CALIFORNIA EMERGING TECHNOLOGY FUND

Mission

CONNECT ✦ COMMUNICATE ✦ COMPETE

Mobilize leadership statewide to close the Digital Divide by accelerating the deployment and adoption of broadband to unserved and underserved communities.

Ensure that California is a global leader in the availability and use of broadband technology.

FOCUS ✦ ACTION ✦ RESULTS
Established at direction of CPUC in 2005 in approving mergers of SBC-AT&T, Verizon-MCI.

AT&T and Verizon contributed $60M.

Organized in 2006; began operations in 2007.

Conducted research and fact finding.

Adopted a Strategic Action Plan.

Goal to leverage 4-fold (1:3 match - 1:3.9).

Efficient: 96% Program; 4% Support.

Significant progress is being made.
CALIFORNIA EMERGING TECHNOLOGY FUND
Overall Goals and Metrics for Success by 2017

- **Supply – Deployment**
  - Access for >98% (>512,000 HH of 768,000 Unserved HH)
  - Robust California Telehealth Network (>2,000 Sites)
  - All Tribal Lands Connected and Part of CTN

- **Demand – Adoption**
  - 80% Statewide Adoption by 2015; 90% by 2020
  - All Regions and Groups within 10 Percentage Points
  - Increased Overall Accessibility and Universal Design

- **California a Global Leader**
  - Sufficient Speeds for Innovative Emerging Consumer Uses
  - Increased Economic Productivity and Job Generation
  - Reduced Environmental Impacts – Green Benefits
5 OVERARCHING STRATEGIES

- Civic Leader Engagement
  - Rural and Urban Regional Consortia (Demand Aggregation)
  - Local and Regional Governments

- Venture Philanthropy Grantmaking
  - Partner with Trusted Messengers, Honest Brokers
  - Build Capacity, Promote Collaboration

- Public Policy Initiatives
  - Education: Digital Literacy Executive Order – School2Home
  - Health: California Telehealth Network
  - Communities: Smart Housing and Smart Infrastructure

- Public Awareness and Education: Get Connected!

- Strategic Partnerships
Civic Leadership Engagement
Regional Consortia

Rural Regional Consortia
- Redwood Coast Connect
- Northeastern California Connect Consortium
- Upstate California Connect Consortium
- Connected Capital Area Broadband Consortium
- Gold Country Broadband Consortium
- East Bay Broadband Consortium
- Central Sierra Connect
- Central Coast Broadband Consortium
- San Joaquin Valley Regional Broadband Consortium
- Eastern Sierra Connect Regional Broadband Consortium
- Los Angeles County Regional Broadband Consortium
- Inland Empire Region Broadband Consortium
- San Diego Imperial Regional Broadband Consortium

Grant Impact
3 Priority Consumer Communities

- Rural and Remote Areas
- Urban Disadvantaged Neighborhoods
- People with Disabilities

$23M Granted to > 60 Organizations ("CETF 1.0")

- $87.7M in Match Funds – Achieving 1:3.9 Leverage
- Specific Deliverables and Measurable Outcomes (144% To Date)
- Quarterly Reports, Annual Reviews, Collaboration (Capacity Up)

Received 2 NTIA Grants for 19 CBOs ("CETF 2.0")

- $14.3M NTIA, $2.6M CETF, $3.4M Partner Match
- Builds on CETF Investments: Partners and Get Connected!

Strategic Partnerships – Integrated Efforts ("CETF 3.0")

- $10M Uncommitted Seed Capital – Neighborhood Transformation
- School2Home, Get Connected!, Public Policy
PUBLIC AWARENESS AND EDUCATION: Get Connected!

- Web Portal: 4 Languages
- TV and Radio Ads
- Community Connect Fairs
- Local Resolutions
- Club Digital (La Opinion)
PUBLIC AWARENESS AND EDUCATION
Get Connected! Community Connect Fair

MacArthur Park July 25, 2009
CALIFORNIA EMERGING TECHNOLOGY FUND

WHAT ARE THE RESULTS?

