



GOVERNOR FLETCHER'S PRESCRIPTION FOR INNOVATION
BROADBAND FOR A 21ST CENTURY KENTUCKY



The central question in assuring a brighter future for Kentucky is the wise investments in preparing its people to be capable and adaptable in a demanding technological age. This calls for wise and courageous leadership to recognize this fact.

Dr. Thomas D. Clark
Paraphrased from his open letter to the legislature, May 20, 2004

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PRESCRIPTION FOR INNOVATION: BROADBAND FOR A 21ST CENTURY KENTUCKY



EXECUTIVE SUMMARY:

Governor Fletcher's *Prescription for Innovation* is a comprehensive broadband deployment and adoption plan that will leverage state, federal and private investment to blanket Kentucky with high-speed Internet access. The initiative will encourage citizen use of computers and the Internet, and provide every Kentucky community with an online presence for improving citizen services and promoting economic development.

The Governor's initiative will make Kentucky the first state to use satellite mapping technology to produce a comprehensive inventory of existing broadband service and infrastructure. The maps will illustrate service gaps and will serve as an economic development resource for communities to illustrate existing infrastructure for locating companies. Additionally, the initiative will mobilize local leadership teams in each community and produce community-specific strategic implementation plans to equip local leaders and increase citizen demand for building and adopting broadband technology.

OPPORTUNITY:

Full broadband deployment in Kentucky is expected to result in **14,000 jobs and \$5 billion added to Gross State Product annually**¹. Recognizing the opportunities related to full broadband deployment, President Bush this year announced his objective to "inspire a new generation of American innovation" by implementing a progressive technology plan². Broadband expansion is the cornerstone of that plan. The President has called for universal, affordable access for broadband technology by the year 2007. The President's plan states that "broadband technology will enhance our Nation's economic competitiveness and will help improve education and healthcare for all Americans."

Although broadband infrastructure on its own is not a silver bullet solution for prosperity, adequate access to **broadband infrastructure is an enabler for knowledge-based economic development and enhancing the lives of citizens and businesses**. Broadband Internet access enables enhanced education, healthcare delivery, government services, and entertainment.

DELIVERABLES:

1. GIS-based Inventory Assessment⁵

- Working community by community, ConnectKentucky will collaborate with the Kentucky Infrastructure Authority to produce a comprehensive GIS-based Inventory of existing broadband infrastructure and service availability, **a first in the nation.**
- The map will serve two purposes. The first is to ensure that state agencies, local government, and local economic development organizations are working together to make strategic decisions about regulation and technology investment. The second is to bring those areas of Kentucky with inadequate broadband access up to par so they can compete with the rest of the world via the Internet.

2. Community Implementation Plan⁶

- Following the initial infrastructure assessment, ConnectKentucky will organize community leadership teams to contribute to the development of a Community Implementation Plan. The purpose of the plan is to:
 1. Establish a local leadership team to champion broadband expansion;
 2. Identify community needs and wants through surveys and focus groups;
 3. Raise community awareness and interest in broadband opportunities;
 4. Identify gaps in existing versus desired infrastructure, based on local input;
 5. Establish financial model for addressing gaps;
 6. Complete documentation necessary to apply for federal funds;
 7. Communicate quantified demand to private providers;
 8. Public relations and communications efforts to encourage adoption.

3. Online presence for every local community⁷

- ConnectKentucky will serve as a facilitator between local communities and Kentucky.gov to provide every local community an advance online presence with ready-to-offer citizen services (licensing and permits, meeting notices, etc.)
- State and local government investment in, and offering of, e-government applications, online education and health services increases citizen adoption of broadband technology.

4. Use of state-owned property and communications towers for wireless antennas⁸

- Where appropriate, existing state and local government structures will be evaluated for use in deploying wireless broadband.
- Maintenance and management of state-owned towers will be outsourced to a private provider that will be responsible for conversion from analogue to digital.
- As part of the outsourcing engagement, towers will be made available, when appropriate, for expanding wireless broadband availability.

The initial steps outlined here are expected to create an environment ripe for investment in broadband infrastructure expansion. A map-based inventory will illustrate infrastructure gaps that need to be filled. As broadband demand is quantified and aggregated, the private sector business case will be strengthened in many communities, leading to private sector investment. Additionally, the Community Implementation Plans will provide necessary documentation and support for successful applications to the Rural Utility Service and other federal resources⁹ for infrastructure expansion grants and loans. Finally, the Governor's Statewide Broadband Initiative will evaluate the creation of a revolving loan and grant pool to be administered by KIA to support broadband expansion in the final leg of full deployment.

