HANDOUT #1



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(To members of the Joint Committee on Advanced Communications and Information Technology: The following is a letter that will be mailed today from Connect to its board of directors and Arkansas high-speed Internet service providers. We wanted to also share this with you.)

Connect Arkansas is now in its fifth year of operation, and we are progressing more than ever in fulfilling our mission of promoting broadband education and deployment in Arkansas. But, despite this progress, there is a caveat. Most of the momentum we have now did not begin until late 2010; and, today, we are still unable to fully serve our state. This letter is an explanation of these circumstances.

History of Connect Arkansas:

Many of you know the Arkansas Capital Corporation (ACC) accepted the request of several state leaders to take on the Connect Arkansas initiative. ACC was solicited because it is a 55-year-old nonprofit, statewide organization with a proven record of achievement in a variety of endeavors supporting small businesses and entrepreneurship.

Act 604 of 2007 allowed the ACC to create Connect to work in that same vein as an independent, nonprofit corporation to facilitate statewide programs leading more Arkansans to subscribe to high-speed Internet. The language in the legislation defines our mission.

Connect has worked to be an all-inclusive and highly-collaborative organization. From the beginning, we have worked in partnership with the state's high-speed Internet service providers. A board of directors was created with nearly 30 Arkansans representing the public and private sectors. Because Connect has always been vendor- and provider-neutral, service providers from the wireline, fixed-wireless, and mobile wireless technologies agreed to work with us to implement our mission. These providers continue to have significant representation on the board today.

Service providers have invested millions of dollars into building high-speed Internet infrastructure. There are nearly 80 of them in the state. Virtually all have worked hand-in-hand with Connect since the beginning to map where our broadband infrastructure exists – and have continued to do so through six updates of our maps. Arkansas stands tall among Connect's colleagues at the state and national levels when it comes to a reputation of having a strong provider relationship,

History of Funding:

Although the Connect board was established in October 2007, there was no appropriation included in Act 604. The uncertainty of funding for the next two years kept Connect in a constant state of caution, hindering its ability to fulfill its mission. It wasn't until 11 months later – May 2008 – that Connect received state funding, enough to begin strategic planning activities in one county. By the end of 2008, more state funding and a significant contribution from

the broadband providers – \$75,000 – allowed Connect to begin broadband mapping and extend the planning process into six counties.

In early 2009, the American Recovery and Reinvestment Act was launched. Over seven billion dollars in stimulus funding would be available for broadband projects. For the next 10 months, Connect received enough state funding to keep the mapping and the six-county planning process alive. Connect also received two grants from the Delta Regional Authority.

Applications for the first round of stimulus funding were released in July 2009. Governor Mike Beebe designated Connect as the Arkansas entity to apply for non-infrastructure-related broadband stimulus funds. Connect prepared and submitted three full, statewide proposals to identify existing and grow more public computer centers; facilitate adoption and education programs in all 75 counties; and conduct county strategic planning, broadband mapping and research. Only the latter application was funded. From that award, the only project Connect could conduct on a statewide basis was broadband mapping. Funding was received for strategic planning – but only for 15 counties.

For the second and final round of stimulus funding, the federal government advised Connect that its chances would be greater if the application focused only on counties with high poverty rates, limiting us from serving the entire state. Connect prepared and submitted two applications for funding in March 2010. The next month, Connect was awarded another grant from the Delta Regional Authority to serve two more counties with engineering assessments and strategic planning. In September, Connect was notified that its round two stimulus applications were funded.

If you have been keeping up with Connect, you know that today, our work is limited to 57 counties. If you live in a county where you have not seen any activity from Connect, now you know the reasons.

