



**Senate Financial Institutions and Technology Committee
Interested Party Testimony HB 2
Dorothy C. Baunach, DigitalC
April 27, 2021**

Chairman Wilson, Vice Chairman Hottinger, Ranking Member Maharath and members of the committee, thank you for the opportunity to provide written testimony regarding the importance of broadband expansion in the State of Ohio. My name is Dorothy Baunach, and I am the Chief Executive of DigitalC, a Cleveland non-profit working to increase Internet access in underserved areas of the city. DigitalC is addressing this through its EmpowerCLE+ initiative, a Wireless Internet Service Provider (WISP). We have created a “WISP with a Purpose”.

Access to affordable and reliable broadband is both a rural and urban issue in Ohio as the below chart outlines. The data is also confirmed in the link provided to the recently published list of Ohio’s worst connected communities over 5,000 households: [Factsheet: Ohio’s worst-connected midsized and large communities | Connect Your Community](#)



Digital Divide is an Urban and Rural Issue in Ohio and US

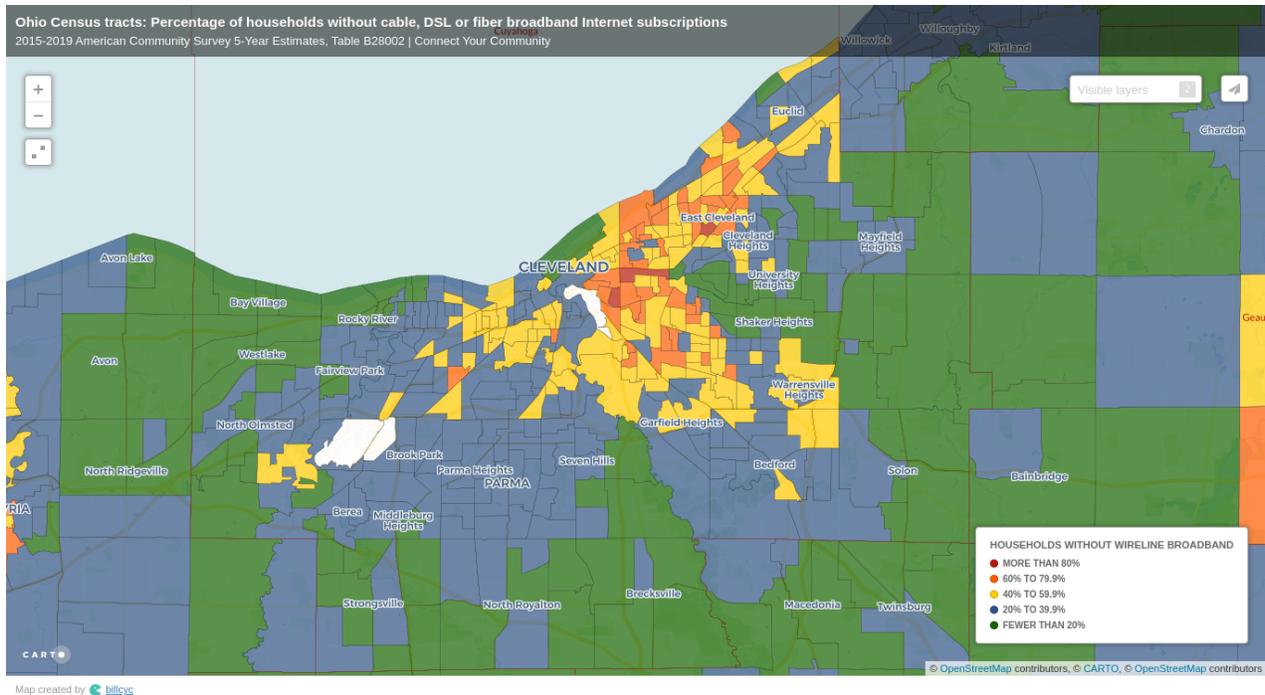
| Ohio Households | Households Statewide | Ohio- Rural | % Ohio Rural | Ohio- Urban | % Ohio Urban |
|---|-----------------------------|--------------------|---------------------|--------------------|---------------------|
| Without broadband of any type (including cellular data plan) | 691,680 | 165,257 | 24% | 526,423 | 76% |
| Without broadband such as cable, fiber optic or DSL | 1,389,006 | 385,490 | 28% | 1,003,516 | 72% |

Total Ohio Households: 4,730,340
Total Ohio Rural Households: 968,406
Total Ohio Urban Households: 3,761,934

