Connected Nation Texas

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WHATIS BROADBAND?

Broadband Defined



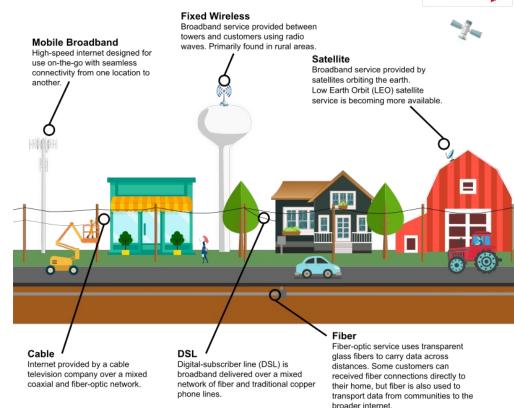
CONNECTED

Broadband: More commonly referred to as high-speed internet access, technically, broadband is any kind of connection other than dial-up. Connection is always on.

Fixed, terrestrial broadband: Service designed for permanent, stationary use at a home, business, or institution

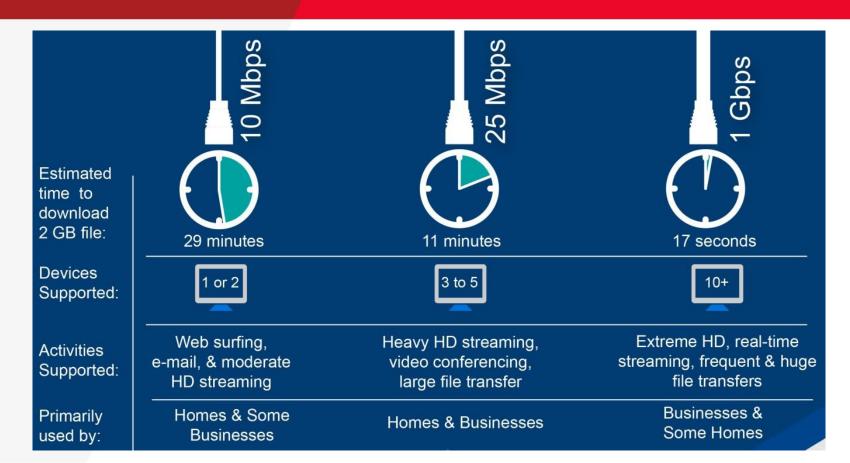
Mobile broadband: Wireless internet service designed for continuous use on a portable device

The current definition of broadband is 25/3 Mbps (set in 2015 by the FCC). The current average in the US is 151/21 Mbps.



Broadband Defined





Broadband Defined



Access

Physical connection to highspeed infrastructure.

Adoption

Recognizing the value in broadband and subscribing either at home, work, and/or via public institutions.

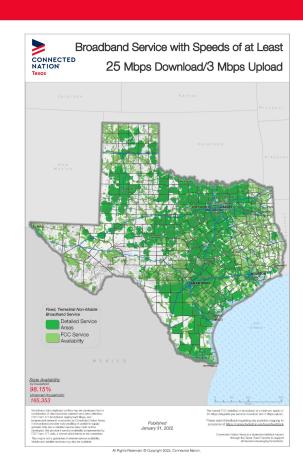
Use

Having the skills necessary to utilize and leverage broadband and related technologies across sectors.

Broadband Access in Texas



- 98.15% of households in Texas have access at 25/3, leaving 165,353 households unserved at the minimum speed considered broadband.
- Of note, 141,730 of these homes are in rural Texas.
- This means at least 478,595 Texans (409,061 who reside in rural Texas) do not have access to broadband at home to attend school, visit a doctor online, or work remotely.

