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As demand increases, cable companies rush to rollout ultra-fast internet speeds in CT

BY NATALIE MISSAKIAN SPECIAL TO THE HARTFORD BUSINESS JOURNAL
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Comcast has built about 151,000 miles of fiber around the country — enough to wrap around the earth nearly six times. That all Comcast to add internet speed, which individual and business customers increasingly are demanding. PHOTO | CONTRIBUTED

With businesses looking for faster internet speeds and families increasingly using the internet to run everything from home security systems to video doorbells and smart refrigerators, area cable companies are racing to expand ultra-fast networks across Connecticut to stay ahead of consumer demand.

In recent months, Cox and Comcast have announced major rollouts of gigabit internet service, which offer speeds of up to 1 gigabit per second, for residential and business customers in their territories around the state, including Greater Hartford.

Frontier announced in early October that it was introducing gigabit service in its FiOS and Vantage Fiber markets, the latter of which includes parts of Connecticut.

Meanwhile, a small, Rochester, N.Y.-based internet startup, GoNetspeed, is hoping to compete with the big guys, introducing a slightly lower-priced gigabit service through new fiber-to-the-home networks it is building in West Hartford, New Haven and Bridgeport, with plans to expand statewide if there's enough demand.

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While cable companies have long offered speeds of up to 10 gigabits per second for large business customers, they've been slower to bring gig internet to residential and small business consumers. But that's changing.

A November report by cable industry consortium CableLabs said about 63 percent of homes nationwide now have access to gigabit speeds, up from just 4 percent in Dec. 2016. The report said access has increased by 7 percent in the last three months.

"In any business, you want to make sure that you're building the best mousetrap. Some customers want the fastest speed possible, and right now that's the gig," said Brian Ferney, regional vice president of sales and marketing for Comcast's Western New England region.

Comcast, which is leading the pack both in Connecticut and nationally, last month announced an expansion of gigabit access to nearly 100 percent of households it serves in Greater Hartford. The move followed a similar rollout of gig internet throughout the company's Greater New Haven footprint last April.

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Nationwide, the cable giant says it now offers the super-fast internet to virtually all 58 million homes and businesses it passes through in 39 states and Washington, D.C.

At Cox, Jim Reed, executive director for corporate marketing, said the company began upgrading its platforms to support gig internet during the middle of last year and now offers its "gigablast" service to 83 percent of Connecticut customers.

"We've got a big push on to make sure that we're getting gig to all of the households we pass through," he said.

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He said the company, which serves 16 cities and towns in Connecticut, is on track to offer gig speeds to everyone in its footprint by the end of 2019.

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GoNetspeed, which just began building its Connecticut network last summer, currently provides gig access to roughly 15,000 homes in the state, said Chief Operating Officer Thomas Perrone. The company, which also serves the Pittsburgh, Pa., area, plans to add another 200 miles to its fiber optic network in Connecticut by next year, bringing gig access to an additional 40,000 homes, he said.

“We want to get to the point where the residents tell us where to go next” based on inquiries on the company’s website, said Perrone. “We like to see about 15 percent interest (in a community) before we build.”

While standard high-speed internet plans typically offer speeds up to 100 megabits per second (Mbps), a gigabit connection can be at least 10 times as fast (a gigabit equals 1,000 megabits).

Not only does it allow for lightning-quick downloads (about 40 seconds for an HD movie or three seconds for 100 songs), it lets users easily stream on multiple devices while also surfing the web and running smart appliances, internet providers say. Cox says its gig connection allows a household to stream more than 25 ultra-high-definition videos at once.

Businesses, meanwhile, are increasingly moving to cloud-based operations that demand high-capacity and high-performance internet connectivity, internet providers say, and companies say the faster speeds can help them communicate and stay competitive with global firms.

Higher costs

The higher speeds do come at a premium, and affordability has been a concern for consumer advocates.

Comcast charges $104.95 a month without a contract for its residential gigabit service, but offers new internet customers an $89.99-a-month promotional rate for the first year. Cox charges $119.99 a month, or $99.99 when bundled with another service. GoNetspeed’s gig service is $90 a month and comes with a lifetime price guarantee. Costs for businesses vary based on the company’s size and needs.

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Right now, cable execs say the gig speeds appeal mostly to the heaviest internet users and early adopters of next-generation technology. The bulk of Comcast's residential customers are still opting for the company's flagship 100 Mbps internet, which costs around $40 a month, Ferney said.

But with the explosion of the so-called internet of things bringing more everyday objects online, telecom companies expect demand for gigabit internet to grow exponentially in the coming years.

Industry executives predict the average household will own 50 connected devices by 2020. Cox's Reed said numbers like that aren't as far-fetched as they may seem: He recently made changes to his home network and counted 41 devices hooked up to his Wi-Fi.

"Granted, that may be a little atypical, but that's the kind of growth we're going to see," he said.

For businesses, demand for faster internet is being driven not only by companies in the research and technology sectors, but also by industries like retail, health care, manufacturing, hospitality and education, experts say.

Besides responding to changing demands, the latest cable-company investments answer a call from municipal leaders and the state's Office of Consumer Counsel, who say better access to gig internet is needed to attract a high-tech workforce and drive the economy.

Joe Rosenthal, principal attorney with the OCC, said the recent expansions are welcomed but don't go far enough. Some urban pockets and rural areas, including the northwest corner of the state, continue to lack gig access and "there's still an affordability issue," he said.

While some cities and towns have pushed to build their own municipal broadband networks, regulatory hurdles have slowed those plans.

"It's all great progress," Rosenthal said of the latest telecom investments. "But we still have to make sure that we have equitable opportunities … and that we don't have pockets of the state that are left behind."

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