

# View from the Top: The broadband race

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Most U.S. broadband customers think they have a good thing going. As long as they can surf news sites and download their favorite music and games at 1-3 megabits per second, they feel as though they have entered digital Nirvana. Compared to the old days of holding one's breath waiting for a dial-up connection, and then praying an outside call would not break it, broadband really has redefined the way people surf the [Internet](#). It is always on, always fast and always reliable.

Broadband lets consumers do their own thing online, offering consistent communication and rapid surfing and download speeds. Whether a consumer is playing games, reading the day's news, downloading music or sending e-mail, broadband connections ensure a relatively quick and stress-free Internet experience. Faster and constant connectivity also leads to enhanced e-commerce opportunities that will help the economy by opening new businesses and reviving old ones.

Americans may be surfing away in ignorant bliss, but there is a secret about broadband they may never discover: Their fellow Web users around the globe are enjoying broadband speeds up to 25 times faster -- at a fraction of the cost -- and government officials in Europe and Asia are pushing for even faster speeds and wider connectivity networks, intended mainly to foster economic growth.

Looking at the percentage of people with high-speed Internet access, the United States has been slipping behind other countries over the last several years, causing concern among some economists and technology experts. Ranked fourth in 2001, the United States now ranks 12th,

according to the Organization for Economic Cooperation and Development, with 12.8 citizens per 100 enjoying broadband access. If you compare the United States to South Korea, which ranks first on the OECD's list -- with 24.9 per 100 citizens -- it is evident this country is falling behind. When you examine overall population size and cultural broadband demand by region, however, these numbers should not really cause alarm.

The OECD's numbers are calculated as the number of citizens out of every 100. When you look at pure numbers, the current U.S. population of 296 million translates into about 200 million Internet users, and 69 million -- or 35 percent -- with access to broadband. These numbers are impressive, even when compared to South Korea, which leads with the highest broadband penetration rate in the world. In South Korea, 36 million -- or 75 percent -- of its 48 million inhabitants have Internet access, 12 million of them with high-speed connections. Coincidentally, smaller countries with denser populations, such as South Korea and most of the countries ranked above the United States in the OECD's study -- are more easily networked.

In the United States, people use the Internet on an individual basis, but in some countries, particularly in Asia -- where the lines between online and offline entertainment are blurred -- broadband access has become a cultural necessity. In South Korea, broadband Internet is ubiquitous, driven by applications such as online gaming. You can find teams of people playing games in gaming parlors, or "baangs," with spectators cheering them on. Spectators also can view online game competitions on giant screens set up in stadiums and, in some cases, the online events are even broadcast on television.

Online gaming may never take off as a spectator sport here, but many U.S. cities are undertaking wireless broadband connectivity projects to promote economic development and tourism. The most high-profile of

these projects is taking place in Philadelphia, where the city has launched a free WiFi service. The network currently covers the city's Love Park section, but Philadelphia plans to spend about \$15 million to extend the network throughout the entire city. Encouraged by Philadelphia's success, several other cities, including Alexandria, Va., and Granbury, Texas (population 6,400), have planned similar, but smaller-scale, projects. Most consumers will not argue with free WiFi access, but not everyone is pleased with municipal efforts to roll out wireless networks. Some citizens argue that tax dollars should not be used to fund these efforts, and a more heated battle has erupted, pitting cities and technology companies against telecommunications providers. SBC Communications and other big phone companies argue that cities are competing with private enterprise by subsidizing high-speed Internet connections. On the flip side, technology companies such as Dell and Intel profit from the sale of chips, wireless laptops and other equipment used in the establishment of high-speed Internet networks. Ironic, but the United States still ranks behind many other countries in per-capita broadband usage -- countries that have not left broadband rollout to private industry.

The United States may not be a leader in broadband, but it is a fast follower, which is one step away from being an early adapter, without all the risks. Although broadband has not yet blanketed the entire nation, the sought-after demographics, no matter how small or remote, are connected. Most Americans are content to make the switch from dial-up connections to 1-3 megabits per second, because we do not know what we have been missing, and we can learn from others' successes -- and failures. Earlier this year, broadband connections overtook dial-up for the first time. We finally may be on to something.

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