Executive Summary

Research, including a study by the Center for Rural Pennsylvania*, demonstrates that enabling access to broadband services is a critical variable in the equation of rural economic development and regional competitiveness. However, testimony by broadband industry experts before the PA Senate Communications & Technology Committee in April 2009 revealed that "take rates" in rural Pennsylvania remain low, ranging from only 10-50%**. The primary barriers to broadband adoption are two-fold - lack of knowledge as to the benefits of broadband and the cost - the latter of which has only been exacerbated by the current financial crisis, which has severely limited the ability of even qualified borrowers to secure credit.

The PA Broadband KickStart & Sustainability Initiative leverages PA’s economic development network to overcome these and other barriers to broadband adoption by delivering a holistic outreach, technical, and financial assistance program in areas where broadband has been or will be deployed. The Initiative provides a "toolbox" of services across the full continuum of broadband adoption, including Awareness & Education, Technical Assistance, Implementation Assistance, Recruitment, Workforce Education, and Value-Added Connections. The Initiative features multiple entry and exit points to meet the specific needs of each client. The Initiative is innovative in that it drives both the demand and supply sides of broadband implementation, creating a sustainable environment for economic growth and job creation, while developing intellectual capacity within the state. For the demand-side, the Initiative delivers awareness and education, technical assistance, and financial implementation assistance to empower vulnerable populations. On the supply-side, the Initiative focuses services, including awareness and recruitment, workforce education and development, and value-added connections, toward key community leader “spark plugs,” and broadband support companies to build the capacity necessary to support broadband adoption. The Initiative’s workforce development component engages students and recent graduates in the effort as interns and apprentices. As a result, these individuals will not only gain real-world skills, but the effort will further develops broadband-related workforce capability and capacity within the state.

The geography for this project is the entire state of PA, which includes 12,281,054 residents, 4,777,003 households and 523,104 businesses. Services will be targeted to vulnerable communities, anchor
institutions, first responders and socially/economically disadvantaged businesses, key community leader “spark plugs,” students and potential workers, and broadband support companies. Special attention will also be paid to BTOP/BIP-funded infrastructure project regions to leverage and maximize investments.

This Initiative will: reach 3 million individual and 15,000 institutions through its outreach and awareness campaign; educate 4,600 communities, businesses and residents through 402 awareness events and the awareness campaign; execute 3,500 cases of one-on-one technical and/or implementation assistance to anchor institutions, first responders, and socially/economically disadvantaged businesses; make $1.5 million available to clients in the form of micro-grants and loans to support the implementation of broadband solutions; recruit 60 community leader “spark plugs” to help promote broadband locally and aggregate demand; and place 50 apprentices and interns to further support the effort.

By focusing on the full continuum of broadband adoption and targeting both household and institutional users who drive job creation, this project will produce significant impact statewide, including: 120,000 new household subscribers, 925 new institutional subscribers, 1,350 jobs created or retained, and $23 million in economic impact.

This effort will be led by PA’s Department of Community & Economic Development (DCED), the state agency responsible for the design and delivery of statewide initiatives to create a positive economic climate in Pennsylvania. This includes managing the PA Broadband Initiative, which consists of a variety of programs to speed the deployment of broadband to unserved areas of the state and to map the availability of broadband services. In addition, DCED is the designated agency for mapping associated with the Broadband Data & Development Program. In its capacity, DCED is well positioned to ensure proper coordination of effort and resources statewide.

This Initiative will be carried out by the KickStart Consortium, a collaborative of 13 economic development organizations that are knowledgeable about broadband and have an excellent track record of delivering relevant programs to constituents statewide that stimulate investment, created and retain jobs, and increase the adoption of new technology. Membership will initially include: DCED, the Pennsylvania Technical Assistance Program (PENN-TAP) at Penn State University, the Center for e-Business & Advanced Information Technology (eBizITPA), and the 10 Economic Development Districts (EDDs) which cover the state – consisting of seven Appalachian Regional Commission (ARC) designated Local Development Districts (LDDs), as well as the Delaware Valley Regional Planning Commission (DVRPC), the Regional Economic Development District Initiative of South-Central PA (REDDI) and the Lehigh Valley Economic Development Corporation (LVEDC). The KickStart Consortium is poised to begin
work immediately and will expand its membership over the course of the three-year project to broaden impact and sustain the Initiative beyond federal funding.

This Initiative represents a true Federal-State-University-Regional partnership, with all partners investing in the Initiative. The total cost of this market-driven, strategic, and sustainable initiative is $9,995,925, with a federal cost share of $7,895,440 and a cash match of 21%.