

With Otter sidelined, broadband becomes a bargain

Marty Trillhaase/Lewiston Tribune

For the six years Gov. C.L. (Butch) Otter has been in charge of the Idaho Education Network, the picture has become progressively darker.

First, Otter's close friend and former Administration Director Mike Gwartney changed the rules in the middle of the bidding process, cutting the low-cost provider Syringa Network LLC out and handing the contract over to the politically connected Qwest (now CenturyLink).

Then Syringa's lawsuit started gaining traction with the Idaho Supreme Court.

Next, the Federal Communications Commission cut off e-Rate dollars, which covered 75 percent of the \$60 million IEN contract.

Last year, 4th District Court Judge Patrick Owen ruled Syringa was right and declared Gwartney had violated Idaho's procurement laws, thereby voiding the IEN contract.

Finally, it turns out the Office of Inspector General through the U.S. Department of Justice is conducting a probe - and reportedly has imposed a gag order throughout much of state government.

But from the moment Idaho lawmakers wrestled control of the broadband project from Otter's administration, the picture brightened.

With the contract voided, the companies running IEN - CenturyLink and Education Networks of America - were about to shut down the service. Lawmakers shifted broadband funding from Otter's Department of Administration budget into state schools Superintendent Sherri Ybarra's office.

Now responsible for lining up individual contracts with local school districts, Ybarra's staff had to scramble. Her technology team dropped virtually everything else.

The results were remarkable: no interruption in service. Not one Idaho high school senior who is taking courses via teleconferencing will have his education disrupted or his graduation delayed.

Then the numbers started coming in.

As schools signed new contracts with providers, the costs began to drop. Based on preliminary reports, it looks like broadband delivery will cost at most \$6.3 million next year. If you throw in extra personnel and training Ybarra's department will need, the price tag comes to about \$7 million - or about \$3.5 million less than Otter expected a state-managed IEN to cost.

That's the worst-case scenario. There's reason to believe individual schools will qualify for the e-Rate dollars state mismanagement forfeited. Some schools will get 50 percent of their bills covered. Others may be reimbursed for as much as 90 percent.

On top of that, local contracts purchased about 30 percent more bandwidth.

As the Tribune's Mary Stone reported Monday, Orofino School District purchased 50 megabites per second through First Step Internet for \$500 a month - compared to 45 Mbps it purchased through IEN for \$9,200 a month.

Elsewhere:

- Salmon River Joint District in Riggins dropped its broadband bill from \$12,000 a month under IEN to \$1,600 a month - while doubling its bandwidth.
- Coeur d'Alene School District's broadband costs dropped from almost \$13,000 a month to \$1,500 - for the same bandwidth.
- New Plymouth School District's monthly bill dropped from \$5,000 to \$100 - while its bandwidth tripled.

Those schools that stayed with IEN contractors ended up paying more. For instance, Cottonwood's bill will rise from \$5,000 to \$11,000 a month.

If Highland could have switched from ENA to First Step, its bill would have dropped from \$8,191 to \$500 a month - but that would have meant disrupting the schools' telephone system. So Highland stayed with ENA.

Maybe this just reflects how technology and the broadband market have evolved during the past six years.

Or it could just show how much of a premium Otter's administration was willing to pay to have a small group of insiders manage a statewide program.

Either way, you have to nod when you hear Republicans, such as Lewiston's Sen. Dan Johnson, ask why they'd ever again trust Otter with a new IEN contract.

"At this point, it doesn't seem like a statewide contract is the best path forward," Johnson told the Tribune's William L. Spence.

No, it doesn't. - M.T.