Broadband Advisory Council
Meeting Minutes
December 16, 2020

Event/Meeting: Broadband Advisory Council Regular Meeting

Date/Time: December 16, 2020 at 11:00 AM

Locations: Teleconference via Webex:

Board Members Present: Deb Alfredson, David Antonacci, Director Paula Basta, Bill Bodine, Karen Boswell, Melia Carter, Mayor Mike Chamberlain, Theresa Eagleson, Ryan Gruenenfelder, Steven Hill, Rick Holzmacher, Zak Horn, Chris Nelson, Jeff Newell, Deno Perdiou, Susan Satter, Matt Schmit, Josh Shallenberger, Anne Slaughter, Lori Sorenson, Jim Zolnierek, Senator Jil Tracy, Representative John Connor

Board Members Absent: Representative Keith Wheeler, Senator Bill Cunningham

Illinois Department of Commerce and Economic Opportunity Staff Present: Katie Stonewater, Diamond Ruffin

Call to Order and Introductory Remarks from Chair: The meeting was called to order by Chair Schmit at 11:00 am. Katie Stonewater conducted the official roll call. Chair Schmit recognized that a quorum of members was present and provided an overview of the Broadband Advisory Council (“BAC”) agenda.

Approval of Meeting Minutes: Chair Schmit asked for a motion to approve the minutes of the November 18, 2020 meeting. A motion was made by Vice Chair Lori Sorenson and seconded by David Antonacci. Motion passed by unanimous decision.

Office of Broadband: Chair Schmit provided a brief update of the status of the Connect Illinois Grant Program – Round One projects are starting to get underway. Round Two application window is open. The Digital Equity Package compliments the work of the state’s infrastructure investment with a focus on adoption, utilization and community planning. The first cohort of the Connected Communities program that focuses on local capacity building and planning work is ongoing. The Broadband READY, Digital Navigator, and Connected Communities Round Two programs are all accepting applications now. Chair Schmit opened the floor for questions, none were received.

Broadband Affordability Study: In May, the Illinois General Assembly directed the BAC to produce a study on broadband affordability. SB2135 required the study to include analysis of universal access in areas of poverty and areas where broadband infrastructure is insufficient for high-speed access. The report is due to the General Assembly by January 1, 2021.
The BAC received an overview of the study’s findings from the researchers conducting the study: Dr. John Horrigan, Senior Fellow, Technology Policy Institute; Dr. Colin Rhinesmith, Associate Professor, Simmons University; Dr. Brian Whitacre, Professor, Oklahoma State University.

Dr. Horrigan presented the findings on technology and internet adoption rates in Illinois. The data relies on the 2019 American Community Survey and the metrics focus on wireline broadband subscriptions at home; computer ownership; and access to computer or tablet devices.

Broadband adoption findings showed the following:

- 70% subscribe to wireline service
- 77% have desktop or laptop
- 82.6% of Illinois households have either a computer or a tablet computer
- 1.4 million Illinois households do not subscribe to wireline services; 847,000 households

Variations in wireline adoption are noticed geographically. Analyzed by economic development region, the northeast region has a 75% adoption rate, compared with 61.9% elsewhere in the state. The southern region has a 47% home subscription rate. 44.4% of low-income households subscribe to home wirelines service. Income is a factor for rural and non-rural Illinois residents – 44.5% of metro low-income residents do not subscribe and 43.5% of rural households do not subscribe. The report goes into further recommendations on how to boost adoption of digital skills and available home broadband plans.

Questions:

- Ryan Gruenenfelder asked if this data shows that households do not subscribe because they cannot afford it or because there is no access? A: combination of both and varies depending on if you are in a rural or urban area. Most urban areas have access to one high-speed option, but affordability is the barrier. Rural areas have higher rates of poor access.
- Jim Zolnierek asked if the rural households that do not subscribe are predominately low-income. A: Dr. Horrigan answered that is correct. The report will detail differences overall. The adoption rate is about 10% lower for rural households in Illinois.
- Deno Perdiou asked for confirmation regarding the data source. A: Dr. Horrigan answered the study used 2019 American Community Survey data.

