



# ASSEMBLY UTILITIES AND COMMERCE COMMITTEE March 8, 2010

# CETF 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.**



# **Economic Benefits of Broadband Foundation for 21<sup>st</sup> Century Competitiveness**

- California ranks 10<sup>th</sup> globally (OECD – U.S. 15<sup>th</sup>).
- U.S. economic productivity gains \$28B in 2005 (estimated \$860B over next decade).
- DOC found broadband increases employment by 1%-\$1.4% and rental value by 6%.
- Broadband could reduce GHG 1.1 B tons (10y).
- eCommerce generates 36% less air pollutants, 23% less hazardous waste, 9% less GHG.

# Sacramento Regional Research Institute

- Broadband contributed 198,000 jobs and \$11.6B to California economy 2002-2005.
- California: 1.8M jobs and \$132B payroll over next decade (strong growth scenario).
- Sacramento MSA: 114,000 jobs and \$8B payroll over next decade.
- Yuba MSA: 5,000 jobs and \$270M payroll over next decade .
- (Above Baseline)

# CATEGORIES OF STRATEGIC ACTION

- **Civic Leadership Engagement**
  - Rural Regional Consortia and Urban Regional Collaboratives
  - Community Leader Engagement as Broadband Champions
- **Venture Philanthropy Grantmaking**
  - Partner with Trusted Messengers, Honest Brokers
  - Build Capacity, Promote Collaboration
- **Public Policy Promulgation**
  - Digital Literacy – School2Home
  - Telehealth – Telemedicine – Health IT
  - Smart Housing – Smart Infrastructure and Growth
- **Public Awareness and Education Program**
- **Strategic Partnerships**

# MAJOR POLICY INITIATIVES

- **Digital Literacy**
  - Official State Policy
  - School2Home
- **Telehealth and Telemedicine**
  - California Telehealth Network (CTN)
- **Smart Housing**
- **Smart Infrastructure**
  - Integrated Infrastructure Construction
  - Wireless Comparative Analysis and Education Project
- **Smart Land Use Policies**
  - Model Land use Policies and Ordinances
  - Green Benefits of Broadband

# California Emerging Technology Fund

## Overall Goals and Metrics for Success by 2017

- **Supply – Deployment**
  - Access for 98% (>250,000 HH of 500,000 Unserved HH)
  - Robust California Telehealth Network (>2,000 Sites)
  - All Tribal Lands Connected and Part of CTN
- **Demand – Adoption**
  - California Ahead of Nation - Goal 80%
  - All Regions and Groups within 10 Percentage Points
  - Low-Income and Latino HH and PWD >70%
- **California Among Top 3 in World**
  - Access (Supply), Adoption (Demand), Sufficient Speed
  - Increased Economic Productivity and Green Benefits
  - Major Initiatives Completed: Digital Literacy, S2H, Housing
  - Increased Subscription (beyond current trends)

# CALIFORNIA'S DIGITAL DIVIDE

## PPIC-CETF-ZeroDivide Statewide Survey

	Internet Use		Broadband at Home	
	2008	2009	2008	2009
<b>All Californians</b>	<b>70%</b>	<b>76%</b>	<b>55%</b>	<b>62%</b>
<b>Under \$40,000 AHI</b>	<b>49%</b>	<b>58%</b>	<b>33%</b>	<b>40%</b>
<b>Latinos</b>	<b>48%</b>	<b>53%</b>	<b>34%</b>	<b>39%</b>
<b>With Disability</b>	<b>57%</b>	<b>60%</b>	<b>36%</b>	<b>47%</b>
<b>Los Angeles</b>	<b>61%</b>	<b>71%</b>	<b>48%</b>	<b>58%</b>
<b>Rural</b>	<b>63%</b>	<b>77%</b>	<b>51%</b>	<b>59%</b>



# CALIFORNIA IS KEY TO CLOSING THE DIGITAL DIVIDE IN AMERICA

**Kentucky**

44,000 Square Miles

Unserved

**Maine**

1.4 M Rural Residents  
without Access

**Illinois**

12.9 M Urban Residents  
Not Connected

**New Mexico**

1.9 M People with Disabilities

**Alaska**

.68 M Native Americans

The Digital Divide in California is the equivalent of having an Illinois, New Mexico, Maine, Kentucky and Alaska all inside the state.

