



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
August 16, 2011

Honorable Members of the
Law and Legislation Committee

Title: Letter of Endorsement – Sacramento Regional Broadband Consortium

Location/Council District: Citywide

Recommendation: Provide Letter of Endorsement to Valley Vision in support of the Sacramento Regional Broadband Consortium's Application to the California Public Utilities Commission (CPUC) Seeking Funding for Regional Broadband Initiatives

Contact: Dean Peckham, Senior Project Manager, 916 808-7063

Presenters: Dean Peckham, Senior Project Manager

Department: Economic Development

Division: Citywide

Organization No: 18001031

Description/Analysis

Issue: Between 2004 and 2009 the City of Sacramento pursued the deployment of wi fi technologies for the purpose of providing high quality telecommunications access to all residents and businesses of the City of Sacramento. These activities did not come to fruition due to the fact that citywide wi fi could not pay for itself. Nevertheless, the City Council directed staff to remain engaged in the deployment of broadband, with the goal of bridging the digital divide which still affects certain socio-economic subgroups within the City.

For the past two years City Economic Development staff has participated in regional broadband discussions, with Valley Vision serving as the umbrella body for the Sacramento Regional Broadband Consortium.

Broadband - high-speed internet access - is considered an essential 21st Century infrastructure for economic competitiveness and high quality of life. Yet, despite California's leadership in the creation and adoption of communications and information technologies, many gaps exist in both infrastructure and access to the uses of these important technologies, resulting in a persistent "Digital

Divide.” Through Senate Bill 1040, funding will be available to support one Rural and Urban Regional Broadband Consortia per geographic region to promote and support regionally appropriate and cost-effective broadband deployment, access and adoption activities within a region.

Valley Vision is preparing an application with the intent of being selected to serve as the host agency for a Sacramento Regional Broadband Consortium. With funding now available through the California Advanced Services Fund’s (CASF’s) new Rural and Urban Regional Broadband Consortia Account, the collaborative work and efforts already underway to bridge the “Digital Divide” in the Capital Area can be advanced.

The Sacramento Regional Broadband Consortium will pursue revolving loan and grant funds through the CASF for the purposes of capital infrastructure deployment, investment leverage for future funding, and the development of long-term strategies to support broadband deployment to bridge the digital divide throughout the Sacramento Region.

Policy Considerations: Broadband is a necessity for California’s future global competitiveness – it is considered an essential 21st Century Infrastructure for economic competitiveness and high quality of life.

The deployment of broadband is one of the Council’s Strategic Plan goals to expand economic development throughout the City. Support for the Sacramento Regional Broadband Consortium’s application will enable the City to effectively position itself within the region to benefit from future broadband investments, especially in the underserved neighborhoods.

Support for the application will also benefit existing and future investment in our primary and secondary schools, our region’s strong healthcare industry, and provide the focus to ensure that all residents of the City of Sacramento benefit from the deployment and availability of broadband infrastructure.

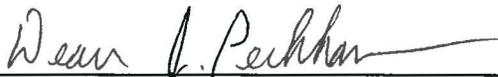
Environmental Considerations: The proposed action is not a ‘project’ in accordance with Section 1 5378 of the California Environmental Quality Act Guidelines. The proposal does not have a potential for resulting in either direct or indirect physical changes in the environment. Therefore, as determined by the City’s Environmental Services Planning Manager, no environmental review is necessary.

Committee/Commission Action: None.

Rationale for Recommendation: The letter of support for the Sacramento Regional Broadband Consortium’s application to the CA PUC will support the City’s strategic plan goal to expand economic development throughout the City and provide a high quality of life for Sacramento’s residents.

Financial Considerations: None

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 
Dean J. Peckham, Senior Project Manager

Approved by: 
Jim Rinehart, Economic Development Director

Recommendation Approved:


WILLIAM H. EDGAR
Interim City Manager

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Connected Capital Area Broadband Consortium

a regional broadband strategy for California's Capital area

FACT SHEET

Background

- Despite California's leadership in the creation and adoption of communications and information technologies, many gaps exist in both infrastructure and access to the uses of these important technologies, resulting in a persistent "Digital Divide."
- These infrastructure gaps are present in all regions of California, especially in rural or less urbanized areas, and access and adoption gaps are present in communities throughout the State, especially related to socio-economic, age and cultural factors.
- Closing these gaps requires a systematic and strategic approach to broadband access and investment that a multi-party collaborative, regional-scale approach can provide.

About SB 1040:

- Senate Bill 1040 was signed into law on Sep 25, 2010 and went into effect immediately.
- SB 1040 expands the California Advanced Services Fund (CASF) administered by the California Public Utilities Commission (CPUC) by \$125 million to create two new programs: a revolving loan fund for capital infrastructure, and the **Rural and Urban Regional Broadband Consortia Account**, which provides grant funds to eligible consortia to cover the cost of deployment activities other than the capital costs of facilities.
- It authorizes an additional \$125 million to be collected as a surcharge over five years and to be awarded for broadband projects and ensures that the CASF can fund applications for ARRA matching grants and other projects to bring broadband to all corners of the state.
- Through Senate Bill 1040, funding will be available to support one Rural and Urban Regional Broadband Consortia per geographic region to promote and support regionally appropriate and cost-effective broadband deployment, access and adoption activities within a region.

Why Broadband Access Throughout California is Important:

- Broadband is a necessity for California's future global competitiveness—it is considered an essential 21st Century infrastructure for economic competitiveness and high quality of life.

