

## Broadband USA Applications Database

**Applicant Name:** Iniciativa Tecnológica Centro Oriental, Inc. (INTECO by its Spanish acronym)

**Project Title:** Expansion of Innovation Technology Centers for Central Eastern Region of Puerto Rico

**Project Type:** Public Computer Center

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### Executive Summary

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#### EXECUTIVE SUMMARY OF OVERALL PROPOSAL

a. **Statement of Need:** With the manufacturing sector shrinking and government payroll reductions, unemployment in Puerto Rico is approaching 15%. INTECO unemployment is currently 11.9%. Over the last decade, some 219 industrial firms have ceased operations and eliminated 11,219 jobs. As industries continue to contract, the region is forced to emphasize self-employment and SME development as a high priority economic activity, where technology is the primary enabler. Inevitably, Puerto Rico must transition from a manufacturing, incentives-based economy to a creative, export-based knowledge economy. INTECO is committed to creating social and economic opportunities that changes peoples' lives and transform communities, by providing its residents all the technological tools necessary to access the information superhighway and insert themselves in the global economy. Furthermore, with the percentage of the population 25+ years old without a high school diploma at 41.3%, alternative educational methodologies using technology are imperative.

b. **Overall Approach:** This proposal is part of a three-pronged approach to elevate broadband usage, increase access to technological tools and support productive socioeconomic activities. Under the BTOP program, INTECO will implement a state-of-the-art broadband infrastructure (as per Track 1 proposal), revamp and expand its ITC model to provide broadband access to the general public (this Track 2 proposal), and deploy an innovative approach to sustainable broadband adoption (as per future Track 3 proposal). Under this Public Computer Centers (PPC) proposal, INTECO will revamp and replicate its successful ITC model throughout the eight (8) member municipalities of the region to build a solid ITC network that will serve underserved and vulnerable populations with limited access to technology.

c. **Areas to be Served:** The INTECO region has a population of 419,337 (11.3% of total PR population) as distributed below.

| Municipality | Population | % Region |
|--------------|------------|----------|
|--------------|------------|----------|

|             |         |      |
|-------------|---------|------|
| Caguas      | 140,502 | 34%  |
| Humacao     | 59,053  | 14%  |
| Cayey       | 47,370  | 11%  |
| San Lorenzo | 40,997  | 10%  |
| Gurabo      | 36,743  | 9%   |
| Juncos      | 36,452  | 9%   |
| Las Piedras | 34,485  | 8%   |
| Naguabo     | 23,753  | 6%   |
| Total       | 419,337 | 100% |

Source: Census 2000

A regional workforce of 171,800 represents 13.6% of the total PR workforce. The median family income in the region is \$17,684 compared to an area median income of \$23,800 for the San Juan MSA.

d. Applicant Qualifications: Iniciativa Tecnológica Centro Oriental, Inc. (INTECO by its Spanish acronym) is a non-profit regional economic development entity founded under the Autonomous Municipalities Act of Puerto Rico in the year 2000. Its mission is to “promote the economic development of the Central Eastern Region of Puerto Rico focusing on the commercialization of new technologies and innovative products and services.” The Autonomous Municipalities Act requires that the Board of Directors of INTECO be representative of three sectors: local or state governments, higher education institutions and private entrepreneurs. Currently, the Board is composed of eight mayors, eight members from higher education institutions and eight entrepreneurs; all of them located within the Central Eastern Region. INTECO was one of 39 WIRED regions selected from across the US and received a \$5 million grant to implement innovative workforce training programs. Additionally, INTECO is currently managing over \$20 million in state, municipal and private funds for infrastructure projects.

e. Jobs to be Saved/Created: As industrial sectors within INTECO are reconfigured in response to global trends, new occupations and job skills will be required. The unique design of the ITCs and integral educational programs allows INTECO to serve as a leader in assisting the region transition to knowledge-based and now ‘green’ economies. Through the US Department of Labor Workforce Innovation for Regional Economic Development (WIRED) program, INTECO has impacted over 1,000 adult and youth participants. Adult training programs focus on up-skilling incumbent workers and re-skilling displaced

workers for existing or emerging occupations. Youth training programs focus on building STEM (Science, Technology, Engineering and Math) skills for technical careers, and entrepreneurial skills for new business ventures. Also, INTECO is responding to a DOL-ETA Energy Training Grant SGA for the development of training programs in new and emerging 'green' jobs. The expanded network of ITCs will provide the necessary physical facilities and broadband access that will be needed to scale-up these occupational trainings, to both save and create new job opportunities.

f. Overall Project Cost: The total amount requested for this project is \$999,500 as outlined in the Budget Narrative (Item 32).