

Remarks – Mary Beth Henry  
Google Franchise – Council vote  
June 11, 2014 – a.m. Council calendar

Good morning – or rather *buongiorno*.

Mayor and Commissioners, I am Mary Beth Henry, Office for Community Technology. As you view this video I am in Rome, Italy participating in this meeting via skype.

Who could have imagined in 1984, when live cablecasts of Council meetings began, that the Council could hold a meeting and vote that would allow for staff remarks in “real time” from half a world away? Now--- imagine what this would be like if I could have the same conversation with you in high definition and surround-sound, with graphics and links to critical information, and (perhaps) be joined simultaneously by experts from Amsterdam, Stockholm, Seoul, and Hong Kong --- all places where fiber-to-the-premises systems are actively delivering gigabit speeds to residents at a fraction of the cost US broadband users now pay for lower speeds.

This is only one example of the future that gigabit fiber can deliver to Portland – a future that the City has worked for more than fifteen years to realize, a future that is now on the near horizon thanks to diligent planning by this Council that has attracted a willing and visionary investor in Google.

Bringing a competitive future to Portland is why we are here today. Your vote to authorize a gigabit fiber network to be built in Portland by Google is a *monumental milestone in the technology history of our City*. The vote today marks a transition as notable as the launch of broadcast radio in the 1920s, the debut of television in the 1940s, and build out of the first citywide cable system in the 1980s.

Fiber-to-the-premises is ESSENTIAL technology in the 21<sup>st</sup> century, providing the capacity, capability, and broadband throughput that is CRITICAL to enabling applications in government, education, health care, and (not least) growing jobs and businesses in our economy by facilitating light-speed participation in the local and global marketplace.

In our hyper-speed Internet age, Portland is not the only city in the US unwillingly left behind the global pace of 21<sup>st</sup> century fiber broadband. Absent the national leadership seen in other countries, America continues to fall further behind. Unfortunately, private communications conglomerates have focused on market consolidation through mergers, lobbying efforts at the federal and state level, and quarterly shareholder returns, not upon the investment necessary to bring gigabit fiber technology to American homes. The most recent data<sup>1</sup> continues to list the USA in the rear of the pack of developed countries in terms of both cost and speed of broadband<sup>2</sup>. And testimony before this Council noted that Portland is ranked 200<sup>th</sup> among global cities in internet speed. Sadly, until now, the rest of the world has been passing us by.

***That is why there is cause to celebrate today!*** This Council vote -- the first by *any* City in a Pacific Coast state --- authorizes the grant of a broadband franchise potentially triggering a substantial investment by Google

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<sup>1</sup> OECD figures, displayed in NY Times column on the negative impact of concentrated markets, NY Times, May 27, 2014; [http://www.nytimes.com/2014/05/28/business/economy/concentrated-markets-take-big-toll-on-economy.html?emc=eta1&\\_r=0](http://www.nytimes.com/2014/05/28/business/economy/concentrated-markets-take-big-toll-on-economy.html?emc=eta1&_r=0) (visited June 3, 2014)

<sup>2</sup> Even Italy (my current location) though behind the US in several respects, is ahead in some localities in the promotion of innovative, GB speed broadband applications – see <http://www.zdnet.com/want-1-gbps-broadband-want-it-for-free-italys-innovative-plan-to-increase-fibre-takeup-7000030149/>

and the first steps toward construction of a world-class, state-of-the-art 21<sup>st</sup> century fiber-to-the premises network.