- Most Americans consider access to the internet as a public utility, not a luxury.*
- A large majority of Californians say people without broadband connections are at a major (62%) or minor (20%) disadvantage when it comes to finding information about job opportunities, health resources or gaining new career skills.*
- Currently, 16 percent of Californians do not use the Internet, down from 24 percent in 2009.* Those without access, mostly in rural areas or among certain ethnic groups, are unable to utilize online sources to pay bills, apply for school, sign up for news, resources or emergency response notifications, or conduct research on health issues or employment opportunities.
- Broadband saves consumers time and money, increases productivity in the economy, and reduces impacts on the environment.

Why support the “Connected Capital Area” Broadband Consortium?

- With staff support from Valley Vision, the stakeholders interested in a broadband regional consortium released a “Business Plan” in October 2010 outlining an initial proposal of how the consortium will function. Over 100 people have already participated in activities hosted by Valley Vision, representing 70 organizations.
- With this strong foundation in place, Valley Vision is well-positioned to coordinate strategic efforts to improve broadband infrastructure, access and adoption in the four-county Sacramento Region, but needs business and political support to maximize chances of being awarded SB 1040 funding.
- As the California Public Utilities Commission reviews applications for funding from regions around the state, our region will benefit from the work already conducted, as well as from many existing assets, including a strong telehealth network, smart grid infrastructure, a reputable university system and an existing rural-urban connection strategy.
- Should Valley Vision be selected to serve as the host agency for a Sacramento Regional Broadband Consortium and recipient of SB 1040 funding, our region can leverage that investment and will be better situated for future funding phases, specifically new investment opportunities from the CUPC’s revolving loan fund for capital infrastructure.

Requested Actions:

Valley Vision is currently preparing an application with intent of being selected to serve as the host agency for a Sacramento Regional Broadband Consortium and recipient of SB 1040 funding.

The CPUC grant application requires evidence of broad and diverse public-private support through consortium membership and letters of endorsement. To help increase the likelihood of selection, support is sought in these ways:

1. **Become a member of the Consortium** - a broad and diverse representation of stakeholders is sought to enhance the quality of our work.
2. **Endorsement of Valley Vision** to serve as the host agency coordinating a public-private partnership (a.k.a. regional consortium) that identifies and aligns strategic broadband investments in the four-county Sacramento Region (Sacramento, Sutter, Yolo and Yuba Counties) aimed at improving broadband infrastructure, access and adoption.

What will be expected of the Broadband Regional Consortium members?

Members will be expected to support the mission “to identify and coordinate strategic broadband investments in the four-county Sacramento region aimed at improving broadband infrastructure, access and adoption.” Membership secures a voice and representation in the process of developing a regional broadband strategy.

Membership is free and provides the opportunity to engage in one or more of the following activities:

- Participate in regional coalition-building meetings and efforts;
- Engage with resource planning – such as participating on the Infrastructure Deployment Team by analyzing gaps in broadband coverage and adoption, evaluating potential solutions, and developing and maintaining a prioritized list of projects to close the “digital divide” in the Sacramento Region;
- Support advocacy and systems change efforts by co-developing policy positions and advocating at the federal, state, regional and local levels on behalf of the Regional Consortium;
- Participate on the Adoption and Digital Literacy Team to support development and implementation of education and outreach efforts to communicate the multiple benefits of broadband and overcome barriers; and/or
- Provide a point of contact for your organization to inform project work, offer advice and disseminate information to constituents and clients.

Attachment 2

August 16, 2011

CPUC Communications Division
Attn: CASF Consortia Grant Account
505 Van Ness Ave., Third Floor
San Francisco, CA 94102

Re: Endorsement of a Regional Broadband Consortium in the Sacramento Region

To Whom It May Concern:

As business, government and nonprofit leaders of the greater Sacramento region we submit this joint letter to express our support of Valley Vision to serve as the host agency coordinating a Regional Broadband Consortium for the four-county Sacramento Region (Sacramento, Sutter, Yolo and Yuba Counties) to close gaps and leverage opportunities aimed at increasing broadband deployment, access and adoption.

Broadband – high-speed internet access - is considered an essential 21st Century infrastructure for economic competitiveness and high quality of life. Yet, despite California’s leadership in the creation and adoption of communications and information technologies, many gaps exist in both infrastructure and access to the uses of these important technologies, resulting in a persistent “Digital Divide” well evident in our region. While these infrastructure gaps are present in all regions of California, within the four-counties of the Sacramento region there exists sizeable pockets of rural or less urbanized areas, and access and adoption gaps are present in these communities, especially related to socio-economic, age and cultural factors. Closing these gaps requires a systematic and strategic approach to broadband access and investment that a multi-party collaborative, regional-scale approach can provide.

Valley Vision has managed on average 10-12 regional-scale collaborative projects annually since founded in 1994. Over the last five years, Valley Vision has successfully drawn on extensive first-hand experience from creating and managing more than 60 major community-change projects that have had a positive impact upon the business climate, environmental sustainability, and bettering the lives of the 2.1 million people who live in the Sacramento Region.

In fact, Valley Vision along with multiple stakeholders interested in developing a broadband regional consortium have already laid a foundation and applied much work in this area. A Sacramento Regional Broadband Consortium was formed in 2009 which released a “Business Plan” in October 2010 outlining an initial proposal of objectives and function. Over 100 people have participated in activities hosted by Valley Vision, representing 70 organizations.

The mission of the Sacramento Regional Broadband Consortium is “to identify and coordinate strategic broadband investments in the Sacramento Region aimed at improving broadband infrastructure, access and adoption.”

With the degree of work and accomplishment already achieved thus far, a committed Consortium comprised of public and private stakeholders, a community already focused and energized and Valley Vision's distinguished expertise and reputable leadership, we the undersigned fully endorse the selection of Valley Vision to serve as the host agency coordinating a Regional Broadband Consortium.

Thank you for your consideration.

Sincerely,

Jay Schenirer, Chair
Law and Legislation Committee

cc: Mayor Kevin Johnson and Members of Sacramento City Council