

Insider Q&A: Competing with cable's Internet offerings

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In this Wednesday, March 26, 2014, file photo, Chet Kanojia speaks during an interview with The Associated Press, in New York. Kanojia, the founder of startup TV service Aereo, has a new offering that could shake up the cable industry again. His new Internet service, Starry, would compete with cable companies in big cities. (AP Photo/Mark Lennihan, File)

Chet Kanojia, the founder of startup TV service Aereo, has a new offering that could shake up the cable industry again. His new Internet

service, Starry, would compete with cable companies in big cities.

Across the country, only one-third of homes have a choice of broadband providers, according to government figures. Starry will use a [wireless technology](#) that has long existed, but hasn't been used extensively before. The service is expected to launch this summer, starting in Boston. Kanojia hasn't disclosed prices, though.

Kanojia's previous effort offered local TV channels over the Internet at a lower cost than cable, but broadcasters shut it down with a copyright lawsuit. Kanojia says he doesn't expect legal challenges with Starry.

In an interview with The Associated Press, Kanojia insists he's not going after the cable industry—but his service would compete directly with [cable companies](#)' residential and small-business offerings. Here's what he had to say. Responses have been edited for length and clarity.

Q: Why go up against the [cable industry](#)?

A: People have a misconception that we're going against someone. Competition is not part of bringing somebody down. It's about better products, better prices. There's a lack of competition and there's pent-up demand.

Q: Do you expect pushback from cable?

A: It's not clear to me that we are a threat to anybody. Everybody wants more options. That includes the Federal Communications Commission. Tons of other companies are doing this. In rural areas and less-dense areas, there are things called WISPs (wireless Internet service providers). I think there's like a thousand of them, small operations, mom-and-pop stuff. Urban areas should have an option as well.

Q: Why go the wireless route?

A: It's a pretty interesting advantage compared with the wired approach, in terms of cost of construction, time to market. I don't think we would succeed if we were building out the same technology that current providers use. We think our technological approach gives us an advantage. My cost advantage is so dramatic, it's worth my while.

Q: Won't tall buildings in big cities be a problem for wireless offerings?

A: Millimeter waves (which Starry is using) have highly reflective properties. They bounce around between buildings, urban canyons and rooftops very well. You don't need a direct line of sight.

Q: Why aren't you offering video service, too, like cable companies do? Will that hurt you?

A: There is a market shift underway where people are streaming more and more. Second, you take a step back and see what other market segments are there, like small businesses that don't get TV. There are really large pockets you can service effectively and well without worrying about video packages and stuff.

Q: Where in Boston are you starting this?

A: We haven't finalized that. The initial focus is going to be in areas where there is a single provider.

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