

## Broadband Initiative

Broadband is vital 21<sup>st</sup> century infrastructure for economic prosperity and competitive advantage. The City of Eugene, Lane Council of Governments (LCOG), and Eugene Water & Electric Board (EWEB) are all committed and partnering to improve the quality of broadband service for our businesses and in our communities. To realize their goals of expanded access to the highest speed, lowest cost internet service, public entities will need to creatively assess how to use its existing infrastructure, technical support and resources to partner with private industry. As a community with a public utility, Eugene has more options at its disposal than cities that do not.

### Pilot Project Overview

Currently, the City of Eugene is engaged in an Intergovernmental Agreement (IGA) with LCOG to deploy additional fiber optics into two downtown buildings: the Broadway Commerce Center and the Woolworth Building. LCOG oversees the contractual arrangement with EWEB for the design, procurement and installation of “last mile” fiber optic cable infrastructure; EWEB will retain ownership of the fiber installed within their existing electrical conduit system.

In other words, the City, LCOG and EWEB are partnering their resources to provide for additional fiber optic internet connectivity for businesses in downtown buildings in which the City already has made sizeable financial investment. The fiber will run in existing EWEB electrical conduit, avoiding the expense of trenching or directional boring, down Willamette Street to LCOG’s Willamette Internet Exchange (WIX). The prime intent is to confer augmented broadband benefits to high-tech companies tenanted in these buildings. Added motivation for the City is assisting its partners to assess alternatives in a shared pursuit of encouraging competition and local choice in internet service provision.

Installation is projected to be complete by September, and leases of fiber offered by EWEB in October.

### Benefits of the Pilot Project

There are three anticipated, immediate benefits from this partnership:

- Lower cost, higher speed broadband services for businesses in City-assisted buildings
- Improved understanding of technical issues and local market conditions
- Demonstration of the benefits of alternative fiber optics to internet service providers

The fiber optic cables will be installed “dark,” which means they will be “lit” by competitive internet service providers (ISPs). EWEB will retain ownership of the fiber cables running in their electrical conduits and then lease the fiber strands to private ISPs. The costs of materials and installation will be funded by City telecom tax funds and passed onto end-user companies as subscription savings. EWEB is also contributing capital funding in exchange for future use of a portion of the fiber conduit capacity. Competition between ISPs over the “neutral” fiber infrastructure to the WIX (the roadways and on-ramps to the internet superhighway) will ensure the best broadband deals possible for businesses.

Since many software publishers either require or value redundant connections to the internet—in a manner analogous to manufacturers wanting fail-safe electrical systems—businesses already receiving service are anticipated to enter new, secondary contracts. Projections that businesses will receive higher

speeds at lower costs will then be tested in the marketplace. Meanwhile, EWEB crews and staff will learn more of the technical aspects of placing fiber in existing infrastructure and gain telecom market insights to determine if viable business models can be developed and sustained over time.