Source: 2019 American Community Survey 1-Year Estimates, Table B28002 (National Digital Inclusion Alliance)

Last fall, Cleveland was named the worst connected major city in the country – that is in cities with a population of more than 100,000 households. More than 50,000 households have absolutely no Internet subscription of any kind and nearly 79,000 households do not have access

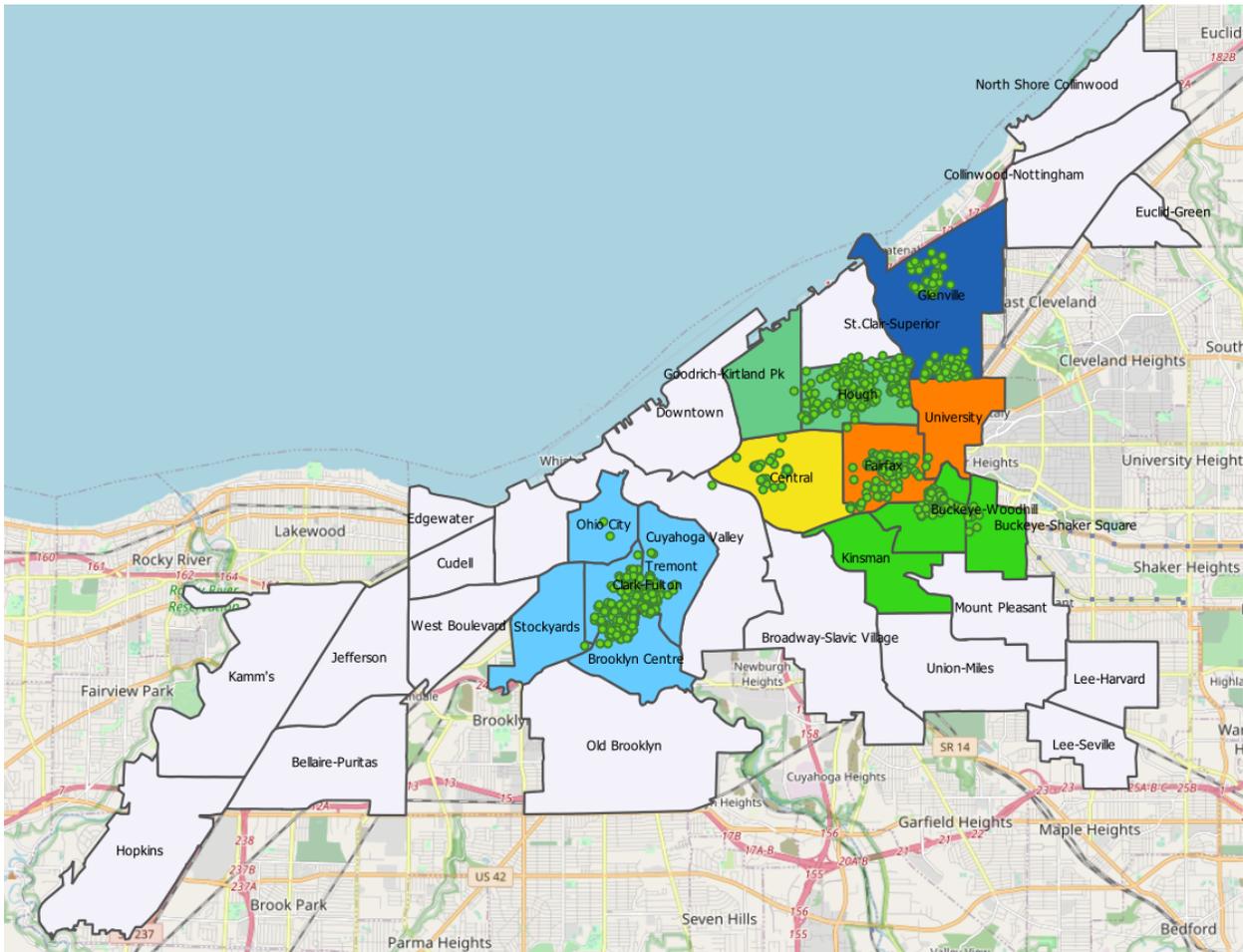
to even minimum broadband speeds of 25mbps down and 3mbps up. DigitalC, through its EmpowerCLE+ initiative, is striving to address this unacceptable ranking. Cleveland has been in the top five least connected cities with Detroit, Newark, Miami, Memphis and Baltimore for the past five-plus years and just fell to dead last – not an enviable position. The below map illustrates the seriousness of the situation, with the unfortunate reality that our very least connected communities and census tracts are largely communities of color and extreme poverty.



