

Comments of Joe Camicia, Chief of Staff, California State CIO

Broadband Summit: Connecting America

November 6, 2008

”California Broadband Task Force”

I’m Joe Camicia, Chief of Staff to Secretary Teri Takai, the California State CIO. The CIO’s office was recently given administration authority for broadband from our Business, Transportation and Housing agency.

Two years ago, Governor Arnold Schwarzenegger signed Executive Order S-23-6 which formed the Governor’s Broadband Taskforce. Shortly after signing that document, a committee comprised of representatives from local and state government, non-profits, academics and industry was appointed. The Taskforce was co-chaired by representatives of both business and state government. Headed by Dale Bonner Secretary of Business, Transportation and Housing, and Charlie Giancarlo, then a senior executive of CISCO, the Taskforce began regular meetings to assess the State’s broadband situation and to investigate areas of concern in both availability and adoption. The Taskforce also focused on how broadband could enhance various issues of interest in education, economic development, health care and others. . In all, more than 70 Californians were involved in the work of the Taskforce

An important broadband mapping effort was undertaken with carriers on a voluntary basis, for both wireline and wireless broadband carriers. This was the first time broadband was mapped in California, and it included broadband speeds. This information was aggregated by a third party on a confidential basis, then the aggregated information submitted to State, who GIS mapped the data.

In January of 2008, the Taskforce released its report on the state of broadband in California. The report summarized the work of the Taskforce and included findings on broadband availability, a survey of prices, an analysis of actual speeds experienced by consumers, research on adoption and much more.

The Report found that broadband is widely available today in the state —96% of California households have access. Most cities or towns in California do have broadband access. By comparison, Japan -- which is roughly the same size as California but with triple the population - - has broadband availability of slightly more than 97%. Broadband adoption or penetration in California is pegged at approximately 55% according to a recent survey done by the Public Policy Institute of California.

While the report is complete and the Taskforce has disbanded, the work of the Taskforce goes on in both the areas of availability and adoption. In regard to availability, in March 2008, the

California Department of Transportation and the California Public Utilities Commission held a joint workshop that was attended by more than 100 people on the rules, regulations and permitting for broadband infrastructure. Another follow up session was held in October 2008 to discuss generic conduit specifications and coordination efforts between Caltrans and the carriers to lay conduit when the highways are being upgraded anyway or new highway projects planned.

The state is also leading by example. For instance, the Department of Insurance has adopted VoIP for its voice service.

If we are to offer broadband to those last 4% that today do not have access, we will need the cooperation and participation of federal and state departments and agencies who have authority over rural lands.

Also as to broadband availability, the California Emerging Technology Fund was formed by the California PUC, using \$60 in shareholder money donated by AT&T and Verizon relating to 2005 mergers. CETF is a non profit organization that has coordinated meetings of experts to develop a report as to whether Wi-Fi is feasible for wireless broadband deployment for low income or rural areas. That report will be released soon. On the adoption side, the California Emerging Technology Fund and The Children's Partnership have combined efforts to address the problem of digital literacy, and is exploring the feasibility of a free laptop program for middle schoolers for our most underprivileged schools.

AB 2987 is the Digital Infrastructure and Video Competition Act of 2006 (or DIVCA). It was put in place to speed competition in video and fast broadband. As you know, cable was franchised at the local level and for new large-scale cable providers like AT&T and Verizon to obtain franchises, a time-consuming city-by-city negotiation process would have been required. DIVCA streamlined that process. While I wish I could say wired cable competition was now rampant in the state, the truth is rather mixed. The southern California areas served by Verizon have been considerably more successful providing competitive cable service than at&t in other parts of the state.

Recognizing this problem, California PUC Commissioner Rachelle Chong, State Senator Alex Padilla and others have produced decisions and a new state law that would provide matching infrastructure funds for qualified providers building broadband to that remaining 4% without access.

So probably the most important thing we have had in California is tremendous leadership at senior levels. Leadership starts at the top with the tremendous commitment of the Governor, a big infrastructure guy, and his Broadband Taskforce. Then you add in the mix the leadership of major state agencies like Business Housing and Transportation and the California PUC, and other leaders like Sunne Wright McPeak who heads the California Emerging Technology Fund, the confluence of the California Telehealth Network, and leaders like Barbara O'Connor and

Larry Smarr from our academic community. Only with the focus of all these people have we achieved what we have so far for such a large and challenging state project.

BUT encouraging competition amongst the 96% that *is* deployed is one of the key tasks for California policy makers. Broadband is ubiquitous today in California not because of government leadership and concerted action, but because of the threat of competition. ILECs must deploy cable TV and broadband or risk seeing their market share fall to cable's triple-play or wireless broadband and voice services. Cable has had to make dramatic improvements to its long derided customer service to fend off Verizon's well received FIOS service. It's as simple as that.

In conclusion, there are many people whose leadership and hard work have ensured that California's broadband deployment is advancing quickly with the goal of leading the nation. Thank you.