website where you can send your feelings to your City

representative directly. There you can also stay in touch with the group by signing up for the mailing list.

History of how Gainesville got service

To help you better understand how we got to this point, let's walk through the history of Gainesville's services.

Water

In 1891, the City of Gainesville purchased Boulware Springs to provide water for its residents. By 1894, they finished work on the pump house and were ready to start providing running fresh water. In 1905, the city was able to offer free water to the university which helped convince the State to locate the University of Florida in Gainesville rather than Lake City.

Electric

During those same times, Gainesville's electric needs were provided by a private company called the Gainesville Gas and Electric Company. By late 1911, Gainesville's 6,000 residents had become frustrated with the service the city was receiving from GG&E. The street lighting and power service was spotty and unreliable. The City Council at the time demanded a \$10 reduction in the city's bill because of the poor service. GG&E would only agree to a \$2.70 reduction, so the dispute escalated. On January 26, 1912, GG&E cut off the electric service to the city.

As you can imagine, the residents and City Council were furious. A grassroots effort was organized to demand the city create and run its own electric service. They succeeded and the City built the John R. Kelly Generating Station downtown. It began supplying power to the city and its residents in 1913.

Our utility services grow

Interestingly, in 1929, the citizens of Gainesville voted to prevent the City Commission from buying water or electricity from outside sources. We can only assume they did this

for much the same economic reasons stated earlier, as to why there is so little competition for cable and internet services today; the cost of providing these services is so high, and those in control couldn't afford to lose subscribers to competitive companies. As time went on, wastewater, trash, and as recently as 1990, gas services were added to the GRU portfolio.

Cable

By the 1970's the residents of Gainesville were frustrated by their lack of television stations. There was PBS from WUFT and NBC from WCJB but that was about it. If you wanted more than that, you had to invest in an outdoor antenna system to get Jacksonville or Orlando stations. The need for better service was filled by the University City Cable Company who initially wired Gainesville to fulfill the resident's needs. The technology has been upgraded through the years but this is essentially the same system we have today. The City of Gainesville entered into a franchise agreement with this company for the rights to provide these services to the residents. In exchange for these rights and an exclusivity to provide these services, the company gave the city money and other considerations as well as became accountable for their service levels to the city.

This cable company served the citizens pretty well through the years and was ultimately purchased by Cox Communications. Periodically this franchise agreement had to be renewed with the city. This gave the city some leverage over the company to the benefit of the citizens. However, in 2011, the State signed a law restructuring how cable companies were regulated. This did away with all local franchise agreements.

Under this new law, there is little the local community can do to change the practices of the cable companies. Without the franchise agreement, there has been a reduction in local accountability. This, coupled with the lack of credible competition gives us the conditions we have today.

Our Vision

We believe that somewhere along the way, cable and internet services became almost as essential as our other utilities. As it has in the past, the time has come for the citizens of Gainesville to take steps towards bringing internet and cable services into the portfolio of GRU, assuring the citizens concerns come first. This could then allow GRU to provide an open marketplace for providers to compete.

As we saw in the past, the ability of the city to offer free water services resulted in the University of Florida being located here. Having control of internet services for our community may well give us an advantage when attracting new businesses to our area in these high tech times.

As it stands, every time you want to change a service provider, you need a different connection to your home. That simply is not fair, practical, or necessary. Whatever solution the study shows to be the most practical is our best hope for any additional choices. Please join us in asking the City Commission to take this next step.

References

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