



O H I O
E C O N O M I C
D E V E L O P M E N T
A S S O C I A T I O N

Interested Party Comments on Sub. HB 13

Dear Chairman Oelslager, Co-Chair Callender, Ranking Member Cera, and Members of the Committee:

The Ohio Economic Development Association applauds the legislature for recognizing the importance of ubiquitous residential broadband access in Ohio. We commend Rep. Carfagna for sponsoring and Rep. O'Brien for co-sponsoring HB 13 and their leadership in addressing this critical need.

The COVID-19 pandemic is a turning point in history. Employers and employees learned that with reliable broadband services, many businesses can continue to function and meet customers' needs even in the most uncertain and challenging circumstances. However, for those in underserved areas, the lack of broadband made it extremely difficult for businesses to weather the crisis which only served to increase their economic disparity. Sub. HB 13 can help bridge those disparities and make Ohio's broadband infrastructure become more robust. OEDA appreciates the opportunity to share its perspective on the legislation and the importance of ensuring the residential expansion program does not have any unintended consequence on economic development efforts.

Management of Grant Program – Sub. HB 13 designates that management of the grant program will reside within the Department of Commerce (Commerce). While OEDA recognizes that Commerce has broad regulatory authority, OEDA believes that the Program would be more effectively deployed by the Development Services Agency (DSA). Sub. HB 13 authorizes funding for the program of \$20 million. While this is a good start, it is a drop in the bucket of funds it will take to build out Ohio's broadband infrastructure. DSA has access to other funding sources that could be used to supplement this program, including CDBG funds, the Facilities Establishment Fund and funds available through its partnership with JobsOhio. Additionally, DSA has a broad and deep understanding of the job losses caused by COVID-19 and the gains that can be made by increasing the capabilities of Ohioans' internet access. DSA has years of experience in managing competitive grant programs and will thus be able to run this program smoothly and efficiently. Finally, DSA has only recently established the State's Office of BroadbandOhio, and it appears well-suited to manage this new program.

Access to Provider Grants – OEDA is very concerned that Sub. HB 13 no longer allows electrical cooperatives, counties, and political subdivisions to apply for grants under the program. These entities all have a vested interest in ensuring their residents have broadband access. And, they understand the importance of ensuring industrial parks and business corridors have the critical broadband infrastructure to support economic development. When for-profit providers determine that service is not warranted in a certain areas, political subdivision and others can take up the cause and persist in obtaining services for these forgotten citizens. Additionally, several political subdivisions and electrical cooperatives already provide some internet services and it is a frequent practice for cities to install fiber during roadwork projects because of significant cost savings over stand-alone fiber installation. To deny them the ability to expand their coverage is simply unfair to Ohio's residents and a hinderance to economic development efforts—particularly those around business attraction, retention and expansion.

Provider Accountability & Responsibility– One of the key takeaways from the COVID-19 pandemic has been that broadband is a critical infrastructure need. Ohioans had to rely on broadband service to continue educating their children when schools closed, order food and other essentials when they weren't able to go to bricks and mortar grocery stores, work from home to be able keep doing their jobs and their businesses open, and to access healthcare via telemedicine. After the past few months, there can be no question that reliable and affordable residential broadband is an essential service. If, at this time, broadband is not going to be classified as a utility, it certainly demands greater accountability and reporting from the broadband providers. The removal of the project sponsor, originally defined as the municipal corporation or township, the removal of the requirement that the project sponsor's legislative authority review and authorize agreements and plans, and the removal of the county commissioner role in reviewing and releasing funds has eliminated the most important accountability measures. In its current form, the bill does not include the review or reporting requirements that are necessary to ensure the appropriate use of grant funds and project completion.

Speed of Service – The minimum speeds for download and upload as defined for Tier 1 and Tier 2 are not adequate to meet current technology and would be outdated upon installation. Residential broadband speeds need to be sufficient for telecommuting (work from home) and primary, secondary, and higher education. Under both the Tier 1 and Tier 2 speeds, it is unlikely that an end user would be able to utilize many of the standard programs and applications required by businesses, schools, colleges and universities. Residential broadband is more than being able to “access the internet” at home. From the workforce and economic development perspectives, adequate residential broadband speed is as important as residential broadband access if we are to ensure our next generation is prepared to join Ohio's workforce and our current workforce can work from home. Inadequate broadband service, reduces the people in Ohio's talent pool. This further exacerbates the challenges businesses have in filling existing positions as well as having the adequate workforce to expand their presence in Ohio.

Accurate Service Area Reporting – Sub. HB 13 requires the applicant broadband provider to list the specific addresses that will have access to the broadband service as a result of the grant funding. This change is an improvement over certain federal grant programs that count an entire area as served if one household in the census block has broadband access while others in it remain unserved. This provision is a good step forward in improving the accuracy of service area reporting.

Membership of Program Authority – As previously expressed, economic development success in Ohio can be helped or hurt by broadband capacity. We believe coordination with the state's development services agency is critical, especially given the related programs and funding housed there. As such, we believe the addition of the Director of the Ohio Development Services Agency (DSA), or their designee, to the Ohio Residential Broadband Expansion Program Authority will help ensure the grant program complements other development efforts and has a positive impact on Ohio's economy. We also encourage the legislature to include representatives of the economic development and workforce development professions.

Comprehensive Approach – OEDA applauds the legislature for Sub. HB 13's focus on improving residential access to broadband. However, broadband is not just critical for Ohio's residents. Businesses, education at all levels, libraries, hospitals and all parts of Ohio's economy need robust internet access. OEDA recommends that either the scope of Sub. HB 13 be expanded or a commitment be made to quickly provide a comprehensive solution to Ohio's broadband gaps. Rather than a siloed approach, a comprehensive and coordinated approach will be more effective and allow for better utilization of resources across multiple segments such as business, education, and healthcare. Coordination of planning and resources among these segments would act as a force-multiplier for access as the network is built out.

On behalf of OEDA's more than 500 members, I want to thank you for your time in considering our perspectives on key provisions of HB 13. Broadband is as much an infrastructure need as sewer and water, electric and gas, and roads and bridges. The legislation begins to address many of the barriers to reliable

broadband service in Ohio and allocates essential funding for broadband expansion. We look forward to working with you on this issue and further efforts to ensure every Ohio community has the broadband infrastructure and service levels necessary to meet the needs of its residents and businesses.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Price".

Jennifer Tisone Price
Executive Director