

## 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: more than 34,000 unserved rural and urban households; thousands more underserved households, especially in poor urban neighborhoods; agricultural operations; small, minority-owned and economically disadvantaged businesses; and businesses in older downtowns, business corridors, and commercial and industrial areas. The pandemic exposed and deepened systemic digital disparities for students, workers, businesses, anchor institutions, nonprofits and governments dealing with remote and hybrid work and learning environments, which hampered equitable access to employment, education, health care, essential services, civic life and public safety. The achievement gap grew at all education levels, and will affect the future workforce.

A strong predictor of economic opportunity is access to reliable Internet. Workers and businesses are experiencing significant gaps in the digital skills that are required for the new world of work, especially with the acceleration of technology during the pandemic. The region has national and global prominence as an agricultural leader. Yet the persistent lack of access to rural broadband greatly hinders the ability of farmers, food processors and others to adopt the innovative technologies developed 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, especially with increasing climate risks such as droughts, fires, floods, and extreme heat events.

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Historically, the region and California have not always benefitted from federal broadband infrastructure resources, for several reasons. California is home to 13% of the nation's population and 15% of all people in poverty, yet investments rarely equal need and "fair share." More than 385,000 households in the six-county Sacramento region are eligible for the federal Affordable Connectivity Program (43% of all households), yet as of March 2023, only 24% of all eligible households ((92,000) were enrolled. More resources are needed to reach and connect these households. The new investments from Broadband Equity, Access, and Deployment (BEAD) and Digital Equity Act through the IIJA will be a transformative opportunity to truly bridge the region's Digital Divide.

## Requested Actions

### Broadband Infrastructure Deployment

- Ensure that California and the Sacramento Region receive their fair share of federal funding for infrastructure and access, adoption, and digital literacy. Indications are that California will receive less than population and poverty metrics merit, which will affect state and regional allocations. The FCC maps, the basis for allocations, missed thousands of locations in California.
- Address the coming broadband workforce shortage. California will need to use its BEAD funding to meet major infrastructure gaps and will not have reserves to invest in critical workforce occupations needed to deploy broadband infrastructure for California's 10,000 mile Middle Mile build out and the last mile projects needed to reach all Californians.

### Broadband Access, Adoption and Digital Literacy

- Support the passage of the Digital Equity Foundation Act, sponsored by Congresswoman Matsui and Senator Lujan, to establish a nonprofit foundation to leverage public and private investments to close the Digital Divide.
- The Affordable Connectivity Program (ACP) should have sustained funding. If not, funding will be depleted, given the large unmet needs across the nation and the region.
- The ACP should be coupled with full adoptions to increase enrollments and delivery of Digital Literacy and address the "Device Divide" – the lack of computing devices available to low-income households. Not all ISPs are providing access to devices through the affordable programs.

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- BEAD and Digital Equity Plan funding should have a strong focus on accelerating successful digital literacy initiatives and models, including digital navigator programs, identified in the state plans being submitted to NTIA.
- Digital Equity Act and BEAD funding should be used to expand digital skills training and create broadband workforce programs that provide inclusive career pathways.
- Support the passage of the Digital Equity Foundation Act (Rep. Matsui and Sen. Lujan), which would provide long-term resources for funding, research and provision of technology training and education to communities most in need through a congressionally established nonprofit foundation. This will supplement the work of NTIA and the FCC to improve digital equity outcomes and economic mobility.
- Protect agricultural producers and the food supply through passage of the bi-partisan Food and Agriculture Industry Cybersecurity Support Act (Reps. Matsui, Pfluger, Veasey, Curtis). The bill will strengthen the cyber resilience of the food and agriculture industry.

## **Brief Background**

Broadband Infrastructure and Digital Equity are a foundation for the region's Prosperity Strategy/Comprehensive Economic Development Strategy (CEDS) designated by EDA. The Brookings Institution identified the region as having a majority-minority population of young adults who had lagging levels of digital literacy. The pandemic accelerated the adoption of automation, artificial intelligence and other technologies in the workplace. The National Skills Coalition estimates that 92% of all US jobs require digital skills, but there are large gaps in needed worker skills.

As part of our inclusive economic development efforts, the Sacramento region must expand access to high-speed, reliable and affordable Internet, devices, and digital literacy for underserved communities and prepare our digital infrastructure for the next generation of technologies. Investments in these areas will support economic recovery and revitalization, leverage opportunities for precision agriculture and agrifood tech for environmental sustainability, health, and productivity (a rapidly growing field), and provide enabling technology for the development of the Future Mobility Cluster Initiative of the Prosperity Strategy through the support of electric vehicle charging infrastructure, autonomous vehicles, and the Smart Grid. It will also support the implementation of the region's \$35 billion 20-year Metropolitan Transportation Plan to achieve increase connectivity and mobility options and help reduce greenhouse gas emissions. Increased connectivity and access will enable the region to have better readiness for disaster preparedness, response and recovery.

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1. Valley Vision, estimate of region's unserved households, based on CPUC data.
2. California Emerging Technology Fund, Affordable Connectivity Program Enrollment data, March, 2023.
3. Greater Sacramento Region Prosperity Strategy, May 2020 and the Brookings Institute, Charting a Course for the Greater Sacramento Region, 2018.
4. National Skills Coalition and the Federal Reserve Bank of Atlanta, Closing the Digital Skills Divide, February, 2023.

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