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Ninth Federal Reserve District Forum: "Community benefits agreements: A tool for more equitable development?"
December 14, 2007

From Conflict to Collaboration: The "Wireless Minneapolis" Community Benefits Agreement

In early 2005, the City of Minneapolis began internal discussions focused on deploying a city-wide broadband network to support both public safety efforts and the City's growing mobile workforce -- which includes housing inspectors, meter readers, public works and other city employees.

Stakeholders participating in these meetings included Public Safety officials and City department heads, and board members representing Minneapolis housing agencies, parks, schools and libraries.

After months of internal review and analysis, the Minneapolis City Council agreed to issue a Request for Proposal, soliciting project plans from local, national and international telecommunications firms.

Council had instructed staff and consultants overseeing the project to develop a business case that did not rely on public money to finance the network—all upfront costs to build, operate and maintain this broadband network would be the responsibility of the winning vendor.

To guarantee the necessary financial incentive to encourage such a large private investment, the City agreed to act as an "anchor tenant", guaranteeing to buy telecommunication services on the network. In addition, the winning vendor would be allowed to sell residential and business services over the same network on a separate channel.

Almost immediately, public criticism for the project emerged, fueled by community newspapers editorials and a well-orchestrated letter writing and email campaign.

City Council members were contacted by activists insisting that the City either own and/or operate the network, and those who felt the City should build a more expensive (and more robust) fiber network as opposed to the wireless network under consideration.

In addition to these community concerns, a coalition of community-based organizations and individuals engaged in Digital Inclusion efforts felt strongly that the needs of low-

income residents and small businesses were not being adequately addressed by the proposed plan.

A Nation Online?

68% of Americans use the Internet

- 70% of Whites
- 57% of African-Americans
- 38% of Americans with disabilities
- 37% of Hispanics
- 29% who have not graduated from High School
- 26% age 60 or older

"Digital Divisions",
Report of the Pew Internet & American Life Project, October 2005

COMMUNITY BENEFITS & DIGITAL INCLUSION EFFORTS

Digital Inclusion efforts focus on eliminating the gap between technology HAVES and Have Not's (Slide 1)

Phillips/ Ventura Neighborhoods

1 public access computer available

for every 690 potential users...

open 24 hours a day, 7 days a week.

...includes public libraries, open labs at schools, and CTCs.

*Community Technology Empowerment Project

COMMUNITY BENEFITS & DIGITAL INCLUSION EFFORTS

Slide 2

Local snapshot of the Digital Divide:

Resource poor communities are also TECHNOLOGY poor communities.

Technology poor communities risk becoming even more disenfranchised as City services, transactions and civic engagement efforts move online...

In August of 2005, I approached the Minneapolis Foundation to investigate how best to organize community stakeholders around this issue. The proposed wireless network seemed not unlike existing municipal cable TV franchises in that a public right-of-way would be used by a private company to build and operate a for-profit network.

In addition, the City would allow the vendor to use other public assets, such as city light poles, traffic signals, city owned buildings and the City's institutional fiber network.

At this meeting, the Foundation's program officer introduced me to the work of the Alliance for Metropolitan Stability, and the concept of Community Benefits Agreements, and suggested we work together to draft a Community Benefit Agreement based on municipal cable franchise agreements-- a model familiar to those of us working in community technology and media in the 1980's and 90's.

While the City's RFP stipulated a "desire" for vendors to address the Digital Divide in their proposals, it was not a "required" response.

As a result, most respondents failed to address in any meaningful way how this network, and their companies, might support community development and civic engagement by “bridging the digital divide” in-low income neighborhoods.

In 2005 CBA’s were relatively new, and there existed no precedent for applying a CBA to a telecommunications project. But with seed funding from the MSNet Fund of the Minneapolis Foundation and technical support from the Alliance, a grass-root effort -- the Digital Access and Equity Campaign was launched.

