Date: April 13, 2006

To: See Distribution Below

From: Joe Luchi, Director of Intergovernmental Affairs and Economic Development

Subject: Wi-Max Pilot Project Summary and Background Information for Senate Select Committee on E-Commerce, Wireless Technology, and Consumer Driven Programming

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Attached, for your information, is a project summary as well as information regarding the individual members of the State Senate Select Committee on E-Commerce, Wireless Technology, and Consumer Driven Programming.

According to Jason Gonsalves, the intent of this hearing is strictly to gather information and to educate the committee members regarding advances in wireless technology and delivery methods. Jason is not aware of any of the committee members being politically polarized on this issue one way or the other.

The committee hearing is scheduled for 10 a.m. on April 17, 2006, in the State Capitol in Committee Room 3191. Jason Gonsalves will plan to meet you at his office at 9:30 am on April 17.

Attachments

c: Mayor Morin (w/a)
    Evert Palmer(w/a)
    Steve Blum(w/a) (transmitted electronically)

State Senate Select Committee on E-Commerce, Wireless Technology, and Consumer Driven Programming

Committee Members:

<u>Senator Dean Florez (D, Shafter)</u> – Current Chair of Select Committee on E-Commerce, Wireless Technology, and Consumer Driven Programming.

<u>Senator Debra Bowen</u> (D, Redondo Beach) – Former Chair of Senate Committee On Utilities and Commerce; Running for Secretary of State

<u>Senator Jeff Denham</u> (R, Merced) – Vice Chair of Senate Committee on Government Organization

<u>Senator Martha Escutia</u> (D, Montebello) – Current Chair of Senate Committee on Energy, Utilities and Communications; Terming out in 2006

<u>Senator Dennis Hollingsworth</u> (R, Temecula) – Vice Chair of Budget

<u>Senator Joe Simitian</u> (D, Palo Alto) – Member of Senate Committee on Energy, Utilities and Communications. Former Mayor and City Council Member of the City of Palo Alto. Also former Supervisor for Santa Clara County.

<u>Senator Tom Torlakson</u> (D, Antioch) – Democratic Caucus Chair; Member of Senate Local Government Committee Former City Council member of the City of Antioch. Also former Supervisor for Contra Costa County.

City of Folsom WiMAX Project Summary

A feasibility study covering technical and economic issues was carried out in the City of Folsom between June and September 2005. This study was jointly funded by the City and Intel Corporation, and was conducted by Tellus Venture Associates.

The final report outlined a two to three year conceptual project, focusing on using a citywide WiMAX system to support multiple layers of public and private uses, in order to achieve several goals:

a) Encourage new investment within the City of Folsom by creating a supplemental wireless broadband system to support innovative services and applications.
b) Promote the growth of existing businesses within the City by providing new network infrastructure that enables better communication and collaboration.
c) Provide public agencies with the option of using new wireless services and applications to improve services and/or reduce costs.

The first phase was approved by the City Council on November 8, 2005. It is a limited pilot project, intended to determine whether:

a) WiMAX technology is a viable option for the City of Folsom; and
b) Wireless applications can deliver tangible service improvements and cost savings;
c) Public and private organizations are interested in participating and willing to contribute resources. (It is not the City's intent to compete with private sector interests. Rather the City hopes to demonstrate through a proof of concept pilot that a viable business model using Wi-Max technology is possible in Folsom.)

Initial interest from private companies, local educators and City departments was high. A kick-off meeting was held on January 19, 2006 with representatives from several organizations. As a result, four companies – Intel, Skytel/Verizon, Tropos Networks, Pronto Networks – have pledged or already contributed the equipment, software, expertise and labor necessary to launch the pilot project, at no cost to the City.

The City and its partners have identified three geographic areas that have sufficient City resources, including network connectivity, to support the pilot project at little or no cost. These areas have a variety of public and private venues where applications can be tested, and include the historic business district and municipal facilities such as the aquatics center and an indoor sports complex.

The preliminary engineering and design work for the pilot project is being contributed primarily by Skytel, and should be complete by the end of April/May 2006. A combination of City and privately donated equipment and labor will be used to construct the pilot network, and it will be securely connected to the City's existing information technology infrastructure. The City has also begun the process of identifying which wireless technology and applications it will use to test the system's usefulness and cost effectiveness. This pilot network is expected to be in operation by early summer 2006.