



Broadband Advisory Services

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Broadcast Spectrum Should Be Used for New Community Broadband Networks, Report Concludes

SILVER SPRING, MD, April 23, 2007—TV broadcast spectrum the federal government is considering making available in early 2009 could be used to create new community networks that dramatically expand the availability of broadband service, market research firm Pike & Fischer proposes in a new policy report. But such a step could have adverse effects on incumbent service providers such as cable operators and telephone companies.

In the report, Pike & Fischer contributing analyst Mitchell Shapiro proposes a model policy designed to maximize the amount of so-called “white space” spectrum made available on an unlicensed basis when TV broadcasters switch to all-digital transmission in early 2009. This proposal refers to white-space-enabled networks as “Public Interest IP (PIIP)” networks. Shapiro’s analysis suggests these networks may be able to provide broadband access at no charge, by supporting costs through a range of savings and efficiencies combined with advertising sales. And their cost structure and capabilities, including data rates and in-building coverage, will benefit from the addition of white space spectrum with robust transmission characteristics.

But free PIIP networks could cause commercial providers to lose market share and cut prices, the report speculates.

“Incumbents’ existing revenue base and business models could be significantly at risk if the addition of white space spectrum triggers a snowballing of adoption of PIIP networks in communities around the country,” Shapiro says.

Thus, incumbents may seek to preempt the proliferation of PIIP networks through legal and regulatory challenges and “anti-PIIP” public relations campaigns, the report says. But incumbents could also consider pursuing cooperative relationships with PIIPs in the delivery of services, the report suggests.

Pike & Fischer, a BNA company, offers a host of legal and business information products covering the telecommunications industry. This new report, **The White Space Opportunity: Spectrum as a Public Asset and the Impact on Incumbents**, is priced at \$799 and can be purchased at www.broadbandadvisoryservices.com. For analyst commentary or an executive summary, contact Scott Sleek at 800-255-8131 / ssleek@pf.com.

For more information about Pike & Fischer’s Broadband Advisory Services, visit www.broadbandadvisoryservices.com or contact Jonathan Wentworth-Ping at 212-576-8741 / jpings@pf.com.