ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	06-43-B10013	830370800

4. Recipient Organization

California Emerging Technology Fund The Hearst Building, 5 Third Street, Suite 520, San Francisco, CA 94103-3206

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2010	◯ Yes ◉ No

7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official	7c. Telephone (area code, number and extension)
Luis Arteaga	
	7d. Email Address
	luis.arteaga@cetfund.org

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	01-28-2011

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

The goal of the Broadband Awareness and Adoption project (BAA) is to raise awareness about the benefits of broadband and help people subscribe to broadband and not a particular technology. The training materials used by the BAA partners provide information about the different broadband options prevalent in the market – DSL, Cable and Wireless. This information will be updated to include new mobile broadband and 4G technologies that can serve as mobile hot spots. Although mobile tends to be more expensive, this new technology can address three barriers for broadband adoption – concern about mobility, reluctance to sign a long-term contract and outdated internal wiring that prevents service. Some mobile providers bill on a monthly basis but do require a credit card and good credit for service.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
N/A	N/A	0	0	N/A
Totals		0	0	

Add Equipment	Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed **(600 words or less).**

BAA partners have used refurbished computers as incentives to help people subscribe to broadband. In 2010, BAA partners distributed 361 refurbished desktop computers to low-income families. The families receive a computer if they complete training and sign up for broadband. BAA partners also purchased and distributed 4 Apple iPads as raffle items to encourage people to sign up for a texting campaign.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported <u>cumulatively</u> from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who <u>completed</u> the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	0	0
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	5,951	3,157	7,373
Certified Training Programs	0	0	0
Other (please specify): Assistive Technology Trainings	2,145	154	154
Total	8,096	3,311	7,527

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

This project has been successful in achieving one of the primary goals of the project – widespread broadband education and awareness targeting those least likely to have broadband at home. BAA partners have been successful in leveraging their relationships with media to increase visibility of their programs and overall awareness about the benefits of broadband. This has resulted in 17 million impressions in key radio, television, and print media. For example, BAA partners pulled together to produce a 16 page bilingual newspaper supplement reaching over 800,000 Latino households. The media has been complemented by a number of

outreach and engagement strategies to reinforce the media messages and encourage people to attend local training opportunities. These outreach strategies have reached over 300,000 people in 2010. In addition, key outreach strategies, such as calling 2-1-1 and One-e-App have resulted in 37,534 referrals for training, 3,311 people completing digital literacy training and directly helped 2,178 households adopt broadband in 2010.

The high demand for the BAA trainings is a positive indication of the success of the messages, messengers, and timing of this project and evidence that this was an untapped market. Many of the participants in the programs have never used a computer or broadband. They felt it was outside the realm of possibility to learn to use the technology. The trainings tend to be introductory courses less than four hours. After the initial training, participants are signing up for more classes to expand their knowledge. Participants are also sharing the information with their friends which further drives demand. Private technology companies have not invested enough in consumer education especially in low-income communities. Many public and non-profit resources are well used but are not designed to help people navigate the broadband options and choose a provider. The BAA partners know the communities well and have been a welcomed partner with public agencies and non-profits to provide the necessary training and be a resource for the hardest to serve.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (**600 words or less**).
49	**Since 2008, Public Policy Institute of California, the California Emerging Technology Fund and ZeroDivide have conducted an annual statewide survey to determine overall broadband adoption as well as usage among key target populations – low-income, limited-English speaking, people with disabilities and race/ethnic populations. CETF uses households making under $40,000 as the overall baseline for adoption which in June 2008 was 33%. In June 2009, the survey found households under $40,000 had increased household adoption to 40%. In August 2010, 49% of these households have broadband at home. The next survey will be June 2011.** **While CETF does not claim total responsibility for all the increases in broadband adoption, the increases CETF and its BAA partners are responsible for are proportional to the numbers partners track as compared to the increase in the statewide survey. Partners track and measure training and adoption by using random survey techniques to call back clients they have served. This enables them to logically estimate the impact of their work and CETF advertising. For example, adoption is running at about 6% of those who sought help from 2-1-1.**

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

The biggest barrier is helping non-profits and public agencies go the distance to help clients understand how to buy broadband that benefits their clients. Many public agencies and non-profits don't see this as their role. Traditionally their role has been to train clients how to use the computer. This project has asked partners to go the distance. As partners have stepped up to this challenge they have learned the value of making it easy for the client to get everything from them—training, education about computers and broadband, a computer, and help buying a broadband service. When this happens success follows.