Project Status:

From October 1, 2010 – September 30, 2013, Connect is funded to serve 57 counties for the following sustainable broadband adoption projects:

Project	Goal	As of October 2012	
Computers for Kids	1,710	852	
e-Entrepreneurship Education	1,530	1,758 2012 competition held 2013 in planning stages	
Y.E.S. 2.0 High School Online Business Plan Competition	Annually		

Many of you know another sustainable broadband adoption project is Arkansas SourceLink, an online digital enterprise center that works to locate nonprofit providers in the state that offer entrepreneurial assistance. In addition to information on these Arkansas resource providers, the SourceLink website also includes:

- links to training videos and articles for entrepreneurs from leading universities around the country
- a portal to websites operated by the State of Arkansas
- a bulletin board of scheduled educational classes on entrepreneurship and economic development being offered in the state

Two more modules are being added to the SourceLink website. One is to act as a vehicle to assist entrepreneurs in finding mentors, and, lastly, a module allowing an entrepreneur to make a video presentation of their ideas and projects to prospective investors. Some of these videos have already been produced by Connect AR TV.

The SourceLink web address is http://arksourcelink.com

The ACC created Connect AR TV to embrace the technologies of video and high-speed Internet. ACC has an inhouse television studio with livestreaming capabilities to showcase technological, entrepreneurial and business initiatives in our state – and the Arkansans behind them – to the entire world via the Internet.

Two of our most recent livestream events related to broadband were the eight-state Delta Regional Authority Broadband Summit and a Southeast Arkansas Cornerstone Coalition Economic Development Summit.

These and more than 200 original videos have been created and can be viewed through the Connect AR TV livestreaming site on connect-arkansas.org.

From October 1, 2009 – September 30, 2014, Connect is funded for the following mapping and planning projects:

Project Goal		As of October 2012	
Engineering Assessments	Assessments for 17 counties	13 completed	
County Government Websites	Transactional websites for 17 counties	Three complete and launched, eight contracts out, six waiting until 2013	
Broadband Availability Mapping	Broadband mapping in four technologies for state and all counties, interactive map	Six mapping updates completed since 2010, interactive map is being updated	
e-Communities	e-Community plans for 17 counties	Completed, e-Community surveys, public broadband center identification, digital literacy training, library partnerships underway	

Connect has also conducted marketing and outreach activities and is preparing to launch a major advertising campaign in late 2012 to get more Arkansans connected. Another campaign is planned for 2013.

With the stimulus funds fully deployed, Connect does not expect to receive additional federal funding. What funding Connect has received from the state since 2008 has been through the support of the legislature and Governor Beebe. For the stimulus funding ending September 2013, that leaves 21 months unfunded throughout the 2013-2015 state biennium. For the funding ending September 2014, it will be nine months that those projects are unfunded. This funding is only for 57 counties. If there is to be a true statewide initiative, there needs to be additional funding for the other 18 counties through the 2015 biennium.

Arkansas Broadband Plan Project:

Connect's mapping and planning grant also includes funding to develop a comprehensive state-level broadband strategic plan process that is highly-collaborative and representative of diverse stakeholders. This group will work to develop strategies to guide our state in moving forward with broadband adoption, deployment, and access in the coming years.

There is a history with this initiative. The Arkansas Broadband Council, also created by Act 604 of 2007, advises the governor and legislature on policies related to making affordable broadband available to every home and business in the state. The council's annual reports can be found online at broadbandadvisorycouncil.arkansas.gov. The January 2011 report calls for the creation of an Arkansas Broadband Plan. Senate Resolution 3 of the Arkansas General Assembly 2012 Fiscal Session called for a state broadband plan by October 2012.

Connect is using its current federal funding to staff and facilitate this planning/strategy process. This past summer, Connect worked to compile a draft document of information gleaned from the 17 county strategic plans and other research and data to serve as a starting point for this process. Connect invited members of the Arkansas Broadband Council and over 50 other volunteers from the public, private, and service provider sectors to read the draft and

submit comments and recommendations. Arkansans can be proud that virtually all of them agreed to do so. Many of them are also volunteering to serve on a "supercommittee" and a subcommittee to hone all the information into firm strategies that are inclusive and actionable right down to local and county levels. This process has been and will continue to be an open one – anyone is welcome to volunteer.