As every one of you know, the education, health and economic well-being of every Ohio resident is impacted by their ability to have access to high-speed Internet service. I know there are great debates over whether the issue is access or affordability, and from the perspective of the three years I have been on the ground working to solve the problem in the neighborhoods of Cleveland where I grew up, I can assure you it is both – and that they are interdependent. The proposed Residential Broadband Expansion Grant Program in HB 2 awards public dollars to providers that can provide access to Tier 2 broadband service where Tier 2 service does not exist. DigitalC will participate in this process and apply for funds to provide Tier 2 broadband service where it currently isn't available. However, the program only solves half the problem. HB 2 needs to go further and address the issue of affordability. If low income residents in both rural and urban areas cannot **afford** Tier 2 service they do not have **access** to it. As currently written, DigitalC would be prohibited from being awarded public dollars to provide affordable broadband service where Tier 2 service already exists.

Since 2018 DigitalC has been working to provide reliable and affordable high-speed Internet to the least connected neighborhoods in Cleveland and to create a sustainable business model.

We currently offer our basic Internet service at 50mbps down and up to 20mbps up to more than 900 households in six neighborhoods at the affordable but highly subsidized price of \$18 per month plus tax (keeping the total cost to the subscriber under \$20 per month). In addition, we have a waitlist of more than 1,200 subscribers throughout the city that are waiting for our service once we can complete our infrastructure. Completion of the city-wide network would require a \$40M investment, which is beyond DigitalC’s financial capability and will require state support in addition to the philanthropic, private and local public support we have already invested to execute on the plan to achieve our mission and vision.



In addition to being ranked as the worst connected big city in the country, Cleveland also had the highest poverty rate among large cities in 2019, overtaking Detroit, according to the U.S. Census Bureau. In 2019, more than 114,000 people lived in poverty in Cleveland, including 37,700 children and nearly 12,000 older adults. In fact, Cleveland remained the worst among large cities in child poverty, with 46.1 percent of children living in poverty. According to the Center for Community Solutions, “more than 6,500 of those adults living in poverty in Cleveland worked full-time for the for the full year, but did not earn enough to propel them above the poverty



threshold.” Thus, it’s not merely a coincidence that areas that are most unconnected are also areas which experience the highest levels of poverty. If a household cannot afford the internet that is available, then that internet is not accessible.

John Stankey, CEO of AT&T, in an opinion piece in the Politico dated September 8, 2020 acknowledged, “Our networks still don’t reach everyone, and private dollars alone won’t solve this challenge.” Stankey went on to state:

Millions of American families cannot afford or may lack access to the high-speed internet connection they need to work and learn from home. [According to Pew Research](#), 15 percent of U.S. households with school-age children do not have a high-speed internet connection; for households incomes below \$30,000 a year, 35 percent don’t have high-speed internet.

Our country needs to close that gap, and now is the time for legislators and policymakers to act to ensure the educational and economic success of all Americans by making broadband connectivity more accessible, affordable and sustainable. Market forces and private companies can’t do it alone because of the lack of return on the significant investment necessary to reach all Americans.

In February I testified on SB8 in front of the Senate Energy and Public Utilities Committee. My message then is the same as it is now. The Residential Broadband Expansion Grant Program needs to be adjusted at some point to provide public dollars to non-profit broadband providers like DigitalC and others who are connecting low-income households with permanent broadband service at an affordable cost to anyone who needs it.

We have proposed amendment language that allows a non-profit broadband provider to provide affordable service in areas recognized as high-poverty pursuant to the definitions of the amendment. The non-profit broadband provider would follow the same application process as for-profit providers and those applications can also be challenged. However, pursuant to our amendment, applications submitted by non-profit broadband providers would receive extra consideration if their project is to provide Tier 2 broadband service in a high-poverty area even if Tier 2 service is already provided by a for-profit provider. Our amendment doesn’t preclude any provider from providing Tier 2 service in any area across the state. It simply acknowledges that affordability is a key component to access. Without this amendment, there will be pockets of communities in Ohio that are suffering from poverty unable to access high speed broadband simply because they cannot afford it.

Please think about how each of the communities you represent might benefit from exploring the many options available through globally proven technology and innovation to deliver high speed Internet to all Ohioans based on the needs of the residents in your respective Districts.



Please take a closer look at our work in Cleveland's neighborhoods:

<https://player.vimeo.com/video/509258867>

Thank you for the opportunity to provide interested party testimony.