OUTCOMES:

- ✓ Full broadband deployment by 2007, consistent with President's challenge
- ✓ Most progressive broadband plan of any competing state
- ✓ Leverage of state dollars into investment from federal government and private sector
- ✓ Collaboration between state, local and federal governments, universities, local economic development organizations, and private industry
- ✓ Community-based buy-in and participation in strategic planning and implementation
- ✓ Economic development resource provided to each local community in form of broadband and other telecommunications assets
- ✓ Effective integration and use of existing state broadband infrastructure resources
- ✓ Online presence for every local community with ready-to-offer citizen services

WHY KENTUCKY MUST INVEST IN BROADBAND:

Kentucky ranks 44th in its proportion of high-tech companies; 45th in household computer use; and 43rd in citizen Internet use. Improving the first point requires addressing the latter two. Governor Fletcher's Statewide Broadband Initiative will address each of these challenges, by first identifying needs across the Commonwealth and then implementing community-specific plans. This initiative will expand broadband infrastructure, increase computer and Internet adoption, and ultimately increase the number of technology companies and workers in Kentucky.

In the *State Broadband Index*, TechNet provides three recommendations for state governments to significantly impact broadband deployment⁴:

1. Ease regulatory roadblocks and hurdles with consistent and fair regulation.
2. Create supply-side incentives (financial and non-financial) for broadband deployment, using assessment maps and strategic planning tools.
3. Invest in demand-side policies to raise awareness and encourage adoption through e-government applications, online education and health services, and other applications that can drive consumer demand for broadband.

As demonstrated by his role in the passage of HB 627, "the rural broadband bill," Governor Fletcher is committed to a regulatory environment that does not oppose broadband expansion. The Governor's Statewide Broadband Initiative will build upon this success by addressing the supply-side and demand-side issues that will result in full deployment and increased adoption.

Broadband infrastructure enables communities to provide a telecommunications asset to companies that require advanced communications capabilities. **Businesses increasingly rely upon broadband Internet access for company operations, connecting to customers, suppliers, and telecommuters.** The requirement for broadband access has become the norm for recruiting companies and workers, creating a chasm for communities that do not have adequate broadband infrastructure.

PROJECT PHASES & ASSOCIATED ACTIVITIES

[1] Assessment and GIS Mapping

- Local Resource Analysis and Inventory
 - Identify the broadband/telecom resources available now and in the future
 - Interviews with ILECs, CLECs, ISPs, Cable TV, Utilities
 - Development of detailed infrastructure GIS maps and tools
- Analysis and Summary
 - Gap analysis of the needs relative to available resources

[2] Community Implementation Plan

Strategic Action Plan

- Form Community Leadership Team – Community Kick-off Event
 - Cross organizational team of local government, business, education leaders etc...
Responsible for leading effort
- Community Needs Analysis
 - Identify the infrastructure and application needs of business (large and small), local government, emergency services, public safety, education, healthcare providers, and citizens within a community
 - Interviews, Town Hall Meetings, Focus Groups, and Web-based Surveys
- Develop Buy-in at the Local and Regional Levels
 - Work with constituents to develop support and buy-in
 - Informational campaign, web site, newspaper articles, town halls meetings, interviews, focus groups
- Development of Vision
 - Construct a vision of where the leadership wants the community to go
- Analysis of Opportunities
- Gather Best Practices from other Communities
- Assess Revenues, Costs, Benefits, and Risk
 - Identify Potential revenue streams
 - Address Policy Issues
- Identify Funding Options
- Develop an Implementation Plan
 - Actionable plan with demonstrated ROI
- Ongoing Marketing of Plan to Build Community Support

Funding Assistance

- Funding Support
- Grant / Proposal Development and Management
- Public Private Partnership Development
 - Identification of potential partners which have a tie, interest or obligation to a community

- Articulate value and return on investment in order to recruit partners to form the partnership
- Management of the partnership and assistance in helping partners realize value in the relationship

Project Management (Infrastructure Expansion Phase)

- Project Planning and Estimating
 - Development of Project plans: management of scope, quality, effort, risk and timeline
- Team Building
 - Assembly of project resources which may include sub-contractors and service providers
- Managing Project RFP and Procurement Process
- Project Initiation and Ongoing Project Management

Demand Creation

- Builds off of the Infrastructure Assessment
- Development of an Applications Template which can be used across rural communities
- Incent the development and deployment of web-based applications
 - Work with public and private entities to build business case with achievable ROI
- Communications and public relations to build awareness of benefits

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