# CETF Civic Leadership Engagement

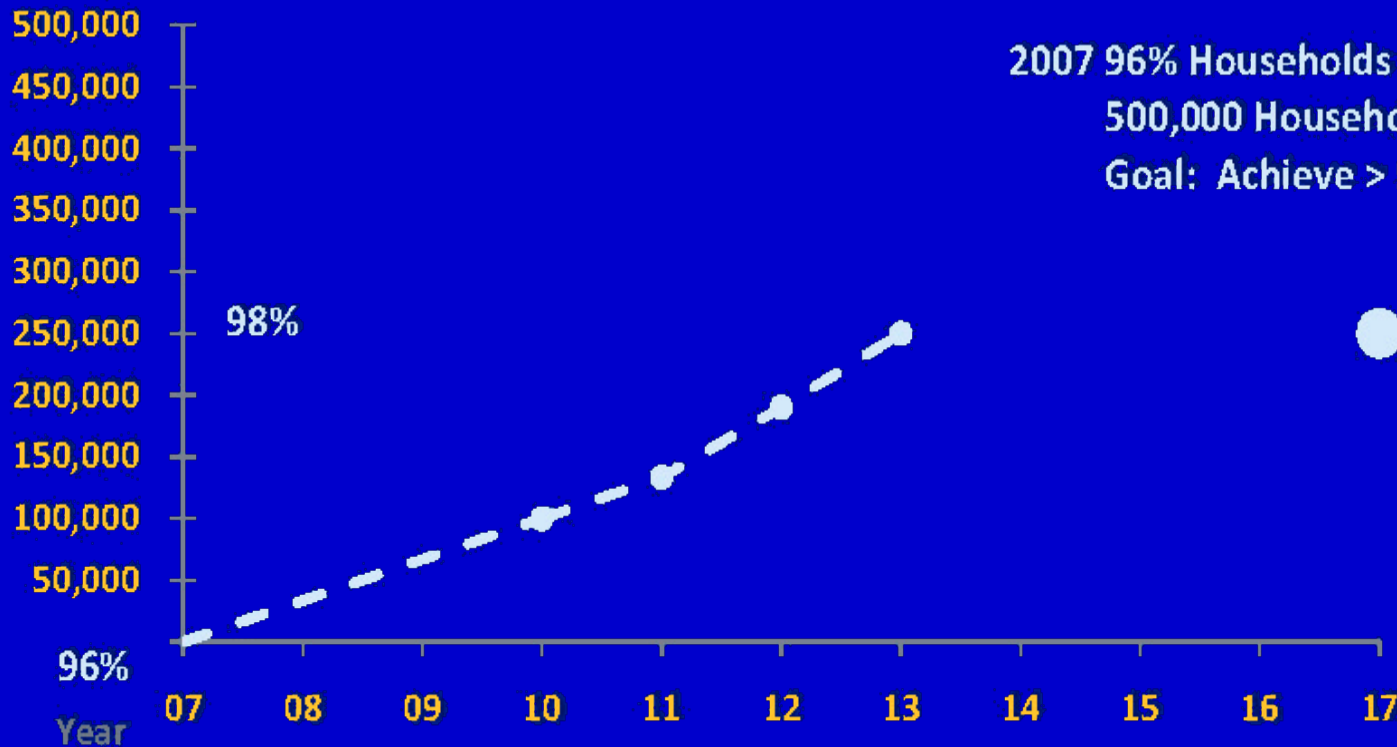
## Rural Regional Consortia and Urban Collaboratives