The next biggest barrier to broadband adoption has been the lack of an affordable broadband rate that includes some other key features that prevent people from adopting such as no credit check or long-term contracts and reduced installation and modem costs. As partners learned more about the difficulty of choosing a provider they have been clearer about the role they can play in educating clients. Meanwhile CETF reached out to some of the largest broadband providers in the state to encourage their consideration of a special rate or discount that partners can offer their clients as incentive to subscribe. All the providers were encouraged to participate and CETF would not push one provider but rather would provide a "best offers" sheet that allows consumers to make their own decision. Not one provider was willing to provide a special rate or provide any incentives.

To overcome this challenge, BAA partners developed a broadband education curriculum that demonstrates the tangible benefits to being online. This helps clients see the tangible financial benefits of being online and how they can save time and money which is a central message of the program. The curriculum includes a module and materials on how to choose a broadband provider. This broadband adoption curriculum includes a script and worksheet that clients can use to call providers to compare "apples to apples" in terms of what works best for their individual needs. Rather than having a rate sheet, clients are taught to be smart shoppers and negotiate for better rates or reduced costs for modems or installation. Increased competition and new products can facilitate negotiations but only if shoppers have the right tools to work a deal in their favor.

In addition, BAA partners also share and update a "best rates" sheet on a shared website that includes example of flyers, special offers or any good deal a partner may have encountered which can be passed on to consumers. Some BAA partners have reached out to local representatives of the large providers and smaller ISPs that may be willing to provide some incentives. Some local ISPs have been willing to participate but only in limited markets.

The third challenge has been balancing the needs of the target population with the goal of increased adoption. In targeting low-income and other underserved clients, partners have found people who are interested in learning more about computers and broadband. Unfortunately, many of them do not have the means to purchase a computer or face other financial barriers to subscribing such as the monthly fee or bad credit. While many of these may by described as "digital hopefuls" they may require more training and time to save in order to purchase a computer or subscribe.

In order to address the challenge, partners have focused on identifying and reaching "broadband hopefuls" – those that know the value, may have a computer but for a variety of reasons have not subscribed. Partners have developed partnerships with libraries, schools and employees of community based-organizations of business as means to reach these hopefuls.

Partners now understand that this is not an either or proposition but rather emphasizing the need for adoption in Year 2 and referring these clients to other partners that can provide the basic training.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

CETF has one SDB vendor named SAESHE. They provide media and creative consultation for the project.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

One of the best practices of BAA is establishing is a facilitated learning community among CETF and the 8 partners. Even before the grant was awarded, CETF and its 8 partners had regular webinars and conference calls to coordinate due diligence questions, training materials, media and outreach strategies. Once the grant was announced, partners used the learning community, online and in person, to continue this coordination. Topics were also added such as sharing their best practices on federal reporting, project management and any breakthroughs or potential partnerships with new entities from which all the BAA partners can benefit. The overall learning community was complimented by regional working groups and workshops where partners can implement local strategies to reach new organizations that serve the target population. This regular and structured communication helps partners avoid working in isolation. The learning community also serves as a way for partners to hold each other accountable to meeting the overall goals of the grant. BAA partners meet in-person for quarterly trainings and review overall progress and recognize each other for their accomplishments. Over time, this has resulted in BAA partners collaborating jointly on key projects and events further reinforcing the team message in delivering the overall project outcomes.

The learning community includes numerous online tools such as employing BaseCamp for messaging and overall project management, iCal and EditWrite for calendar and contact information, and Drop Box for file sharing.

In Quarter 4 of 2010, CETF launched the Get Connected! Roundtables as a promising best practice to accelerate broadband adoption. The Roundtables served as a place to work with California NTIA grantees, local anchor institutions, schools, park and recreation departments, libraries and community-based organizations working to close the Digital Divide. The Roundtables were held in two regions – Los Angeles and Central Valley. The Roundtables were well-received with participants giving high ratings on the evaluation forms and wanting to meet again to work on tangible next steps. In Quarter 1 of 2011, CETF intends to launch roundtables in San Diego/Imperial, Inland Empire and Sacramento.