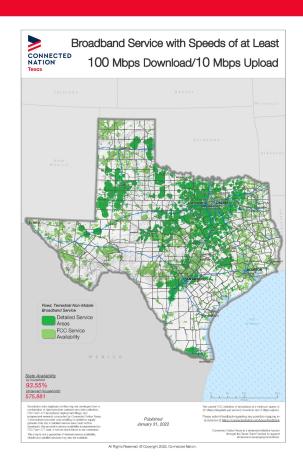


Broadband Access in Texas



- More than 575,000 households (over 1.6 million people) don't have speeds necessary for modern technology*, accessing critical internet resources
- Rural availability drops significantly as speeds increase, especially compared with overall Texas availability.
 - For rural areas, availability decreases from 95.12% at 25/3 speeds to 82.6% at 100/10 speeds.

*100/10 (minimum speed for new builds in IIJA is 100/20)

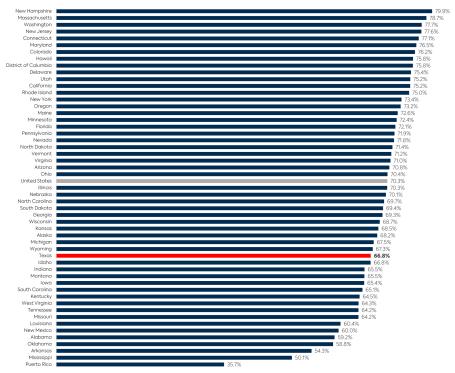


Broadband Adoption in Texas



- 33.2% of Texas households do not subscribe to fixed, terrestrial broadband service such as cable, fiber optic or DSL.
- Texas is 36th in adoption among other states and territories.
- Texans subscribe at a lower rate than the US as a whole.

Adoption Rate: Households with Broadband Subscriptions by State (Rates include households that may or may not have access to broadband)





BIPARTISAN INFRASTRUCTURE LAW

Bipartisan Infrastructure Law

(formerly Infrastructure Investment and Jobs Act)

On August 10, 2021, the U.S. Senate voted 69-30 to pass a \$1.2 trillion <u>bipartisan infrastructure package</u> that took months of negotiation. The House voted 228-206 to send the bill to the President's desk on November 5th and it was signed on November 15th. The infrastructure bill contains \$65 billion in broadband funding. Key elements of that funding include:

- \$42.45 billion for states to work with localities and service providers to improve broadband networks, administered by the National Telecommunications and Information Administration (NTIA) within the Department of Commerce. All states receive a minimum of \$100 million and larger states can expect to receive much more than that minimum amount
- \$1 billion for middle mile funding
- \$14.2 billion to make the Emergency Broadband Benefit program permanent, changing the program's name to the Affordable Connectivity Fund (up from \$3.2 billion that funded EBB during the pandemic). The permanent benefit will subsidize \$30 per month of an eligible household's broadband costs
- \$2.75 billion for **Digital Equity Act** competitive grant programs



BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) PROGRAM

Broadband Equity, Access, and Deployment (BEAD) Program



Purpose: To ensure 100/20 Mbps service (with 100 ms latency or less) to all unserved and underserved locations in the U.S. and 1 Gbps service to Community Anchor Institutions

Eligibility: States and territorial equivalents, which will select subgrantees according to an NTIA-approved competitive selection process

Amount: \$41,601,000,000 to states (\$100M initial allocation, with remaining allocations determined by unserved areas on the forthcoming FCC national broadband map); \$5M planning grant to each state; 2% can be used for state grant "administration"

Match Requirement: 25% unless waived; in-kind match allowed; CARES/ARPA funds can be used

Other Key Takeaways: Priority given to fiber-to-the-premises; middle-mile is eligible; areas served by exclusively by satellite or fixed wireless using unlicensed spectrum are eligible for support; states must award funding in a manner that prioritizes service to all unserved locations first, then underserved locations, then community anchor institutions; low-cost program required