- Deployment
- Adoption
- Major Accomplishments
Infrastructure Deployment in California

California Broadband Deployment

100% Access

CETF 2007 PROJECTED UNSERVED CALIFORNIA
Based on 2007 California Broadband Task Force and Mapping by Regional Consortia

- 94% Households with Access
- 768,000 Households - 2.2 M People Unserved

CETF Goal: Achieve > 98% Access (Provide Access >512,000 unserved Households)

Unserved Households Provided Access

- 94%
- 98%

Year

NEW ACCESS HH REACHED

ISP Expansion HH

CASF v2 + HH

CASF v1 + BIP

USDA RUS CC

CASF v1 + BTOP

BIP

Private ISP

>512,082 HOUSEHOLDS to be PROVIDED ACCESS

Based on Regional Consortia Mapping and 2007 California Broadband Task Force Report

2011

3,038 connected of 274,128 Households Projected

25 DEPLOYMENT PROJECTS APPROVED

>98%
### Progress in Closing the Digital Divide in California

**PPIC-CETF-ZeroDivide 2011 Statewide Survey**

<table>
<thead>
<tr>
<th></th>
<th>Internet Use 2008</th>
<th>Internet Use 2011</th>
<th>Broadband at Home 2008</th>
<th>Broadband at Home 2011</th>
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<tbody>
<tr>
<td>All Californians</td>
<td>70%</td>
<td>84%</td>
<td>55%</td>
<td>72%</td>
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<tr>
<td>Under $40,000 AHI</td>
<td>49%</td>
<td>72%</td>
<td>33%</td>
<td>58%</td>
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<tr>
<td>Latinos</td>
<td>48%</td>
<td>70%</td>
<td>34%</td>
<td>55%</td>
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<tr>
<td>With Disability</td>
<td>57%</td>
<td>67%</td>
<td>36%</td>
<td>49%</td>
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<tr>
<td>Los Angeles</td>
<td>61%</td>
<td>79%</td>
<td>48%</td>
<td>68%</td>
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<tr>
<td>Rural</td>
<td>63%</td>
<td>81%</td>
<td>51%</td>
<td>69%</td>
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2011 Statewide Survey Results

California Broadband Adoption

Goal: 90% Overall Adoption by 2020

Goal: 80% Overall Adoption by 2015

Goal 80% Overall 10% Points Ahead of Nation

All Groups Within 10% Points of Overall Adoption

Adoption Population Percentage

Year 07 08 09 10 11 12 13 14 15 16 17 18 19 20

33% 34% 36% 40% 49% 50% 51% 55% 58% 62% 69% 70% 72% 100%

- California Overall Goal
- Rural Households
- People with Disabilities
- Low-Income Households
- Latino Households

Actual
Projected
2011 Statewide Survey Results

California Broadband Adoption

- 2008
- 2011
- 2015 Goal
- All Groups Within 10% Points of Overall Adoption

Bar chart showing broadband adoption rates:
- Low-Income Households: 33% in 2008, 58% in 2011
- Latino Households: 34% in 2008, 55% in 2011
- People with Disabilities: 36% in 2008, 49% in 2011
- Rural Households: 51% in 2008, 69% in 2011

2010 survey
2011 Statewide Survey Results

California Broadband Adoption

Goal: 90% Overall Adoption by 2020

Goal: 80% Overall Adoption by 2015

10% Points Ahead of Nation

All Regions within 10% Points of Overall Adoption

Bay Area
Orange - San Diego
California Overall Goal
Inland Empire
Los Angeles
Central Valley

Goal 80% Overall

Year
07 08 09 10 11 12 13 14 15 16 17 18 19 20

Adoption Population Percentage
100%
90%
80%
70%
60%
50%
40%

56%
55%
53%
48%
62%
64%
66%
68%
70%
72%
75%
76%
78%
79%
80%
82%
85%
90%
100%
2011 Statewide Survey Results

California Broadband Adoption

- **2008**
- **2011**
- **2015 Goal**

All Regions Within 10% Points of Overall Adoption

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2011</th>
<th>2015 Goal</th>
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<tbody>
<tr>
<td>Los Angeles</td>
<td>48%</td>
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<td>Bay Area</td>
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<td>78%</td>
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<td>Central Valley</td>
<td>53%</td>
<td>70%</td>
<td></td>
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<tr>
<td>Orange - San Diego</td>
<td>56%</td>
<td>58%</td>
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</tr>
<tr>
<td>Inland Empire</td>
<td>66%</td>
<td>66%</td>
<td></td>
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California and U.S. Broadband Adoption

California Broadband Adoption Exceeding National Rate

California Broadband Adoption

- U.S. (PEW Internet and American Life May 2011)
- California (PPIC-CETF-ZeroDivide Annual Survey June 2011)
The Average Upload Speed in California is .9 megabits per second
46 Percent of California Households Have Internet Speeds that are Below Minimum National Standards

Source: CWA Speedmatters.org - November 2010
CETF MAJOR RESULTS TO DATE

- Developed Strategic Action Plan that Framed California’s Game Plan with Focus on Results
- Established Outcomes and Metrics for Success
- Engaged Civic Leaders and Community Partners Throughout California – Platform for Action
- Achieving Seed Capital Leverage and Efficiency
- Making Progress on Deployment and Adoption to Close the Digital Divide
- Advancing California as a National Leader
- Restoring California as Globally Competitive