# Broadband Deployment in California

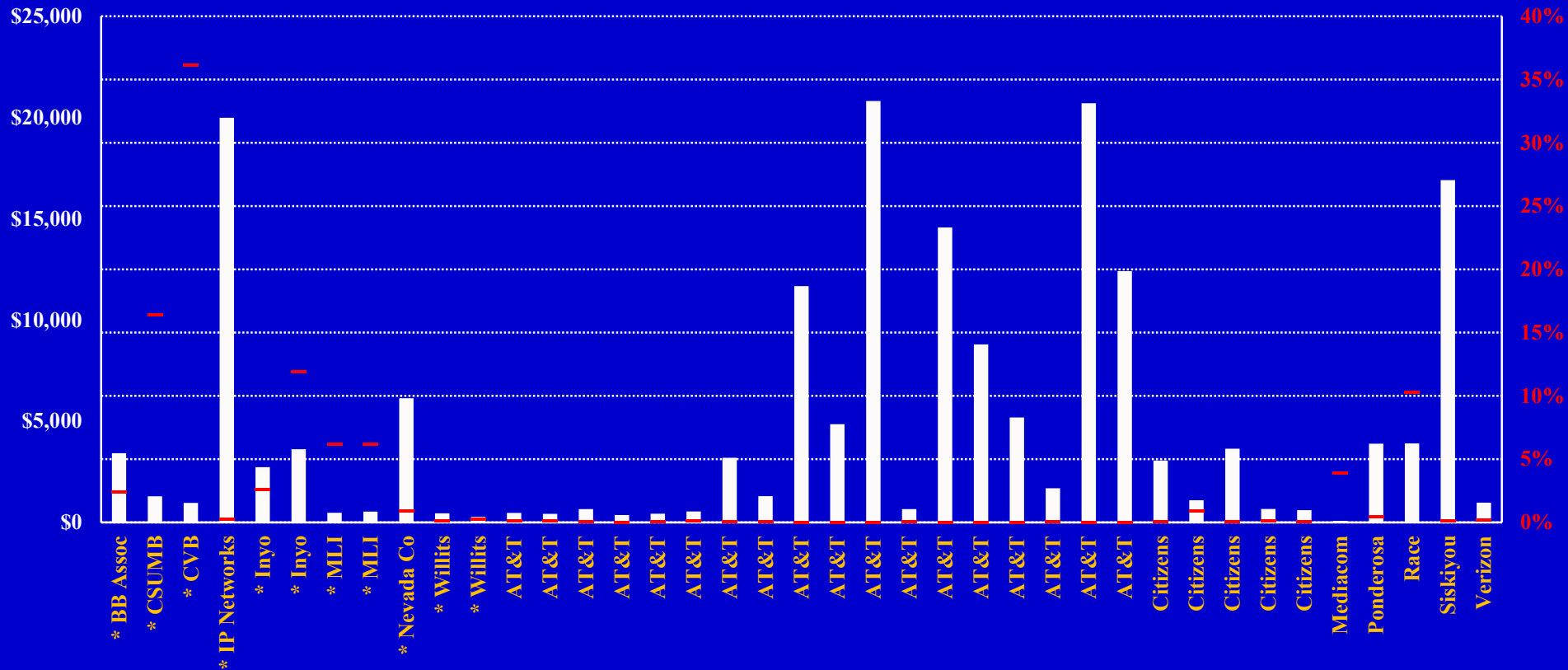
Unserved  
Households  
Connected

% Access  
100%



# Relationship of CETF Rural Regional Consortia to CASF-ARRA Deployment Projects

## Approved CPUC CASF Proposal Summary



\* Applicant was a CETF Regional Rural Consortium participant or had direct CETF guidance.