Governance of the Connect Arkansas Organization:

As previously stated, Connect has endeavored to involve as many stakeholders as possible in pursuing its mission, and its Board of Directors is no exception. Many current board members have dedicated time and expertise in this exciting project since the very beginning. Currently, Connect maintains a board of over 30 members. After five years, it is time to update our membership to be in concert with Arkansas's nonprofit corporation laws and the Connect Arkansas Bylaws.

The ACC will be updating the board of directors to have a limit of up to 15 members. A new advisory board will be created to provide an opportunity for those who want to keep apprised of Connect's activities and provide suggestions and advice to the board of directors.

Our goal is to have these changes in place by the first of 2013. If you are interested in serving as a member of the board or the advisory board, please contact Marie Bruno at 501-374-9247 or at mbruno@connect-arkansas.org.

In closing, I hope you agree that we should not lose the momentum and progress being made in regard to what is being done to increase broadband adoption and subscriptions. More than ever, Arkansans are sensing the urgency of needing adequate connectivity and getting their neighbors to understand the relevance of high-speed Internet to become subscribers. The time is now to ensure there is funding to continue. The ACC cannot step in again to fund Connect Arkansas.

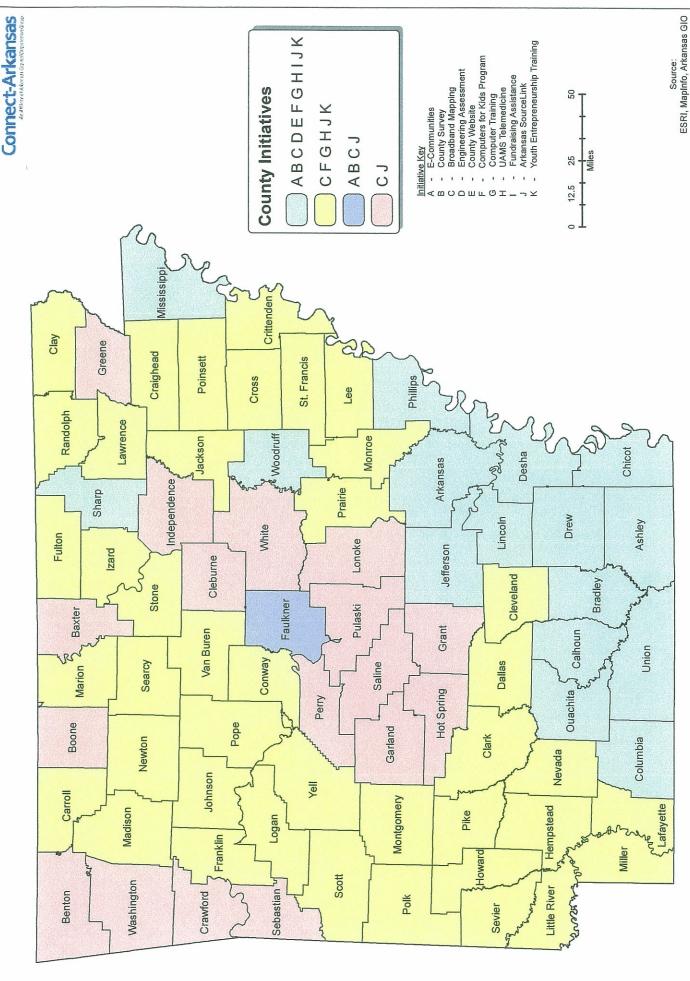
If you have any questions, please do not hesitate to call me.

Sincerely,

C. Sam Walls, President Connect Arkansas

CSW/mb

Attachment: Connect Arkansas funded counties map





Current and Proposed Initiatives

Connect Arkansas

2.27.2012

Connect Arkansas www.connect-arkansas.org

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