

## What Other States are Doing

### ***Final Report from California Broadband Task Force***

January 2008

Excerpt from Report: Executive Summary

Report available at: [http://www.calink.ca.gov/pdf/CBTF\\_FINAL\\_Report.pdf](http://www.calink.ca.gov/pdf/CBTF_FINAL_Report.pdf)

Governor Arnold Schwarzenegger commissioned the California Broadband Task Force (CBTF) to “remove barriers to broadband access, identify opportunities for increased broadband adoption, and enable the creation and deployment of new advanced communication technologies.” The governor also requested that the CBTF “pay particular attention to how broadband can be used to substantially benefit educational institutions, healthcare institutions, community-based organizations, and governmental institutions.” This document meets both those objectives and also includes specific recommendations to achieve the governor’s goals.

The CBTF adopted three key goals:

- California must ensure ubiquitous and affordable broadband infrastructure, made available through a variety of technologies to all Californians.
- California must drive the creation and use of applications that produce the greatest economic, educational, and social benefits for California’s economy and communities.
- California must construct next-generation broadband infrastructure, positioning California as the global economic leader in a knowledge-based economy.

Through analysis of CBTF’s broadband mapping project and independent research, the Task Force determined that California is better positioned than most states on broadband availability and adoption, yet the state lags behind key foreign competitors. Specifically, the CBTF found:

- 96% of California residences have access to broadband.
- 1.4 million mostly rural Californians lack broadband access at any speed.
- Barely more than half of Californians have adopted broadband at home.
- Only half of Californians have access to broadband at speeds greater than 10 Mbps (including both upstream and downstream speeds).
- Broadband infrastructure is deployed unevenly throughout the state, from state-of-the-art to nonexistent.

Just as California has invested in other critical infrastructure such as roads, electricity, and water, the CBTF believes that the state must seize the opportunity to promote private-sector investment, leverage public/private partnerships, and lead the effort to increase broadband availability and adoption. But unlike roads, electricity, and water, California’s investment in broadband should not be limited to physical infrastructure, but instead should include policies to increase adoption of broadband technologies. Increasing both access to and use of broadband will build economic capital, strengthen public safety resources, improve living standards, expand educational and

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healthcare opportunities, and raise the levels of civic engagement and governmental transparency. In addition to growing consumer needs, business, research, government, education, library, healthcare, and community institutions require high-speed connectivity to:

- Share information;
- Promote environmentally friendly technologies such as telecommuting, video conferencing, and high-quality video collaboration;
- Provide distance-learning opportunities;
- Enable remote analysis of medical information; and
- Foster a greater civic discourse.

The CBTF recommends seven key actions to help our state achieve fast, reliable, and affordable broadband service:

1. **Build out high speed broadband infrastructure to all Californians**  
*Advancing new incentives for deployment and improving existing programs will create a world-class broadband infrastructure in California.*
2. **Develop model permitting standards and encourage collaboration among providers**  
*Developing a public-private partnership between local governments and broadband providers to endorse permitting standards will improve the speed with which broadband is deployed.*
3. **Increase the use and adoption of broadband and computer technology**  
*Expanding the opportunities for Californians to access, use, and learn broadband, at home and in the community, will provide the foundation for a digitally literate society that is able to fully benefit from broadband technology.*
4. **Engage and reward broadband innovation and research**  
*Promoting innovative uses of broadband technology and encouraging wider e-government use will result in quality-of-life improvements, while increasing demand for a robust broadband infrastructure.*
5. **Create a statewide e-health network**  
*Implementing a sustainable statewide e-health network will improve quality of care across the state and simultaneously increase demand for broadband services.*
6. **Leverage educational opportunities to increase broadband use**  
*Ensuring high-capacity broadband connections coupled with a robust technology support system, relevant curriculum, literacy standards, and off-campus educational partnerships will provide California's students with the skills they need to compete in a 21st century economy.*
7. **Continue state-level and statewide leadership**  
*Continuing the California Broadband Initiative and supporting the creation of Community Broadband Leadership Councils will strengthen the statewide leadership necessary to drive broadband access and adoption across California.*

## ***New York State Universal Broadband Access Grant Program***

December 7, 2007

### Summary of the Grant Program

Details available at: <http://www.oft.state.ny.us/oft/UniversalBroadband/overview.htm>

Broadband access to the Internet is unregulated. To ensure ubiquity, affordability and that consumer requirements are met today and sustained into the future, an open network environment must be created...where competition and consumer choice freely influence market conditions and events.