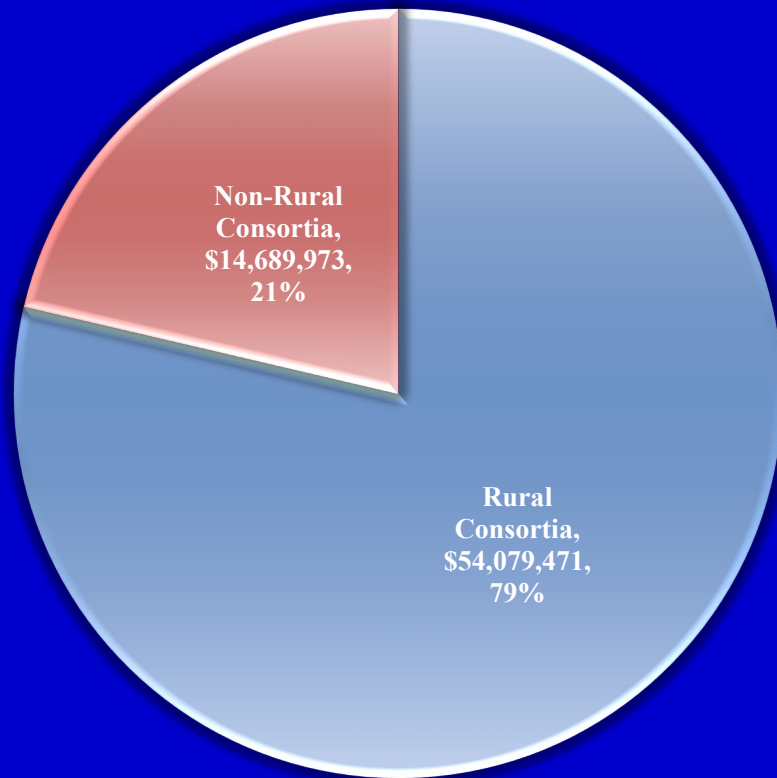
■ Cost per Household by CASF Proposal

— % of Overall CASF Households Connected by Proposal

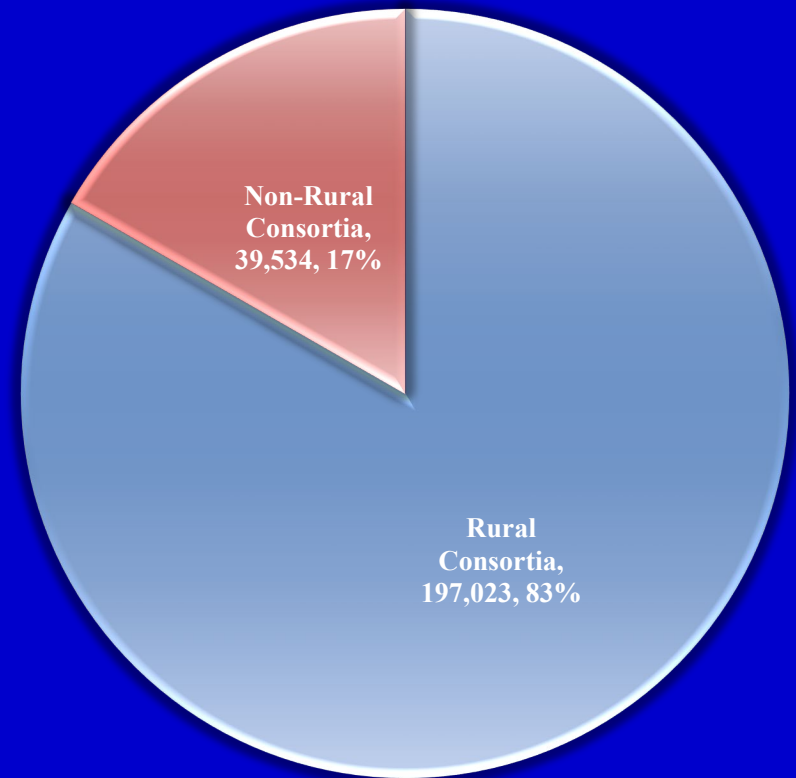


# Relationship of CETF Rural Regional Consortia to CASF-ARRA Deployment Projects

CPUC CASF Funded Awards by Dollars



CPUC CASF Funded Awards by Households



# California Broadband Deployment Job Impacts

