



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 HB 2

Dear Chair Wilson, Vice Chair Hottinger, Ranking Member Maharath and Members of the Senate Financial Institutions and Technology Committee:

The Ohio Economic Development Association applauds the legislature for recognizing the importance of ubiquitous residential broadband access in Ohio. We commend Representative Carfagna and Representative Stewart for sponsoring HB 2 and their leadership in addressing this critical need.

OEDA believes all policy-setting efforts at the state and local levels, whether driven by legislative or administrative means, must support access to reliable and affordable high-speed broadband services in all Ohio communities. Broadband access is an infrastructure and service delivery issue, as well as an equity issue that hinders a level playing field for all Ohioans.

We acknowledge that to-date it has been unprofitable to build-out high-speed broadband access in many communities throughout the state. It remains that many communities around Ohio lack access to affordable broadband services that are essential to participate in the state's economy. This prevents those same communities – whether urban or rural – from being competitive in the market for attracting payroll-creating companies, improving their local workforce, and offering a high quality of life.

Recognizing the challenges, the Ohio Economic Development Association identified six key components necessary for effective broadband access policies and programs:

1. Programs should not limit or impede the number and type of potential providers of broadband infrastructure and/or services.
2. Broadband infrastructure must meet minimum speed requirements that allow all members of a household to work and/or learn from home.
3. Programs should prioritize unserved and underserved areas and address the barriers to access and affordability.
4. Programs must include mechanisms to increase accountability through robust reporting of implementation, verified outcomes by service providers, and clawback provisions, as necessary.
5. The state must take a comprehensive approach to broadband access as it impacts business, education, workforce training, public safety, and health every day.
6. A coordinated approach with one lead entity can help to create economies of scale, leverage other investments in infrastructure, and avoid duplication of efforts.

House Bill 2 can help the state quickly address several of the most critical issues related to broadband access. This legislation builds on the initial work advanced in the last General Assembly and OEDA believes the proposed Ohio Residential Broadband Expansion Program can be a very helpful tool in efforts to narrow the digital divide. OEDA also applauds the work between the sponsors, Representative Carfagna and Representative Stewart, and the Administration to increase the funding of the program by an additional \$150 million in fiscal year 2022.

**Prioritizing Unserved & Underserved Areas:** OEDA agrees with the bill's focus on residential access and applauds the use of a scoring system which prioritizes unserved and underserved or distressed areas as

defined under the Urban and Rural Initiative Grant Program. We are also very pleased to see the inclusion of scoring criteria which takes into account demonstrated support for community or economic development efforts in or adjacent to the project areas including service to commercial and non-residential entities as a result of the grant program even if they are not funded by the grant program. The scoring system recognizes the importance of leveraging investments and the potential for a positive ripple effect.

**Comprehensive & Coordinated Approach:** OEDA is also pleased that House Bill 2 reflects a comprehensive and coordinated strategy and utilizes existing expertise to create and manage a stringent grant program. OEDA believes Ohio Development Services Agency is a strong choice to house the Ohio Residential Broadband Expansion Program. ODSA 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. The agency has years of experience in managing competitive grant programs and will thus be able to run this program smoothly and efficiently. The bill also creates a process for continually examining and updating the state broadband plan. The State's recently established Office of BroadbandOhio is housed in Ohio Development Services Agency, making them well-suited for this comprehensive and coordinated approach.

**Accountability & Transparency:** House Bill 2 includes various reporting and compliance requirements to enhance accountability and transparency. It appears the grant recipients will be required to list the specific addresses that will have access to the broadband service as a result of the grant funding which will be a considerable improvement over broader reporting such as that by "census-track" which considers an area to be served if only one residence has service. The ability to seek verification and "clawback" grant awards also strengthens accountability. For example, the legislation allows ODSA to seek independent third-party speed verification and to withhold payments for failure to meet minimum broadband speeds or require the broadband provider to refund grants to DSA and GRF or other discretionary funds to the local governmental entity that contributed toward the broadband funding gap. The legislation also requires the authority make an annual report of its activities and duties and to make it publicly available on ODSA's website.

**Limiting Potential Providers:** There are many, many positives in the Ohio Residential Broadband Expansion Program as proposed. However, OEDA offers one suggested improvement. Currently, the legislation limits eligible applicants to broadband services providers at a time when the need for adequate, reliable, and affordable broadband has never been greater. We encourage Ohio's policy leaders to recognize that the private sector alone, even with the availability of last mile grant funding, cannot quickly and comprehensively close the digital divide, particularly when considering issues of equity. Ohio needs an "all hands on deck" solution.

There are many examples of governmental and quasigovernmental entities succeeding with broadband expansion efforts. Examples of locally-owned municipal and county networks and public-private partnerships that brought broadband access to residents, business corridors, and industrial parks include: Zanesville's Downtown Fiber Optic Network in Muskingum County; Gahanna's GahannaNet in Franklin County; FairlawnGig in Summit County, and Medina County's Fiber Optic Network. OEDA suggests making municipalities, counties, and other political jurisdictions, utilities, community-based organizations, councils of governments, federal economic development districts and similar entities eligible for this and future broadband access programs. Similarly, OEDA recommends removing language which makes governmental and quasigovernmental entities ineligible, particular given the bill's provisions which permit municipal corporations, townships, and counties to levy special assessments for broadband projects.

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 2. Broadband is as much an infrastructure need as sewer and water, electric and gas, and roads and bridges and we applaud the comprehensive and accountable approach outlined in House Bill 2. The legislation addresses 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". The signature is written in black ink and is positioned above the printed name.

Jennifer Tisone Price  
Executive Director