



## ECONOMIC DEVELOPMENT

**Team Leaders:** Jim Alves, SMUD, [jim.alves@smud.org](mailto:jim.alves@smud.org)  
Darrell Doan, City of Elk Grove, [ddoan@elkgrovecity.org](mailto:ddoan@elkgrovecity.org)  
Trish Kelly, Valley Vision, [trish.kelly@valleyvision.org](mailto:trish.kelly@valleyvision.org)

**Issue Expert:** Trish Kelly, Valley Vision, [trish.kelly@valleyvision.org](mailto:trish.kelly@valleyvision.org)

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## BROADBAND INFRASTRUCTURE AND DIGITAL INCLUSION

### Business Nexus

Greater Sacramento Region leaders have documented the disproportionate impacts of the Digital Divide across all areas of the region, including unserved rural and underserved urban households, agricultural operations, and small businesses in urban, rural and suburban areas. The pandemic has exposed systemic, digital disparities for students, families, workers, businesses, and institutions forced into remote work and learning environments, hampering equitable access to health care, essential services, civic life, and public safety. The achievement gap is growing at all levels of education and will affect our future workforce as well. The Digital Divide will continue to reinforce racial inequities and impair access to essential community resources, which are needed to ensure an equitable and inclusive future for our underserved communities. Digital Equity is a foundation for the region's Prosperity Strategy (the region's Comprehensive Economic Development Strategy – CEDS – designated by the EDA). Historically, the region has not benefitted from federal broadband funding resources, especially from USDA, due to skewed eligibility standards (such as rural definition), or inaccurate federal mapping.

A strong predictor of economic opportunity is access to reliable, accessible Internet. The Digital Divide among small and minority-owned businesses, especially in economically challenged neighborhoods, suffering from lack of efficient, affordable broadband infrastructure, technology, and tools, was exacerbated during the pandemic. Workers are experiencing significant gaps in digital skills and literacy required for the new realities of remote/hybrid work and acceleration of technology in the workplace. In addition, given the region's national and global prominence as an agricultural leader, the lack of access to rural broadband greatly constrains the ability of farmers, producers, and the food and agricultural economy to adopt innovative ag technologies that are being generated by the University of California, Davis and the region's ag tech entrepreneurs. These technologies are imperative to sustain the cluster's competitive advantage, including more sustainable use of resources, especially given the impacts of climate change (droughts, fires, etc.).

## Requested Action

- Congress should support broadband legislation, including the U.S. Infrastructure Investment and Jobs Act with a \$65 billion set aside for broadband infrastructure and digital inclusion (The Digital Equity Act).
- Congress should make the Emergency Broadband Benefit Program permanent, while updating it to simplify the enrollment process, ensure that all Internet plans are eligible for the benefit, that data protection measures are included, and that the benefit is incorporated into current programs, such as the Workforce Innovation and Opportunity Act (WIOA), and made available to residents of affordable/assisted housing.
- Local governments should be able to apply for funds to create/improve GIS mapping with all street data included.
- Integrate digital inclusion into all federal programs; establish effective programs to assure affordable broadband access for all; promote and support public private partnership models; and award funding to community's commitment to rapid deployment.

## Brief Background

Securing 21st century broadband infrastructure and resources for equitable access and adoption of this critical 21st century necessity is a high priority for regional and community leaders. It is a core foundation of the Greater Sacramento Region Prosperity Strategy), including for joint use/dig once transportation and broadband infrastructure projects and for digital skills and literacy. The Brookings Institution identified the region as deficient in both areas, including that the region has a majority of minority young adults who have lagging levels of digital literacy, and that many jobs require some level of digital proficiency. Employers have identified the increasing need for digital skills across all industries, and current gaps, especially as the pandemic has accelerated the impact of automation, artificial intelligence, and other technologies in the workplace.

As part of our economic development efforts, the Sacramento Region needs to expand access to high-speed, reliable, affordable Internet for underserved communities and prepare our digital infrastructure for the next generation of technologies, including 5G, to help create the area as a “smart region.”

The Connected Capital Area Broadband Consortium (CCABC) estimated the cost of connecting all defined unserved households across the six-county region, at 25/3Mbps of speed, at almost \$500 million, and the initial estimated cost to connect unserved business and agricultural locations (defined as meeting business broadband standards at 100/20Mbps) at more than \$560 million. These investments would support economic recovery and revitalization; help leverage the opportunities for precision agriculture and agrifood tech for environmental sustainability and productivity (a rapidly growing field, estimated at over \$6 billion in North America in 2021); and provide enabling technology

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for development of the Future Mobility Cluster Initiative through support of electric vehicle charging infrastructure, autonomous vehicles, the Smart Grid and so forth.

Adoption of federal joint-use dig/once/dig smart policies would greatly improve the opportunity for implementation of the region's \$35 billion 20-year Metropolitan Transportation Plan to achieve broadband connectivity priorities, increase mobility options and help reduce greenhouse gas emissions. Broadband investments would also enable the region to be better prepared for disaster preparedness, response, and recovery.

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*For additional information, please contact Director of Public Policy, Brandon Black at  
/ (916) 321-9113 | [bblack@metrochamber.org](mailto:bblack@metrochamber.org) | [www.metrochamber.org](http://www.metrochamber.org)*