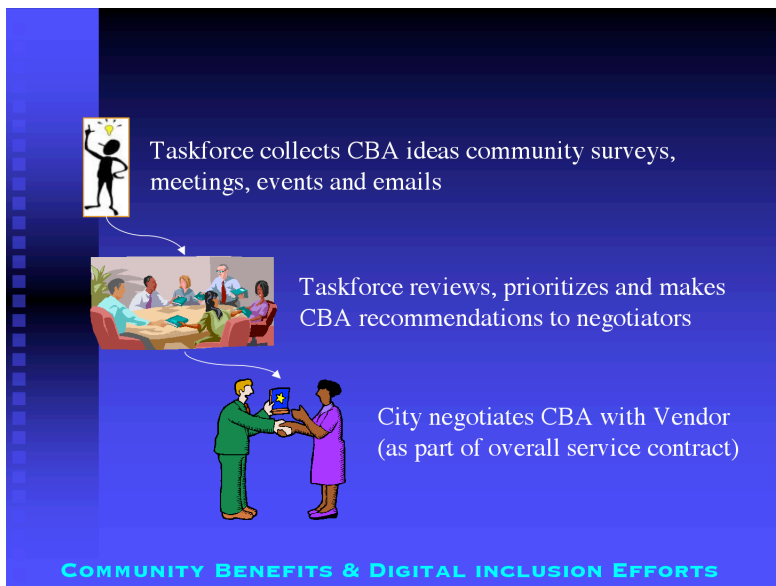
Over the following year our organizations worked together to develop a larger, more diverse coalition that included new immigrant groups, neighborhood organizations, independent media organizations, and community technology advocates.

In response to these outreach efforts, In February of 2006, the City Council sponsored an open public forum to solicit comment on the now controversial Wireless Minneapolis Initiative. Community coalition members, including residents who understood first-hand the impact of being “digitally disenfranchised” testified at this public hearing.

For most, this was their first city council meeting, and over a dozen people testified in support of the City sponsored plan—but only if it included a strong and enforceable CBA.

This public hearing set the stage for the key turning point in the Digital Access and Equity Campaign, as Council Member Elizabeth Glidden introduced a resolution that amended weak Digital Divide language already in the contract, specifically replacing the word “desired” to “required”.

This amendment was approved by a vote of 11-1 by the Council.



SLIDE #3- DI Task Force

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In addition, the resolution authorized formation of a Digital Inclusion Task Force to review the work of this community coalition, and to create a set of community benefit recommendations to forward to contract negotiators.

Several coalition members served on the Task Force, along with representatives from non-profits, local employers, unions, foundations, public libraries and schools.

I participated in final contract negotiations representing community and coalition interests, and the Wireless contract was finalized and signed in November of 2006.

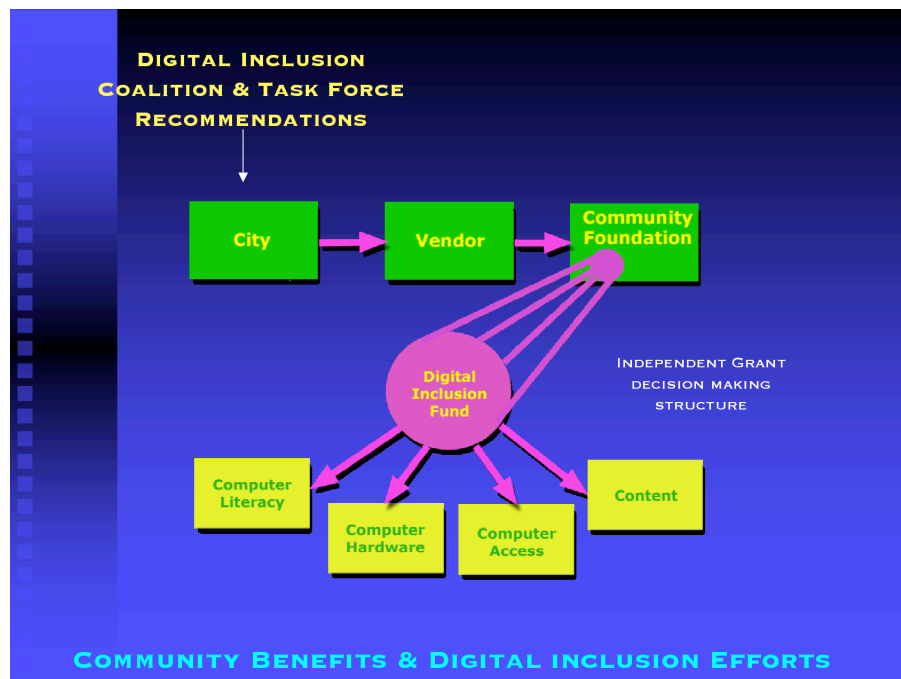
The CBA items within the overall city-vendor contract include:

