



**Senate Energy and Public Utilities Committee
Interested Party Testimony SB 8
Dorothy C. Baunach, DigitalC
February 9, 2021**

Chairman Peterson, Vice Chairman Schuring, Ranking Member Williams and members of the committee, thank you for the opportunity to provide 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

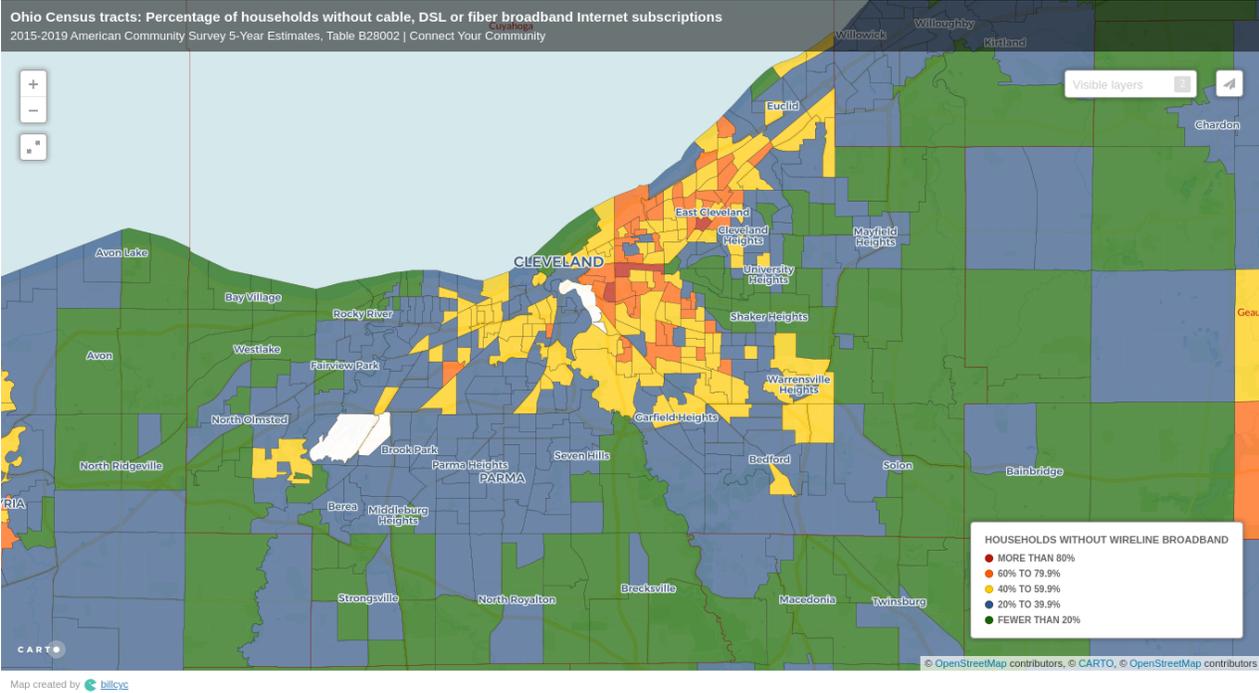
Ohio Households	Households Statewide	Ohio- Rural	% Ohio Rural	Ohio- Urban	% Ohio Urban
Without broadband of any type (including cellular data plan)	691,680	165,257	24%	526,423	76%
Without broadband such as cable, fiber optic or DSL	1,389,006	385,490	28%	1,003,516	72%

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)