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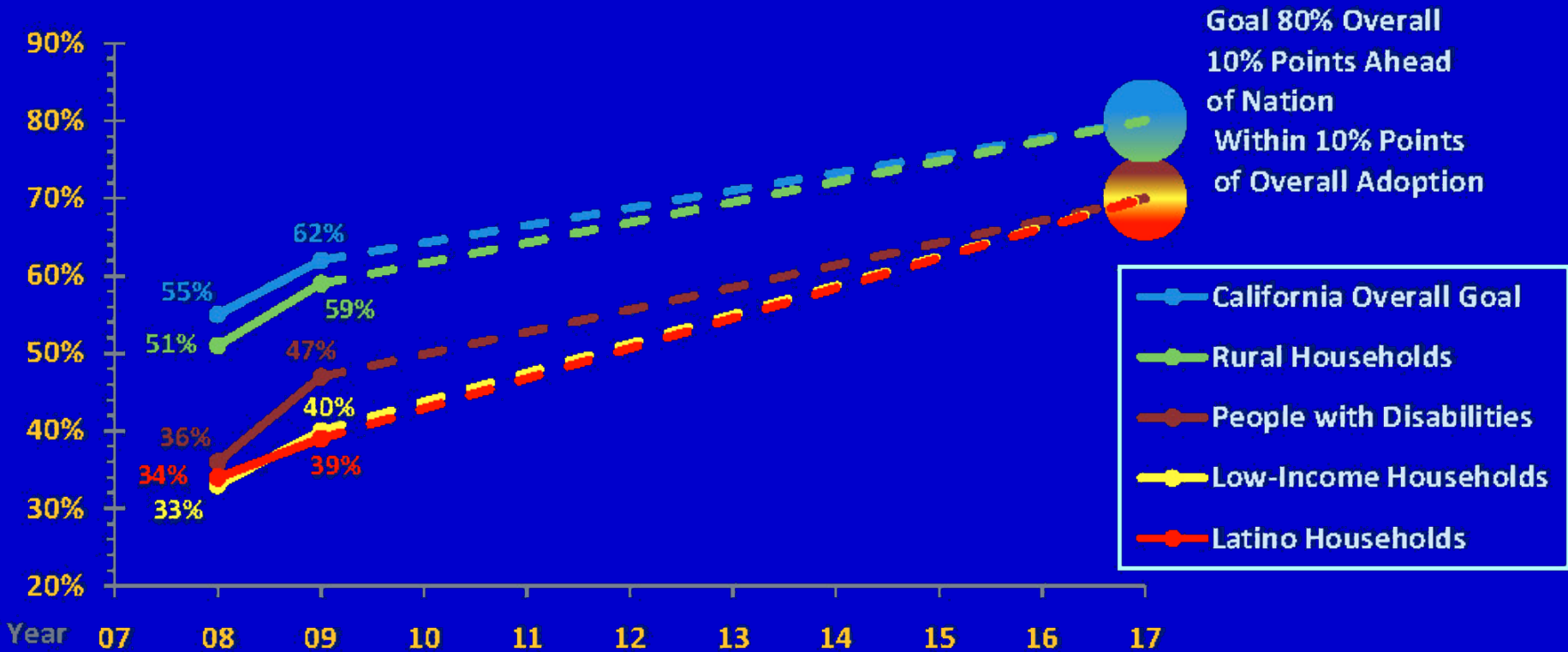
- For every \$524,000 in federal government funding requested (grant + loan), 1 direct full-time job is generated.
- Assuming all pending applications are approved, of 6,160 jobs for all projects with work in state, about 1,915 jobs will be located in California.

(Based on average of a sample of 25 California and multi-state projects.)

