

Does Google Fiber Avoid the Biggest Cities?

Colin Wood | August 3, 2015



Google has a reputation for succeeding in a singular style.

The Harris Poll Reputation Quotient report has consistently ranked Google as one of the best-liked and most-trusted companies the past several years, and for good reason. Google's primary-colored product line is diverse, innovative and effective. And when things aren't working, Google is the first to admit it and move onto something else. Luckily for those discontented by the incumbent Internet service providers that are monopolizing and duopolizing communities around the nation, Fiber appears to be working.

When Google announced plans to enter the broadband market five years ago, people were excited. And in 2015, Google Fiber customers in Provo, Utah; Austin, Texas; and Kansas City do not feel let down. Satisfaction polls show Fiber users wouldn't switch to another company offering similar services at the same price. But with the product being Gigabit Internet at \$70 a month, a lot of customers would tolerate buying from the Khmer Rouge, or maybe even Comcast. Google's product — lightning fast Internet — sells itself.

Fiber is proving itself more than an experiment, as Google will soon expand to communities in Raleigh-Durham, N.C.; Nashville, Tenn.; Atlanta; Salt Lake City; and potentially San Jose, Calif.; Portland, Ore.; Phoenix; and San Antonio.

In 10 years, Google Fiber may be as prevalent as AT&T, Comcast, Time Warner Cable, Charter or CenturyLink in a handful of big cities. But the biggest metropolitan centers remain conspicuously absent from Google's plans. Los Angeles, New York, Chicago, San Francisco, San Diego, Las Vegas, Seattle, Houston, Jacksonville, Detroit, Boston and Philadelphia together make for tens of millions who may never get chance to be Fiber customers.

Staying Out of Sin City

Las Vegas, host to 600,000 residents and 40 million annual visitors, sits in the center of Clark County, home of 2 million. That's a lot of potential customers. But Google Fiber isn't interested in Las Vegas — and Las Vegas isn't interested in Google Fiber, said CIO Joseph Marcella.

Marcella outlined several obstacles that make a relationship between Las Vegas and Google Fiber highly unlikely, in the categories of logistics, cost and policy.

Google Fiber's business model includes several unique characteristics, including close cooperation with their partner cities that enable Google to use existing infrastructure and speed through permitting processes. Google would be in competition with existing broadband providers like Cox and AT&T, Marcella said, so the city shouldn't give any provider special treatment.

For the areas that existing fiber doesn't reach, Google uses a process called micro-trenching, which involves cutting a narrow hole into the ground to lay fiber more quickly and with less disruption to the population than traditional trenching methods. There are a lot of areas in the city where micro-trenching would be needed, Marcella said, which would make a Google Fiber deployment both prohibitively expensive, but also impossible because those areas aren't zoned to allow that type of construction.

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"I think we're fine. I think the legislative issue is our only outstanding one," Marcella said, noting that should the local regulation change, a public-private partnership would probably be the best route for Las Vegas. "That way, we're not the anchor tenant, and we're not paying for the initial rollout as well as the maintenance. We also get past the legislative issue of charging for it, but we can maintain it."

Challenges in the City by the Bay

San Francisco CIO Miguel Gamino didn't discount the possibility of a relationship with Google Fiber one day, but noted that for a city that values digital equality, most public-private partnership (P3) models are challenging. Whatever funding model a city pursues needs to align with that city's values and expectations, Gamino said.

“The challenge with some P3 models is the government is the steward of the equity component of the project,” Gamino said. “Fiber to the home or connectivity to premises is important from a physical fiber access standpoint, but what I think is more important is that it’s actually consumable, which means that there’s a literacy component to it, so making sure people understand it, understand what its value is, how they can use it to improve their lives or to improve their children’s lives. But also, can they afford it?”

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Difficulties in the Emerald City

Like San Francisco, Seattle also values digital equality. Seattle’s policy is not to pursue technology projects that might leave anyone behind. That makes a partnership with Google Fiber difficult, said Seattle Chief Technology Officer Michael Mattmiller.

“We know there’s 15 percent of households in our city that lack broadband access at home, and while \$70 a month for gigabit speed broadband is a great price in market — it would be a leading price here in Seattle — that’s still very expensive for a household with lower income. ... If neighborhoods ... are unable to band together enough people to commit to purchasing the service, that neighborhood does not receive the service. They get passed. That is a really challenging concept for us here in Seattle, where we’re very focused on raising social justice, and we believe gigabit broadband should be available to all.”

Incumbent providers like CenturyLink and Comcast are both upgrading their services in Seattle, and the city is already struggling to update its pole attachment and permitting processes to accommodate them. So bringing in a new partner would be especially difficult now, Mattmiller said, though none of these issues is insurmountable.

In Portland, Google asked for and received exemption from a state law that taxes intangible assets through the unanimous passage of a new law that exempts all gigabit Internet providers. Google also sent the city a 29-page document outlining what they needed to amend in their policies to make way for Fiber, including regulatory changes.

In Seattle, Mattmiller said, they likely would not be open to those different regulatory models.

Google did not respond to requests for comment by press time.