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Two Finalists Chosen to Provide Wireless Net Service in Minneapolis

Minneapolis has chosen Earthlink and U.S. Internet as finalists to provide a citywide "Wi-Fi" network; the cost for residential users could be less than \$20 a month.

Minneapolis Star-Tribune – October 28, 2005 – Minneapolis has chosen Earthlink and U.S. Internet as the finalists to bid for a citywide wireless communications and Internet network.

Each company will create a pilot, and a full system could be operating by late 2007 or early 2008.

City communications director Gail Plewacki said the two finalists had the highest scores in areas such as technology and business plans. She said a successful system will meet "both the institutional and technological needs of the city as well as having a viable business plan."

The network is to be installed at no cost to taxpayers. Users will pay monthly fees. U.S. Internet, based in Minnetonka, and Atlanta-based Earthlink each expect to charge about \$20 a month to home users.

Nine companies had bid for the project. One critic, the Institute for Local Self-Reliance, has urged officials to consider that the city, not a private company, run the network.

Qwest Communications, which provides broadband service over telephone lines, wouldn't discuss the proposals but said it looks forward to continuing to be "a reliable voice and data provider."

"Earthlink would offer 1-megabit speeds for uplinks and downloads," spokesman Jerry Grasso said. He wouldn't discuss the system's cost. U.S. Internet proposes speeds of 1 to 3 megabits, depending on distance from an antenna, said Kurt Lange, vice president of operations. He estimated the system cost at about \$22 million, recovered in about three years. He expects residential penetration of 10 to 30 percent, growing "as people get accustomed to the mobility of this. It will be a big change."

U.S. Internet proposes a combination of systems: Wi-Fi for private and most city users, a separate network for public safety, and WiMax for businesses and residences wanting speeds up to 60 megabits. WiMax, not yet standardized, has a longer reach than Wi-Fi, requiring fewer antennas.

Lange said city coverage would require more than 1,000 radio transmitters; signals probably will reach some inner-ring suburban locations.

The system would make Minneapolis one of the nation's largest wireless cities. About two dozen cities have begun or contracted for citywide networks. Chaska offers it to home users for \$15.99 a month.

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