The purpose of the Grant Program is to competitively distribute:

- \$2,500,000 to facilitate increased physical access to broadband Internet services statewide
- \$2,500,000 to provide equal and universal access to broadband Internet services for underserved rural and urban areas, including schools and libraries

### Basic Grant Requirements:

- Applicants may apply for one or both appropriations.
- Applicants must provide a minimum \$1 matching commitment by private or other governmental entities for each \$1 of State grant funding applied for
- The proposed objective has to be technically feasible to accomplish and implement
- With the exception of the initial grant funding, the outcome has to be financially solvent without State resources for a minimum of five (5) years
- Successful applicants are required to provide an annual report for five (5) years including initial baseline demographics, broadband penetration and digital literacy information (if available) and detailing these same statistics to show the impact of the awarded grant on the community

### Value-added Elements:

- Comprehensive solutions submitted by community-based public/private partnerships
- Open access (service-provider/network neutral) environments promoting competition and providing consumers with choice
- Increase digital literacy in unserved and underserved urban and rural communities.
- Foster economic development within the targeted community
- Job creation through innovative community-based digital literacy and technology training programs
- Minority-owned and Women-owned Business Enterprise (M/WBE) participation

## ***Arizona Broadband Initiative and Framework: Analysis and Report***

April 2007

Excerpt from Report: Executive Summary

Report available at: <http://www.azcommerce.com/doclib/prop/originals/arizona%20broadband%20initiative%20framework.pdf>

Reliable, affordable access to high-capacity telecommunications infrastructure has become as essential as water, sewer, transportation and electricity service in creating healthy and successful communities in the 21st century. This is true for all communities, not just the urban or affluent.

Arizona's own statewide economic development planning seeks to improve prosperity and the quality of life for residents in all of Arizona's communities. This requires employment opportunities, quality education, access to healthcare and effective delivery of the broad range of public services. Robust telecommunications infrastructure underpins all of them. However, such critical infrastructure has been slow in coming to many of parts of the state. Throughout the country as well as in Arizona, the private sector has invested heavily but the industry cannot undertake an infrastructure modernization effort at the scale broadband requires by itself. Government can bridge the gap between firm industry return on investment business decisions and communities that cannot attract private investment because they are unable to demonstrate sufficient demand for a service they don't yet have.

This report examines several state and community programs from across the nation that are taking steps to improve the deployment of broadband telecommunications infrastructure to historically unserved or underserved areas. There are three general models for these programs. One scenario has seen states like Washington and Colorado act as aggregators of public sector demand for advanced telecommunications infrastructure and anchor tenants that purchase enough statewide service to create the demand required to get the private sector to invest the necessary resources to deliver capability to all parts of the state. A second scenario in states like Michigan, California, Vermont and Maine relies on strong executive leadership from the governor and seeks to expand broadband deployment through creation of a state Broadband Authority with the legal power to collect funding through state Universal Service Funds. The Authority then makes grants or loans to commercial infrastructure providers or communities. The Authority also has the power to reform the processes governing access to publicly-controlled right-of-way. The third approach that has produced significant success in Kentucky, North Carolina and Utah relies on a public-private partnership structured in the form of a state-chartered nonprofit corporation. These partnerships are then able to coordinate infrastructure expansion efforts and draw on both public and private resources.

Arizona's ability to meet its goals through a public service, anchor tenancy network may be limited. AZNet is the state of Arizona's telecommunications network infrastructure contract awarded in 2005 and extended until 2012. All state agencies and departments are required to participate in AZNet. However, other government organizations that are part of the state's purchasing cooperative have the option to participate, if they qualify. Contract terms and conditions and the opt-in provisions for other jurisdictions may limit Arizona's ability to follow

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the Colorado or Washington models and leverage state government's telecommunications needs as an anchor tenant able to influence broadband deployment in rural areas.

Whichever model Arizona chooses, the experiences of other states have shown that the choice cannot be based solely on financial considerations. Research did not identify a consistent methodology among states for hard dollar quantification of states' return on investment in this area. It does not appear that states are able to show a direct dollar-for-dollar correlation between money spent on broadband infrastructure development and money returned to the state general or other funds. It seems that where attempts are made to measure return, the attempts are done broadly and in more intangible or "soft dollar" terms. For example, successful return is assumed if additional infrastructure results in increased distance learning, telemedicine, target area economic development activity or achievement of some other public policy goal.

There are several legal, policy and program options commonly found in other states with active broadband expansion programs available to Arizona's policymakers. They include:

- Identifying, encouraging and promoting local initiative and preserving local government's authority to deploy broadband networks,
- Hiring a professional grant writer to create and coordinate broadband telecommunications grant applications,
- Inventorying broadband infrastructure and identifying priority deployment areas,
- Actively seeking public-private partnership proposals to maximize existing public infrastructure and public assets,
- Streamlining regulation and fee structures for access to public rights-of-way, either through executive order or legislation,
- Establishing a statewide broadband "champion"; and,
- Creating a broadband deployment coordinating authority or nonprofit corporation with the ability to fund and manage specific projects.

Taken individually, each of these options offers the opportunity to improve the likelihood that broadband infrastructure will become available in all of Arizona's communities. However, it is the adoption of a comprehensive program and the willingness to make telecommunications infrastructure a political and leadership priority that have been most successful in other states.

If Arizona is going to take a leadership position in this area the state must act quickly. The opportunity for states to use ubiquitous broadband deployment as a competitive differentiator is quickly passing. Soon the availability of such infrastructure will be expected, and states that have not found a way to establish it will be penalized as businesses and technology-dependent workers of tomorrow choose to locate elsewhere.