



# VIEWPOINT

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## Gahanna Broadband Project is a Waste of Taxpayers' Money

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### Summary

The Columbus suburb of Gahanna is considering using taxpayer money to invest in a project to expand broadband access in the city. History has shown that these projects are wastes of taxpayer money that do not deliver on consultants' promises.

*Main text word count: 605*

A craze for government-backed technology projects seems to be sweeping Ohio. Although the vast majority of Ohioans have access to high-speed Internet service, consultants, most recently those descending on the Columbus suburb of Gahanna, still claim that government needs to step in. A look back at other government-backed technology ventures, however, shows that these projects are not needed and will not deliver on the consultants' promises.

The main pitch is that some towns in Ohio still don't have access to high-speed Internet technology. Although upwards of ninety percent of Ohioans can get such service, apparently the consultants feel this is inadequate.

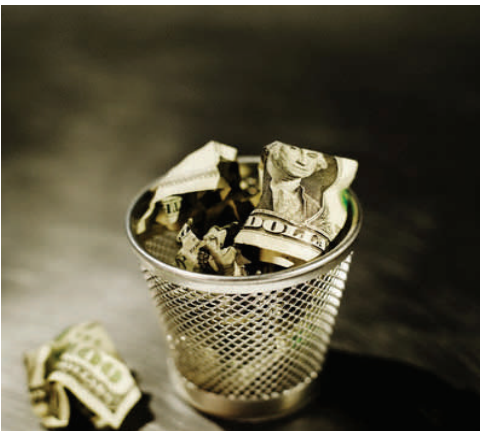
According to the prophets of doom, a city without broadband will suffer from a host of ills— people will leave, no business will invest there, and the rest of the world will progress while it remains stuck in the twentieth century.

A similar story was told the same ten years ago. Consultants tried to sell towns on the idea that if they wanted the latest cable television technology for their citizens, they needed to invest taxpayer money and provide it themselves. If cities did this, consultants promised, citizens would see lower rates, governments would have a new source of revenue, and businesses would grow.

That simply did not happen. As we can see today, the municipal cable television ventures were a waste of taxpayer money and they did little to help consumers. Cities that were eager to embrace municipal cable, such as Lebanon, Ohio, are now looking to get out.

If cities like Gahanna go down the path of government-backed broadband services, it is likely that the only benefit citizens will see is a lesson in how governments waste taxpayer money. They will also see that there are no net benefits to be gained from government-funded broadband ventures. They do not produce new jobs for an area and they don't bring in new residents. There is one thing these projects will do, however; they will burden a city's taxpayers with a system that will likely soon be obsolete.

For instance, in Butler County built a fiber optic system that only has a handful of users, at a cost of millions of dollars. No new jobs or economic development resulted from it. Even worse, the county is involved in an ongoing legal battle with the company it hired to market the system. Does Gahanna really want to go down this path?



Gahanna should not throw away money on a government-funded broadband system.

*Source: Corbis*

In the real world, the one outside the consultants' spin, there is no need to have government support such technology projects. There are already plenty of Internet suppliers in Gahanna. If the city wants to use technology to improve its city services, it can easily contract with these private providers. If citizens want to upgrade their own Internet capabilities, these providers will be happy to assist them.

The benefits of using private companies for technology needs are numerous. For one, taxpayer money is not at risk. In many cases, when cities fund technology projects their revenue estimates are wildly inflated. Most such ventures lose money.

Another benefit is that private providers are much better able to respond to changes in technology and consumer preferences. Technology changes rapidly and government plans will likely be outdated in a few years.

While the technology that cities are chasing is now broadband and not cable television, the principles remain the same. Private enterprise, not government, is the best provider of these services. Taxpayers in Gahanna should be wary of attempts to convince them otherwise. There is no evidence to support the notion that a taxpayer-funded broadband service in Gahanna will do anything for the citizens except raise tax bills.

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