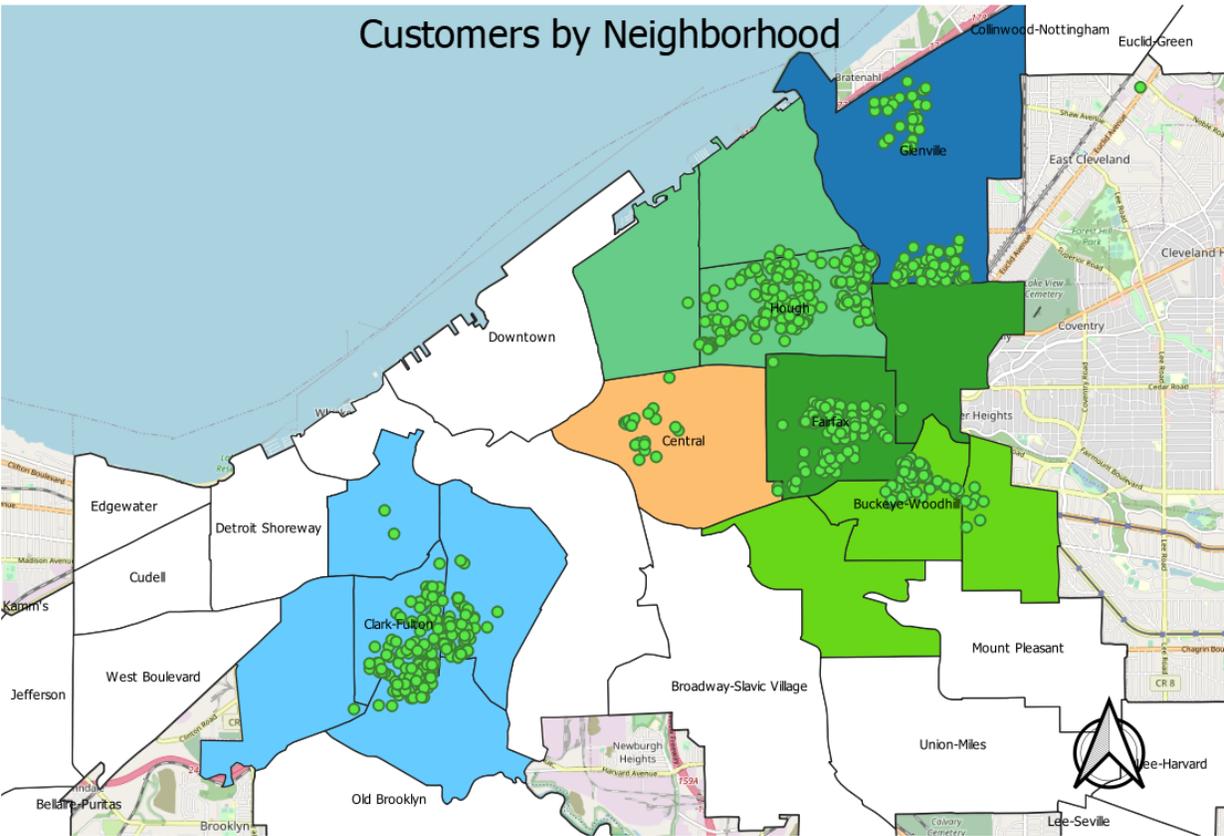
Last fall, Cleveland was named the worst connected major city in the country – that is in cities with a population of more than 100,000 households. More than 50,000 households have absolutely no Internet subscription of any kind and nearly 79,000 households do not have access to even minimum broadband 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 current fiber infrastructure is inadequate to support reliable, high-speed Internet service in the neighborhoods. Despite the perception of access, the data reported by the carriers in the FCC’s Form 477 proves that there are still communities that do not have access to coverage.

The DigitalC Board directed the team in 2018 to provide reliable and affordable high-speed Internet to the least connected neighborhoods in Cleveland and to create a sustainable business model. In addition, we set the goal to get out of the top five least connected major city ranks as quickly as possible. We currently offer our basic Internet service at 50mbps down and up to 20mbps up to more than 850 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 our basic service, last fall we added technology infrastructure in two of our six neighborhoods that allows us to deliver 100 to 200mbps to households, limited from reaching a Gig to the home only by the modem and household equipment we supply free to the subscriber. This technology is more expensive but is necessary to provide infrastructure that can navigate Cleveland’s extensive tree canopy. However, it is far less expensive than building fiber to the home, which is typically done by traditional carriers in more affluent neighborhoods. The first household connected to this fixed-wireless millimeter technology is home to three Cleveland Metropolitan School District (CMSD) students (1st to 6th grade). It replaced a hot spot issued as a temporary emergency solution by CMSD last spring. In addition to all three students now being able to engage in their remote learning with no connectivity interruptions, their primary provider is now also able to work from home. It has also relieved their mother’s aging father who lives three-doors down from having to check in on the children several times a day to be sure they were safely tending to their schoolwork.

To become sustainable more quickly, we are exploring an affordable rate for this higher level of broadband service, recognizing each of us here today will be expecting higher levels of Internet speed as the Internet continues to grow as an essential part of our 21st century lives. DigitalC and CMSD have been working closely together since May because our partnership is built on the

belief that no student's education should suffer based on their zip code, which is exactly what the digital divide does in these neighborhoods. In addition to our Students, members of our Senior population, many isolated in high-rise apartments or living alone during the pandemic and unable to be with family or have the privilege of telehealth visits, require access and digital skills training. Finally, our Striver population that is un- or under-employed in these zip codes without the ability to apply for jobs, seek benefits or even find reliable information on the pandemic online, also suffers more deeply the consequences of this pandemic that has had us all on lock-down for nearly a year and has impeded the livelihood of tens of thousands.

With respect to our business model, the DigitalC team has worked with the board to project multiple breakeven scenarios. The first comes around 7,000 households connected, which we estimate to be accomplished by mid-2022. That breakeven point achieves the board's sustainability goal but will not address Cleveland's digital divide in a meaningful way. The projected investment that allows us to build the infrastructure to connect upwards of 30,000 households and make a significant dent in Cleveland's digital divide is approximately \$40M.

We realize based on conversations with many of you that the current SB8 will not help our cause or assist EmpowerCLE+ connectivity in becoming a choice for the residents of Cleveland. It will also not allow other urban communities in Ohio to create competitive options to current providers. However, I respectfully request and urge that over the coming months as you deliberate the next Biennium operating budget, you consider our innovative EmpowerCLE+ "WISP with a Purpose" model. 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. We are certainly willing to share our model and knowledge with other communities in Ohio, as we have already begun to do. However, in the near term we must continue to focus on implementing our plan and striving to achieve the best public-private-philanthropic partnership possible to provide the investment required to ensure digital inclusion and equity in the City of Cleveland.

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.

1/8/2021

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