

Welcome Speech by CPUC Commissioner Rachelle Chong
Broadband Best Practices Summit
San Jose, CA
June 29, 2007

On behalf of Governor Arnold Schwarzenegger, it is a great pleasure to welcome all of you to today's Broadband Best Practices Summit in the golden state of California.

Today, we welcome many distinguished speakers from all over the United States to help educate and enlighten an equally distinguished group of California leaders on the most pressing broadband issues of the day.

Today's speakers hail from the all over our great nation: the District of Columbia, Virginia, the State of Washington, Kentucky, Ohio, Tennessee, Illinois, Georgia, Massachusetts, Utah, and North Carolina, Arizona, and Florida. Welcome, all of you, and thank you for traveling a long distance to share with us your best practices and lessons learned. It will help us shape our thinking and make good decisions for our state.

Today's audience consists of the directors and staff to the Governor's California Broadband Task Force and the California Emerging Technology Fund. In addition, we have invited Legislative staff, non profit and research groups, and businesses who are stakeholders. It is fair to say that in this room are most of the "movers and shakers" of broadband policy in the state.

It is my job to set the stage of what is going on to encourage broadband in California. Our task today is to learn about state and regional models for increasing broadband access and usage.

Just as the railroads once connected California to the rest of the country, today, broadband connects our businesses, people and governments to each other and to the rest of the world. Our modern day Promontory Point, Utah exists not on some dusty track, but rather below our feet, as packets of digital information flow around our state and out to the world.

Two important things to know about California: First, California acts more like a nation than a state. Maybe it is all that sunshine, leafy green vegetables and Napa wine, but innovation and the spirit of "why not" characterizes our entrepreneurs.

Second, the people of California have elected an "action hero-movie star" Governor. He is a "let's work together to get it done" kind of guy. Our Republican Governor has successfully bridged political differences with the Democratically-controlled Legislature to bring updated infrastructure to the State.

In Executive Order S-23-06, Governor Arnold Schwarzenegger called for world class broadband networks throughout this great state.

The Governor “gets” why broadband is important. He knows these broadband networks are a key to the economic vitality for all our regions.

Broadband is critical for the future of our young people and our businesses.

Broadband will enable a more efficient and nimble government -- a government more accountable to the people it serves, by the virtue of being more accessible. With broadband deployment, government services like renewing a driver's license or accessing public records can move online, making government more efficient and transparent.

Governor Schwarzenegger's eHealth initiative -- unveiled at his Summit on Health Care Affordability -- demonstrates the kind of public goods that broadband can deliver. Telemedicine — where doctors and patients are linked by video-conferencing over the Internet — and networked databases between hospitals, pharmacies and nursing homes are just two examples of health information technologies supported by high-speed Internet access.

What is California’s challenge? A recent report by the California Public Utilities Commission shows that California is number one nationally in total number of broadband lines. But millions of Californians and large parts of the more rural parts of our state don't have access to high speed broadband.

Demographics play a major role in statewide disparities. Broadband deployment is more concentrated in high-population areas. Eighty-five percent of California's population lives on just eight percent of our land, meaning rural areas are often underserved. Low-income communities and disabled Californians also suffer from the digital divide.

Very different state and local policies that govern how broadband companies gain access to our roadways—where broadband fiber is laid—also contribute to disparities in broadband access and usage.

Last November's Executive Order lowers broadband deployment barriers, accelerating the public's access to this vital tool.

The Governor’s Executive Order:

- * Establishes a broadband task force -- whose members are here today -- to recommend specific steps the Governor can take to promote broadband access and usage.

- * Designates one state agency—Business, Transportation & Housing (BT&H)—as lead coordinator for the state's broadband policy, to help ensure implementation is cohesive, fast and efficient. BTH Secretary Dale Bonner leads the agency’s efforts to ensure the Executive Order is implemented faithfully and swiftly.

- * Directs BT&H to create a database linking private broadband companies with state transportation agencies. This will allow companies to better coordinate fiber optic

installation, leading to greater consumer choice and more efficient pricing.

- * Establishes a pricing policy for private companies paying for "rights-of-way" access to state roads. Previously, charges to lay fiber varied widely. The Governor's order sets pricing based on actual costs incurred by the State.

- * Calls for streamlined, expedited rights-of-way permitting procedures across state agencies to accelerate broadband deployment. The Governor believes that government agencies should not be a barrier to broadband deployment.

- * Develops a Fiber Collaboration Database so that providers will have the opportunity to lay fiber when the State opens the roadway for construction projects, and so provider costs can be reduced for trenching when they are building to the same place.

- * Directs BT&H to collect and analyze current broadband information so the state can accurately map existing resources.

- * Directs the Department of General Services to make wireless Internet access available in State buildings and use video streaming to deliver public meetings, training materials and other state resources online.

- * Directs state agencies to lead by example, by enabling Voice Over Internet Protocol technologies for business and government use, and include broadband installation in their infrastructure planning.

On May 7, 2007, the Governor supported an unprecedented statewide application to the Federal Communications Commission for federal funds to connect rural health care clinics to urban non profit hospitals with broadband. This application would connect all of California's regional rural health care networks, UC teaching hospitals, public hospitals, tribal health clinics and other California health care facilities, and promote telemedicine applications.

At the forefront of the effort to bridge the digital divide is the California Emerging Technology Fund (CETF), whose directors and staff are with us today.

CETF is a non-profit corporation established by the California PUC in approving the mergers of SBC-AT&T and Verizon-MCI. SBC and Verizon donated \$60 million dollars to CETF to advance broadband in this state, focusing on efforts to bridge the digital divide by improving broadband to rural and remote areas of the state, the poor, and to persons who are disabled.

With its grant, CETF is making matching investments in programs and projects to improve access, applications, accessibility and assistance which equals the adoption of broadband. These are the five "A's" of the Digital Divide.

Leading CETF efforts as CEO and President is Sunne Wright McPeak, the Governor's former secretary of Business, Transportation and Housing, and CPUC President Michael Peevey.

As part of today's program, BTH and CETF will report on the progress of the Governor's Executive Order and CETF, respectively.

Finally, I want to thank TechNet and the California Business, Transportation and Housing Agency for planning this summit.

I also wanted to thank our generous sponsors: Cisco, Juniper Networks and M2Z Networks for their work in making this exciting program happen.

Thank you for coming and welcome.