

ACTION CALENDAR
November 15, 2005

To: Honorable Mayor and
Members of the City Council

From: Councilmember Laurie Capitelli
Councilmember Darryl Moore
Councilmember Max Anderson
Councilmember Linda Maio

Subject: Wireless Internet for the City of Berkeley

RECOMMENDATION

Request the City Manger have staff research the possibilities and requirements for a Berkeley citywide wireless internet system, prepare a report and present it to the City Council by March 2006.

FINANCIAL IMPLICATIONS

Unknown staff time to research and write report.

BACKGROUND

The City of San Francisco has recently advertised for and accepted proposals for creating a citywide wireless internet system. (See attached SF Chronicle article.) Their goal is to provide internet capability for all residents either for free or for a very low cost.

This would be a prime opportunity for the City of Berkeley to do the same. Berkeley shares with San Francisco the same issues of equity and access to technology that free or low cost internet would begin to address. Our unique position in the Bay Area – culturally, socially and physically – our modest size and our proximity to the University, should make ours an attractive project.

If, after the staff report the City Council is interested in pursuing the project, Council can then direct staff to move forward with a Request for Proposal.

CONTACT PERSON

Councilmember Max Anderson, District 3 981-7130
Councilmember Darryl Moore, District 2 981-7120
Councilmember Laurie Capitelli, District 5 981-7150
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ATTACHMENTS:

“Google Offers S.F. Wi-Fi – for free.” San Francisco Chronicle. October 1, 2005

SFGate.com www.sfgate.com

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**Google offers S.F. Wi-Fi -- for free
Company's bid is one of many in
response to mayor's call for universal
online access**

- Verne Kopytoff, Ryan Kim, Chronicle Staff Writers
Saturday, October 1, 2005



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Google Inc. has offered to blanket San Francisco with free wireless Internet access at no cost to the city, placing a marquee name behind Mayor Gavin Newsom's effort to get all residents online whether they are at home, in a park or in a cafe.

The offer by the popular Mountain View search engine was one of more than a dozen competing bids received by the city before its deadline Friday. Officials will review the submissions and decide which, if any, of the candidates gets the green light to build the so called Wi-Fi service, which would be free or inexpensive for users.

In joining the competition, Google is showing yet another sign of its ambition. In the past few months, the company has released a succession of new products, including instant messaging and Internet telephone calls, that take it further from its roots.

The proposal raises speculation that Google intends to create a free national Wi-Fi network, a business in which the company has limited experience. If so, it could pose a serious challenge to existing Internet service providers such as SBC-Yahoo, Earthlink, Comcast and America Online, which charge subscriptions for wire connections.

"This is a great opportunity to provide a community service to the Bay Area," said Chris Sacca, who oversaw Google's bid in San Francisco. "This furthers the goal of providing access to all residents and visitors on as wide a scale as possible."

Newsom set a goal of a free or inexpensive city-wide Wi-Fi network last year. He portrayed the idea as a way to boost San Francisco's technology credentials and help bring Internet have-nots -- especially the poor -- into the digital age.

Since then, officials have been weighing how to carry out the plan despite a tight budget. Over the summer, they opened a window for proposals called a "request for information" that immediately drew attention from an array of companies.

Peter Ragone, a spokesman for the mayor, said a decision about a winner would be made "in weeks, not months." He added that Google had no advantage because of its high profile and that the ultimate decision would be based on what was in their plans.

As part of its 100-page bid, Google said it could install a Wi-Fi network without cost to the

city. Users with Wi-Fi-enabled computers could then log on to basic service, without paying, no matter where they are within the city limits.

The speed of basic service would be 300 kilobits per second, which is much faster than dial-up Internet service but slower than some broadband.

Sacca said that Google, which makes virtually all its money from online advertising, had yet to determine whether it would include ads in the service. But Google said it would make its Wi-Fi network available for a fee to companies that want to offer paid Internet services. Sacca said there were no plans to share any revenue with the city.

San Francisco is a notoriously difficult city for blanket Wi-Fi coverage because of its hills, valleys and tall buildings. To ensure a good signal, Google would install up to 30 small Wi-Fi antennas per square mile.

Competitors who submitted responses to the city's request said Google's proposal was not entirely surprising. But they questioned the company's ability to follow through on its plans.

Donald Berryman, executive vice president of municipal networks for Earthlink, asked whether Google had the know-how to be an Internet service provider. And providing the deal for free, he said, is not sustainable in the long run.

"We've looked into free service, and we haven't found a model where free works," said Berryman. "At some point free becomes less sustainable because there's no way to upgrade service and the networks when no one's paying for it."

Google's experience in Wi-Fi is limited to tests at a gym and cafe near its headquarters and at Bryant Park in New York City. Google also sponsors free Wi-Fi service in San Francisco's Union Square in conjunction with a local start-up, Feeva.

For now, Google's Sacca said his company's Wi-Fi ambitions were limited to the Bay Area. However, others believe Google has much bigger plans.

"This is really exciting because they're not going to just do this in San Francisco, if they are serious about it," said Jeff Thompson, a founder of TowerStream, a company in Middletown, R.I., that sells wireless Internet connections to businesses, including some in San Francisco, but did not submit a proposal to the city.

Chuck Haas, CEO of MetroFi, which runs two Wi-Fi networks in Cupertino and Santa Clara, wondered whether Google would meet the city's goals for coverage.

But he said the idea of free service was not entirely far-fetched. He said his company had submitted a proposal in which wireless broadband would be free across San Francisco but would be paid for with ads and would have no technical support or services for users. For \$19.99 a month, subscribers would get enhanced service with no ads and customer support.

"I believe we'll have enough people that want full security and customer support with no ads that we could make money," Haas said. "But no matter who the city chooses, I don't think the city will have to pay for this network."

SBC spokesman John Britton said his company encourages competition but believes that governments should seek greater investment from private companies to increase broadband service. He said San Francisco already was served by SBC and enjoyed more than 400 free Wi-Fi hotspots, more than any other city in the country.

"We feel there is already widespread broadband available today," Britton said.

Some of the existing systems are along parts of Castro, Fillmore and Chestnut streets and are provided by AnchorFree Wireless, which also made a proposal to cover the entire city with free Wi-Fi at a cost one of the Sunnyvale company's founders estimated at \$10 million.

Vince Vasquez, a policy fellow with the Pacific Research Institute, a think tank that supports free markets and receives funding from SBC, said he opposed any municipal involvement in Wi-Fi. Even if it's free, it may exceed the city's proper role in a sector that should be left to private industries, he said.

"Our concern is with public money and publicly controlled Internet access," said Vasquez. "We take a lot of caution about how government should intervene in the market."

A brief history of Internet access

In the beginning, there was dial-up, and it was good -- until the thrill wore off and people noticed that loading some pages or downloading a song could take days. It's cheap, but the only people who use dial-up today are those who can't afford something faster or don't know better.

Dial-up begat DSL, and it was better. For little more than the cost of an extra phone line, it is fast and fairly reliable. Depending on your perspective, the price-vs.-speed ratio either strikes a nice balance or is unsatisfactory on both counts.

Next came the cable modem, which allowed users to download music, video and pictures at blazing speeds. The monthly bill, about \$50, maybe more, once the special introductory rate expires, offsets the rush.

Now, there's citywide Wi-Fi, which, if all goes according to plan, will allow you to e-mail your aunt in Omaha from anywhere in San Francisco. You can't beat the price City Hall is seeking -- free -- but there are questions about speed and reliability, especially because of the hills.

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