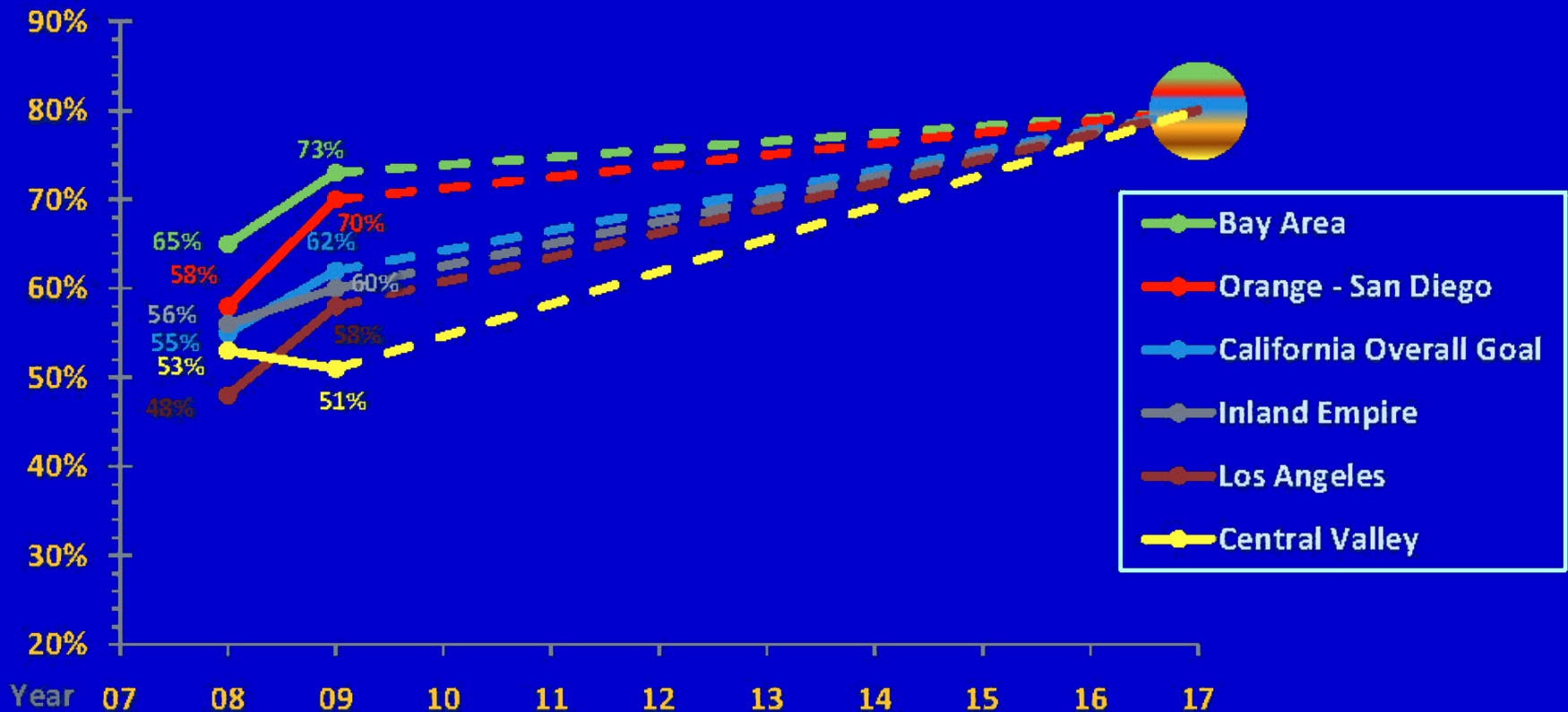


Adoption  
Population  
Percentage

# Broadband Adoption in California



# Broadband Adoption in California Regions





# MOST CALIFORNIA RESIDENTS HAVE SLOW SPEED

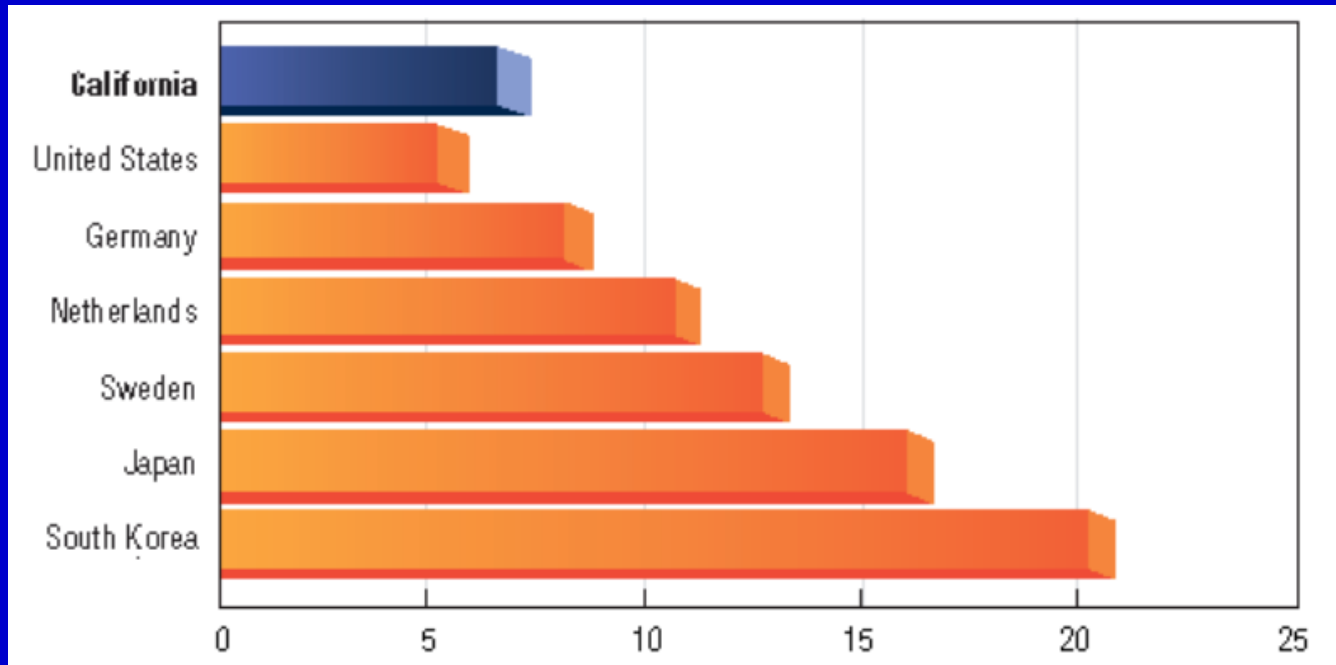
<u>DOWNLOAD SPEED RANGE</u>	<u>% OF CALIFORNIA</u>
Less than 768 kbps	14%
768 kbps to 6 mbps	55%
6 to 10 mbps	10%
10 to 25 mbps	17%
Greater than 25 mbps	3%

Source: CWA Speedmatters.org



# CALIFORNIA QUICK STATS

## *Average Download Speed 2009*



*(megabits per second)*

**The Average Upload Speed in California is 1.3 mbps.**

# 3 "ES" OF SUSTAINABLE GROWTH

## Framework for Action

**Grow the Economy, Clean Up the Environment, and Share Both Opportunities with More People**

- Build World class Transportation System
- Expand Research and Innovation
- Ensure Housing Affordable for All
- Provide Reliable and Safe Water Supply
- Ensure Sufficient Energy Generation
- Prepare Workforce for 21<sup>st</sup> Century Skills
- Achieve K-16 Education Excellence
- Support Comparative-Advantage Industries
- Assist Small Business
- Reform Government and Empower People



- Advance Conservation Ethic
- Stop Climate Change
- Promote Smart Growth
- Build Public Transit
- Accelerate Clean Energy
- Ensure Clean Air
- Restore Delta Ecosystem
- Protect Natural Resources
- Preserve Valuable Habitat
- Grow Green Jobs

- Improve K-12 Education
- Expand Higher Education
- Generate Good Jobs for All
- Promote Self Sufficiency
- Reform Health Care
- Close Digital Divide
- Build Telehealth Network
- Reduce Crime and Violence
- Tackle Poverty: CCII
- Engage More Volunteers

# Broadband : Essential 21<sup>st</sup> Infrastructure

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- Broadband increases economic productivity and attracts capital investment to generate jobs.
- State leadership and focus has advanced broadband deployment and adoption.
- Broadband is a green strategy that saves time and money for consumers.
- CETF welcomes the opportunity to work with the Legislature and Administration to meet the goals to close the Digital Divide in California.