

The Value of the Broadband Initiatives in the American Stimulus Program

“The years of broadband drift and growing digital divides are coming to an end. We begin to understand how key broadband infrastructure is to the future of each and every one of us.”

—Michael J. Copps
Acting Chairman, Federal Communications Commission
Remarks from the ARRA of 2009 Broadband Initiative Kick Off

Investments in broadband network infrastructures can be one of the longest-lasting benefits from the American economic stimulus program. The broadband initiatives in the American Recovery and Reinvestment Act (ARRA) of 2009 are intended to accelerate broadband deployment in unserved, underserved, and rural areas and for strategic institutions that are likely to create jobs or provide significant public benefits in those areas.

The benefits of broadband networks go beyond just doing the same things faster to deliver several advantages to communities:

- Enabling the adoption of new processes that can transform the way governments carry out their missions.
- Allowing them to offer public services anywhere, thereby presenting citizens with new ways to communicate with public safety, civic and community leaders.
- Empowering the whole community to participate in the creation and provision of public goods and services.
- Developing the economy, accelerating business growth and making communities more attractive to new residents, businesses and tourists.

There is a strong correlation between broadband deployment and the number of new jobs that become available. The Information Technology and Innovation Foundation (ITIF) confirms that deploying next-generation broadband to 80 percent of U.S. households would create approximately two million new jobs.

What Does the Broadband Stimulus Program Do?

The \$7.2 Billion US in ARRA stimulus investments for broadband networks is designed to become the catalyst for the next wave of great innovations. It will help support:

- Greater use of services provided by schools, libraries, medical and healthcare providers, community colleges, and other institutions.
- Increased use of broadband service by low-income, unemployed, aged, and otherwise vulnerable populations.
- Improved access to, and use of broadband service by public service agencies.
- The combination of multiple networks to provide a single, secure and scalable IP network that will decrease challenges with communications while improving efficiency and productivity.

Integrated Broadband— The Network is the Platform

21st Century government will increasingly need to rely on network-based, mission-focused services. Integrated broadband networks combine multiple infrastructure components to help governments and communities do more with less. The combination of components—software, network infrastructure, such as routers and switches, mobility solutions, enhanced network security and unified communications—can empower connected users and organizations in:

- Managing economic uncertainty and budget constraints
- Enhancing collaboration and communications
- Improving effectiveness of limited resources

- Keeping government resources available at all times
- Overcoming ever-increasing staffing challenges
- Meeting evolving citizen expectations
- Providing future-proofing, investment protection
- Increasing efficiency so more of budgets can be used for additional services to citizens

The integrated broadband network becomes the secure and scalable platform for:

- Leveraging the success of the IP network and its ability to consolidate capabilities and improve service delivery.
- Converging mission-critical services.
- Virtualizing resources to increase efficiencies, reduce costs, and improve speed of resources deployments.
- Leveraging existing investments and delivering an enterprise wide service-based architecture.

What Are the Benefits of Investments in Broadband Networks?

Broadband creates new tools to deliver essential community services, health care, education, and a low carbon economy and unleashes new waves of innovation, jobs, economic growth, and competitiveness. The ARRA stimulus program for broadband aims to benefit eligible governments, communities and organizations in four ways:

1. Fast Start

- Retrofitting existing structures with network infrastructure can begin within 30 days.
- Network infrastructure projects, in most cases, do not require permits or other time-consuming processes.

- Governments can use existing procurement vehicles to accelerate project starts.
- Network infrastructure projects can use standards-based architectures to reduce time and money spent on planning.

2. Jobs Creation

- A \$5 billion increase in spending on broadband infrastructure directly creates 97,500 new skilled jobs (Communications Workers of America—Department of Commerce and Brookings Institute models).
- Employer need for networking skills is projected to increase at an above average growth rate of 6 percent compounded annually (IDC).
- A 7 percent increase in broadband adoption would result in 2.4 million jobs created or saved annually (Connected Nation).
- For each 1 percent increase in a region's broadband penetration, employment is projected to increase by 0.2 to 0.3 percent (Brookings Institute).

3. Immediate ROI from Cost Savings and Energy Reduction

- Costs savings from new applications that add to efficiency, collaboration, and improved delivery of services.
- Energy savings through the use of enhanced communications for medicine, public safety, and education such as unified communications, video, and TelePresence to decrease the travel needs of employees which benefit the environment.
- Solid return on investment from security technologies that protect government and citizen information.
- New revenue streams for agencies that can exchange their services.

4. Sustainable Social and Economic Value

- Increasing the tax base by creating skilled jobs.
- Increasing U.S. competitiveness in a global economy.
- Equipping more citizens with 21st-century skills.
- Creating an ongoing need for skills training jobs.
- Gaining a competitive edge in attracting businesses to the community.

- Empowering teleworkers, reducing traffic, congestion and carbon emissions.
- Enhancing public safety with advanced technology, including communications interoperability and automated alerting.
- Providing the foundation for entrepreneurs to compete in a networked world by collaborating with global partners and customers.

Why Cisco?

The broadband stimulus program takes into consideration the cooperation of private and community partnerships in building sustainable network infrastructures. Choosing the right partner is extremely critical to ensuring commercial success and future viability of any project.

Cisco provides open, standards-based and scalable networks for today and in the future. We help governments create a foundation from which innovative partnerships and business models can be explored—benefits that can set our customers apart in the grant application process.

- Financial stability and breadth of broadband offerings
- Deep vertical industry knowledge and extensive experience with deployments
- Proven success in design, development, and deployment of next-generation broadband infrastructures
- Full suite of home and office broadband solutions
- Over 30 years of broadband experience
- Industry leader in technical services
- A global infrastructure for 24/7 support
- Grant support and financing at favorable rates with Cisco CapitalSM

Cisco Lifecycle Services

Cisco recognizes that many organizations are either not currently staffed, or do not have the in house expertise to deploy new and advanced technologies to meet the timelines associated with the stimulus grants. Cisco is uniquely positioned to assist these agencies in all the phases of planning, design and implementation of broadband solutions funded by the economic stimulus. Cisco offers a professional services portfolio based on a lifecycle approach designed to help successfully meet mission goals and objectives. The unique Cisco® Lifecycle Services approach defines the requisite

services, activities and deliverables at each phase of the project lifecycle to help ensure service excellence. This approach offers a services framework that is independent of who performs the service activities—Cisco, partners, or customers themselves—and enables multiple parties to provide the expertise needed as an integrated project team, and in a highly coordinated manner. Based on our industry-leading practices and methodologies, Cisco Lifecycle Services align service and support activities with customers' unique business and technology requirements throughout the project lifecycle.

Financing Opportunities

Cisco Capital is a wholly owned subsidiary of Cisco specializing in providing innovative financing programs for Cisco solutions worldwide.

Cisco Capital is uniquely positioned to provide the most competitive and flexible financing for Cisco products and services. Cisco Capital is a trusted business partner and consultant, supplying the best possible investment solutions to help our customers succeed. By empowering businesses with the financial flexibility they need to evolve their IT as business demands grow, Cisco Capital delivers financing solutions designed to support business goals and technology needs, both today and in the future. Cisco Capital also delivers financing innovation through Cisco channel partners.

For More Information

To learn more about how the economic stimulus can help government, go to: cisco.com/go/govstimulus

To learn more about Cisco Services please visit: cisco.com/en/US/products/svcs/services_area_root.html

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