As more than a month has elapsed since Council's first reading of the proposed Google franchise ordinance, I want to call the Council's attention to *two* matters. ***First*** is the breadth of community support and the depth and diversity of information and testimony presented at the Council's First Reading (May 7<sup>th</sup>), including:

- The education sector: (e.g. PPS and PCC);
- The healthcare sector, including the director of the tele-health program at OHSU (the City's largest employer);
- The transportation and planning sectors (noting that telecommuting and other applications recognize FTTP as the roads & bridges of the 21<sup>st</sup> c.);
- The information technology sector (including the Multnomah Library – an incredible community resource helping bridge the digital divide);
- Average citizens (including those who have experienced homelessness and the need for digital inclusion);
- The non-profit community - Portland Community Media; and

- Innovative businesses and tech visionaries who are aching to grow their applications and entrepreneurial reach to create jobs and possibilities unimaginable without access to gigabit fiber technology;

*Secondly*, during the past month, Council members and offices have had the chance to mull over issues raised at First Reading as well as other issues brought to Council members and staff as a result of pervasive and continuing community interest in the potential of a Google build here. I have done my best to respond to issues raised, and have met with each office when requested to review additional issues, including:

- Subscriber **privacy** – Google will meet all applicable legal requirements for all its services, at a standard no less than applicable to any other service provider;
- Digital inclusion –addressing the needs of Portland citizens on the other side of the digital divide remains a top priority of Google and the City – staff will be presenting a proposal in the Fall. During the interim, we will work on updating broadband adoption data for our region. We will also engage with community organizations to consult on outreach efforts and best practices.

Before concluding, I want to spend a minute on the “level playing field” issue. This issue arises from questions raised by incumbents whose broadband services would be threatened by competition, suggesting that Google is somehow getting a “better deal” than other providers.

I want to lay to rest any doubts-- Google’s commitments are commensurate with the commitments with other residential service providers.

Specifically:

- Google plans to invest over \$300 million in permanent, state-of-the art fiber infrastructure in Portland (this is 21<sup>st</sup> century technology Portland has been seeking to develop for more than a decade); ***No other company has made a similar commitment.***
- Google’s investment will bring construction and permanent jobs and will allow Portland and its regional partners to assume a globally competitive position as a center of technology innovation; ***No other company has made a similar commitment.***
- Google’s launch directly follows the Council’s direction in the Broadband Strategic Plan by building state of the art FTTP technology; ***No other company has made a similar commitment.***

- Google’s plan to provide free broadband citywide (after an installation fee), with no income threshold, in any areas they have constructed vastly exceeds the much more limited commitments of all incumbents<sup>3</sup>; ***No other company has made a similar commitment.***
- Google’s Wi-Fi deployment will create additional area “hot spots” for Portland citizens to connect to the internet for free; ***No other company has made a similar commitment.***
- Google’s plans to offer free gigabit service to at least 100 community organizations serving communities with lower Internet penetration rates will provide substantial ongoing benefits to all; ***No other company has made a similar commitment.***

**CONCLUSION** – Portland is a City that knows we cannot sit on our hands while we wait for the future to arrive – ***we have to CREATE the future ourselves.*** The Council’s Broadband Strategic Plan defined that future vision and attracted Google’s interest.

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<sup>3</sup> See the failures and problems of Comcast’s “digital inclusion” program: <http://qz.com/213995/comcast-promised-poor-americans-cheap-internet-but-most-of-them-didnt-get-it/>

This Council vote will bring *world class broadband to Portland*, with positive impacts on business, jobs, rates, services, digital inclusion, and *bringing Portland's creative community the technology they need and deserve*. At last, the City --with Google's investment--can offer a platform commensurate with the City's matchless creative spirit --- leading us to "Centers for Innovation" of the type described by Amber Case<sup>4</sup> at First Reading.

Since fiber broadband was first developed, this City has worked long and hard to ensure deployment of a world class fiber network. Your voice, your vote, and your unwavering support build upon that vision and unanimous action by Councils of the past.

So I encourage the Council to vote "Yes" on the Google broadband franchise – for Portland, our region, our State, above all, for Portland's citizens who are ("the Riches of the City") and who can now look forward to broadband choice, competition, and horizons limited only by our imagination.

Thank you, and I will be happy to answer any questions.

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<sup>4</sup> Amber Case was keynote speaker and honoree at the 2013 Oregon Connections conference and is a "Portland Creative" with a national and international reputation