Dr. Brian Whitacre moved onto the portion of the study identifying estimates for network deployment for free and affordable broadband.

The study estimated findings among multiple categories. The methodology used the market rate for broadband services and multiple devices options for those populations. The cost estimates are provided in ranges. Ranges are based on costs to provide devices/connections and will vary by provider and region. All findings were broken into 10 Economic Development regions in the full report.

1. Short-term free broadband for those lacking device or connection - $389M to $867M. This estimate focuses on mobile hotspot deployment.
2. Short-term free broadband for ALL IL households - $3.36B - $4.26B

Questions:

- Jim Zolnierek asked how the hardware costs were treated. A: It is the cost of one year, the first-time cost, but it would be amortized in future years.
- Steve Hill asked if support for households that needed assistance with their devices was taken into
account. A: these numbers only reflect the cost of providing devices and connectivity.

- Sue Satter asked if the average connection cost for those connected with a device is based on commercial subscriptions and if researchers looked into solutions that would allow costs to be provided at lower rates. A: the rate is based on prices households are currently paying for connections. Low-cost internet programs were considered for other categories and included in the estimates.

Dr. Horrigan spoke to the estimates for providing free universal broadband long-term and the costs to providing the infrastructure to households that lack it.

1. Longer-term estimate of providing universal access (cost of infrastructure) for 25/3 Mbps - $306M to $485M. To achieve goal of 100/20 Mbps service, estimate increases to $1.4B to $1.8B.

Affordable broadband costs were explained next. Studies vary based on what is considered affordable, $10 or $25 per month for service.

1. Affordable broadband for those lacking device or connection ranged from $226M to $704M for consumers paying $10/month to $77M to $460M for consumers paying $25/month.
2. Affordable broadband for all households ranged from $2.78B to $3.68B for consumers paying $10/month to $2B to $2.8B for consumers paying $25/month.
3. Affordable broadband for households in poverty that are fully disconnected ranged from $340M to $481M for consumers paying $10/month to $236M to $364M for consumers paying $25/month.
4. Affordable broadband for households in poverty to provide connectivity ranged from $46M for consumers paying $10/month and $16M for consumers paying $25/month.

Chair Schmit asked for feedback from BAC members to be included in a cover letter to be submitted to the General Assembly when the report is submitted on January 1, 2021.

Questions/Comments:

- Melia Carter asked if the proposal suggests that households should go buy service on the market or if there is a vendor the state would contract with to provide service. Need to understand how the program will operate to be able to achieve affordability cost estimates. A: The report does not provide assumptions on who the providers would be. The analysis does not provide assumptions for how the program would operate or how the service would be offered, only costs.

- Deno Perdiou comments that the state would have to subsidize the difference between the affordability cost rate estimates. Asks what would happen if a person asks for speeds higher than 25/3 Mbps? A: That is a point worth framing to the General Assembly.

- Anne Slaughter commented that this is a great opportunity to partner with libraries.

- Bill Bodine asked if we know what the recommendations will be from the data provided by the report – policy changes, support for infrastructure? A: The recommendations offered in the report are for consideration by the BAC and General Assembly.

- Melia Carter comments that it should be pointed out that costs may vary widely among the geographic locations. Some areas of a region could have significant cost to provide service, does not want to give the General Assembly the wrong impression through this report that everyone in the state could be served under these figures. A: Important point to flag for the General Assembly.

- Ryan Gruenenfelder asked how the report will be publicly released. A: Will officially share the report with the General Assembly, newsletters will make reference. Welcomes suggestions on how to best
use the information provided. Every member of the BAC will receive a link to the report.

Public Comment: Chair Schmit opened the floor for public comment. No public comment was made.

Adjournment: Chair Schmit announced the next Broadband Advisory Council Regular Meeting will be held on Wednesday, February 17th via WebEx. Chair Schmit asked for a motion to adjourn. A motion was made by Vice Chair Sorenson and seconded by David Antonacci. Motion passed by unanimous decision and the meeting adjourned.