



Community Broadband: How It Can Transform Your Local Government

Presentation to Grand Island, NY
March, 2016

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Why Community-Led Broadband?



The Principle

- “Connectivity is a path to greater opportunity. In today’s world, broadband and fluency with technology fuel economic growth, provide access to the world’s knowledge, promote skill development, and build stronger and more connected communities.” *President Barack Obama announcing the ConnectALL Initiative on March 9, 2016*
- High-speed broadband service is as important to the vitality of a community as roads, bridges, electricity, and water.

Benefits of a High-Speed Fiber Network

- Promotes economic growth by attracting new businesses and retaining existing businesses
 - Broadband expansion is associated with local economic growth. (*U.S. Council of Economic Advisors, March 2016*)
 - Economic growth is greater due to broadband expansion in areas with lower population densities. (*Jed Kolko, Journal of Urban Economics, 2012*)

Benefits of a High-Speed Fiber Network

- Dramatically increases educational opportunities
 - “Broadband-enabled technologies are redefining traditional notions of education and are leading to the development of a new, learner-centric education paradigm.” (*Impact of Broadband on Education, Report of U.S. Chamber of Commerce, 2010*)
 - Broadband improves the effectiveness of instruction and enhances learning outcomes through more engaging, interactive activities.
 - Broadband enhances access to quality education via distance learning programs...and the availability of relevant content from any location.
 - Broadband enables a wider array of professional development opportunities for educators.

Benefits of a High-Speed Fiber Network

- Increases residential property values and improves real estate market
 - Study of nine counties in New York State found that the presence of fiber in a neighborhood increases property values by approximately 5%. (*Impact of High-Speed Broadband Availability on Real Estate Values, University of Colorado, 2013*)
 - “As the internet becomes central to the way Americans work and live, the digital divide is taking on greater economic significance...Now, the availability of speedy internet service is starting to affect Americans’ biggest purchase: their homes.” (*Wall Street Journal, 2015*)

Benefits of a High-Speed Fiber Network

- Improves eGovernment services and the development of a “smart city”
 - White House “Smart Cities” initiative includes new opportunities in four areas of local government: infrastructure, city services, democratic governance, and public policy and management. (*MetroLab Network*)
 - Promotes more effective wired and wireless public safety communications
 - Opens a vast array of municipal applications, including “smart parking” and “smart street lights”



The Role of Community Leaders

- High-speed broadband networks are becoming more essential than ever for local governments, residents, and businesses
- 90% of community leaders agree that modern broadband networks are strategically important to their communities (*Center for Digital Government*)
- Local governments throughout the U.S. are conducting feasibility studies and/or actual construction of municipally-owned or public-private partnership broadband networks.
- Example in New York State: Yates County Fiber Network, which received \$2.4 million in ConnectNY Broadband Fund.

The Role of Community Leaders

- In 2010, 1,100 local governments applied to Google to become the first Google Fiber city in the U.S. (Kansas City won the title)
- Many municipal officials do not understand the vital role they play in driving commitments – and funding – for network modernization projects
- Decisions made in the next few years will affect what a municipality's network will look like in a decade
- Key question: Does your municipality have the broadband network it needs to prosper in 10 years?

Why Are Incumbent Providers Not Pursuing High-Speed Networks?

- Incumbent providers require significant capital outlay to upgrade their networks to provide high speed broadband service
- In areas where incumbents offer gigabit service, the service packages are very expensive
- Greater pressure on private companies to generate profits quickly
- Municipal governments are not so restricted by time constraints

The Broadband Landscape in New York

New York Broadband Initiative

- In 2015, Governor Cuomo announced the New York State Broadband Initiative, including a \$500 million grant program to expand high speed connectivity to unserved and underserved areas in the state.
- “Through this unprecedented investment, we will be expanding reliable internet access in underserved areas, helping businesses become more competitive, and making broadband available in every corner of New York. I encourage all eligible applicants to apply and take advantage of this new opportunity.” (*Governor Andrew Cuomo announcing Broadband Initiative*)

New York Broadband Initiative

Key Components of the program:

- New access to broadband at speeds of at least 100 Mbps.
- Public-private partnership with a 50% match in private sector investment targeted across the program.
- High priority for unserved areas and projects that most improve broadband internet access in underserved areas.
- Applications chosen through a “reverse-auction” process, in which funding is awarded to bidders seeking the lowest state investment.
- Auctions held within each Regional Economic Development Council region to ensure statewide allocations of funding.

New York Broadband Initiative

- According to the NY Broadband Program Office website, 29 grants equating to approximately \$46 million have been awarded to date.
- Of these grants, only one appears to benefit Erie County. It is a grant for \$672,452 for a wireless project for Southern Tier Broadband covering four counties: Chautauqua, Cattaraugus, Allegany, and Erie.
- Also, federal grants available through NTIA, E-Rate program, etc.
- New York has no statutory barriers to local broadband, such as in Pennsylvania, Virginia, and other states.

Next Steps

Recommendations

- Consider perform a Broadband Feasibility Study, which will determine:
 - What does the existing broadband landscape looks like for your community?
 - Who are the current providers and what are their broadband speeds?
 - What are the practical options for pursuing a community-led broadband network?
 - How much would a community-led network cost?
 - Options for partnerships with fiber or wireless contractors.
 - Funding opportunities to help pay the cost of the project.

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