Broadband Equity, Access, and Deployment (BEAD) Program



| Stage | Deadline | Description |
|--|--|--|
| 1. Letter of Intent | July 18, 2022 | States must submit a letter of intent to participate in the BEAD program |
| 2. Request for Initial Planning Funds | August 15, 2022 | Eligible Uses: 1) Research and data collection; 2) Providing technical assistance to potential subgrantees; 3) Establishing, operating, or increasing capacity of a broadband office; etc. |
| 3. Five-Year Action Plan | 270 days from receipt of Initial Planning Funds | These Plans will inform and should be closely integrated into each state's Initial and Final Proposals |
| 4. Program Fund Allocation & Notice of Available Amounts | On or after date FCC releases broadband maps | Once the FCC releases the updated broadband maps, NTIA will calculate and notify each state of its estimated funding amount |
| 5. Initial Proposal | 180 days from Notice of Available Amounts | These Initial Proposals must include identification of each unserved and underserved location in the state |
| 6. Challenge Process | After Initial Proposal submission | All states must administer a challenge process whereby broadband service providers (and others) can challenge a determination made by the state as to whether a particular location or CAI is eligible for funds |
| 7. Subgrantee Selection Process | Upon NTIA approval of Initial Proposal | Once NTIA has approved the state's Initial Proposal, and sometime before submission of the Final Proposal, the state must initiate its subgrantee selection process; must be "fair, open, and competitive" |
| 8. 20% Funding Release | Upon NTIA approval of Initial Proposal | The state may use these funds to fully fund deployment projects that: are Unserved Service Projects; or are located in an area where the percentage of households at or below 150% of the poverty line |
| 9. Final Proposal & Release of Remaining Funds | 12 months from NTIA approval of Initial Proposal | Final Proposals may only be submitted after states have already selected their subgrantees |



AFFORDABLE CONNECTIVITY PROGRAM

Affordable Connectivity Program



The Emergency Broadband Benefit is now the Affordable Connectivity Program

How does this affect consumers?

The biggest change is that the **monthly subsidy is being reduced from \$50 to \$30 per month** for most participants. (Individuals living on Tribal lands will continue to receive a \$75 monthly subsidy under the ACP.)

Individuals currently enrolled in the EBB should automatically be enrolled in the new ACP program by their current service provider. However, there are some <u>exceptions to this rule</u>.

- Households that qualified for the EBB by meeting the eligibility criteria for a participating provider's Covid-19 program will need to requalify for the ACP. This only specifically applies to Covid-19 programs; enrollment in other low-income programs does not require individuals to requalify for the ACP.
- Participants in the EBB who qualified based on "substantial loss of income due to job loss" will be expected to re-apply to the ACP.

Affordable Connectivity Program



ACP has expanded access as compared to the EBB

- ACP eligibility rules allow individuals at or below 200 percent of the poverty level to enroll in the ACP.
 Under the EBB, eligibility had been limited to individuals at or below 135 percent of the federal poverty level.
- Under the ACP, unlike the EBB, individuals enrolled in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) now automatically qualify to participate.
- The ACP also allows individuals to qualify based on their participation in Tribal assistance programs
 like Bureau of Indian Affairs General Assistance, Tribal TANF, or the Food Distribution Program on
 Indian Reservations. Under the EBB, participation in these programs was not sufficient to automatically
 qualify.

Affordable Connectivity Program



What changes for providers?

While new providers wishing to opt in to participating in ACP must currently be delivering services to end users, they are no longer required to demonstrate that they were providing services of December 1, 2020. This change greatly expands the number of providers able to participate in ACP as compared to EBB, allowing for more nontraditional and newer providers to participate in the program.

Participating providers are prohibited from:

- Preventing eligible households from participating due to previously missing a payment. Even if the household has been delinquent in the past, they are still allowed to participate in the ACP and providers must provide services.
- Charging early termination fees for ACP subscribers who decide to terminate their contracts early.
- Requiring a credit check as part of a consumer's ACP application.
- Applying the ACP benefit to a household bill in a less-than-timely manner. This is to prevent consumers from experiencing service interruptions due to perceived non-payment that is really just a delay in applying the ACP benefit to the consumer's bill.
- Inappropriately upselling and down-selling services.
- Preventing existing customers from applying for the ACP.
- Imposing any restriction on ACP recipients that prevents them from switching to another eligible ACP provider.

