ECONOMIC DEVELOPMENT

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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: thousands of unserved rural and underserved urban households; agricultural operations; small, minority-owned, and economically disadvantaged businesses; and businesses in older downtowns and commercial/industrial areas. The pandemic exposed systemic digital disparities for students, families, workers, businesses, and anchor institutions dealing with remote and hybrid work and learning environments, hampering equitable access to education, health care, essential services, civic life, and public safety. The achievement gap is growing at all levels of education and will affect future workforces. Affordable access to devices and the Internet is needed.

A strong predictor of economic opportunity is access to reliable internet. Workers are experiencing significant gaps in digital skills and literacy required for the new realities of remote/hybrid work and the acceleration of technology in the workplace. Despite 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 and resilience using sustainable resources. This includes the increasing impacts of climate change, multi-year drought, and catastrophic fires, elevating the need and availability of growing technologies.

Historically, the region has not benefitted from federal broadband funding resources, including from USDA, due to challenges like skewed eligibility standards (such as "Rural Definition") or inaccurate federal mapping. Lack of access to and awareness about new federal programs such as the Affordable Connectivity Program (ACP) is limiting the uptake of greatly needed resources, and there are major gaps in access to affordable devices by low-income residents. Digital Equity is a foundation for the region's Prosperity Strategy (the Comprehensive Economic Development Strategy/CEDS – designated

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by the EDA). The $65 billion allocation for broadband access in the Infrastructure Investment and Jobs Act (IIJA) – the BIL (Bipartisan Infrastructure Law) - is a transformative opportunity to overcome these challenges and truly bridge the region's Digital Divide. New programs and resources are unfolding that will require clarification and adjustments, especially through the rulemaking and implementation process.

Requested Actions

Broadband Infrastructure Deployment

- The Economic Development team recommends that the FCC set 100% broadband access and 100% broadband adoption goals so that "equitable access" is ensured for all, prioritizing grants to bring broadband infrastructure to unserved areas first, followed by underserved areas, at the minimum speeds of 100 Mbps down/20 Mbps up.
- The Economic Development team recommends the FCC accept state and local broadband maps to supplement the current FCC maps until the new FCC mapping docket is concluded.
- Give funding priority to communities committed to rapid deployment.
- Enable local governments to apply for funds to create/improve GIS mapping with all street data included.
- Support HR 5058 Broadband Incentives for Communities that would direct the National Telecommunications & Information Agency (NTIA) to establish a competitive grant program to assist local governments to facilitate deployment of broadband infrastructure.
- Support California and the Sacramento Region for a fair share of federal funding.

Broadband Access, Adoption and Digital Literacy

- Address the "Device Divide" by including affordable computing devices as allowable in the FCC adoption programs. The FCC could address the lack of computing devices available to low-income households – in its Universal Service Fund programs, for students and adults.
- Increase the Marketing of Affordable Internet Programs and simplify the eligibility criteria. Require broadband deployment grantees, especially major ISPs, to offer affordable low-incomes plans and to advertise the plan, including the FCC's Affordable Connectivity Program (ACP).
- Expand the E-Rate Program for schools and libraries through the FCC to bring low-cost access to disconnected students and library patrons living close to schools and libraries in disadvantaged or unserved areas, and extended to community colleges, Historically Black Universities or Colleges, Minority Service Universities or Colleges, and Tribal Universities and Colleges.

Brief Background

Securing broadband infrastructure and resources for equitable access and adoption of this 21st-century necessity is a high priority for regional and community leaders. It is a core foundation of the Greater Sacramento Region Prosperity Strategy/CEDS. The Brookings Institution identified the region as

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deficient in both areas, including that the region has a majority of minority young adults who have lagging levels of digital literacy, and that the majority of 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 must expand access to high-speed, reliable, and affordable internet and devices for underserved communities and prepare our digital infrastructure for the next generation of technologies, including 5G.

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

Increased broadband infrastructure deployment and adoption investments would greatly improve the opportunity for implementation of the region's $35 billion 20-year Metropolitan Transportation Plan to achieve increased connectivity and mobility options and help reduce greenhouse gas emissions. Doing so will enable the region to be better prepared for disaster preparedness, response, and recovery.

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