Public Benefits Secured Include...

- \$500,000.00 up front for a new digital inclusion fund
- 5% annual pre-tax net income to DIF fund, + 2% of profits from adjacent community contracts
- Subsidized services to over 100 CTCs and NPOs
- \$15K in annual trial accounts for CTC volunteers
- Citywide access to a free "civic garden" of content
- 100% of portal page advertising revenue
- A guarantee of network neutrality

COMMUNITY BENEFITS & DIGITAL INCLUSION EFFORTS

Since the Wireless contract was between the City and vendor, a unique approach was needed to ensure that benefits secured by this agreement would be controlled by community stakeholders. To guarantee this, The City entered into an agreement with the Minneapolis Foundation to establish a community-advised board to manage the new Digital Inclusion Fund.



COMMUNITY BENEFITS & DIGITAL INCLUSION EFFORTS

This fund supports not-for-profit technology access and literacy programs and is overseen by a community advisory board that makes funding decisions and sets grant guidelines.

The first round of Digital Inclusion grants will be announced in coming days.

Additional CBA Items

-- In addition, the vendor will provide 100 free Internet accounts for non-profit agencies, along with 15K in annual vouchers for volunteers who serve at community technology centers

-- Another valuable "public benefit" secured by the contract will be launched in early January: The Minneapolis Civic Garden.

Minneapolis Civic Garden

"...a partnership between business, government, community organizations and community members..."

SLIDE #6 Civic Garden

The network portal page-- along with a collection of public sector websites will provide Minneapolis residents with a level of free, limited Internet service. Residents who wish to test drive the service-- or cannot afford the monthly fees (15.99 - 19.99 mo)—will still be able to access over 100 websites, including sites that feature public safety, neighborhood, government, education, health, employment, arts and culture, transportation and housing

resources.

Closing Remarks

While the benefits secured as a result of this campaign have the potential to improve Digital Inclusion within the City, one of the most important outcomes from this campaign was to demonstrate how a CBA can be applied creatively to various types of community development projects—not just land use projects.

The Digital Inclusion campaign could not have succeeded without an authentic partnership between city staff and elected officials, the vendor, and community stakeholders.

Much time and energy was devoted to exploring and discussing various win-win scenarios, which in turn helped establish trust between the parties leading into contract negotiations.

By the time the negotiations began, the vendor and the City had come to respect and rely on work the coalition had done to educate and inform residents about the City's wireless initiative, and more importantly how this initiative would likely impact low-income individuals and their families.

The City realized that a CBA was needed to address their constituents' demand that the public interest be served as part of any wireless contract.

The vendor realized that a true commitment to Digital Inclusion (and the CBA) would help the company secure the contract, develop a good corporate relationship within the community, and potentially help increase market share among dial-up and low-income customers.

And finally, Digital Inclusion advocates understood that with a CBA embedded in the formal contract between the City and Vendor, they could be assured of compliance—since penalties for not meeting contractual obligations extends to CBA items as well as technical and other considerations in the contract.

This successful CBA Campaign demonstrates that communities can move from conflict to collaboration with both government and private partners--- as long as community stakeholders have the resources, technical assistance and capacity needed to create and pursue strong, enforceable community benefits agreements.