



Glenn Hegar Texas Comptroller of Public Accounts

Broadband Development Office Board of Advisors

August 2022



BroadbandforTexas.com

Agenda
Meeting of the Broadband Development Office Board of Advisors
August 9, 2022

- I. Call to Order and Roll Call
- II. Adoption of Minutes from June 1, 2022 meeting of Broadband Development Office Board of Advisors (BDOBOA)
- III. Update on BDO Activities
 - a. Submission of the Infrastructure Investment and Jobs Act (IIJA) Letter of Intent to U.S. Department of Commerce
 - b. Submission of State Digital Equity Planning Grant Program application to the National Telecommunications and Information Administration (NTIA)
 - c. Broadband availability map update
 - d. Legislative update
- IV. Overview of the Texas Broadband Plan
- V. Update on low-cost broadband service definition
 - a. Review of NTIA's guidance on definition of low-cost broadband service
 - b. Review of BDO's analysis of low-cost broadband service definition
- VI. Public Comment
- VII. Adjournment

NOTICE FOR PERSONS WITH DISABILITIES

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, also non-English-speaking persons who may need assistance are requested to contact Mr. Greg Conte at broadband@cpa.texas.gov, at least two (2) working days prior to the meeting so that the appropriate arrangements may be made.

PUBLIC COMMENT

A member of the public wishing to provide comment should send a request to broadband@cpa.texas.gov by the day before the meeting or to the meeting host through Webex after the meeting starts prior to the comment period with their name and the organization represented. Individuals wishing to provide public comment will be recognized by the Chair during agenda item VI. All public comments are limited to 3 minutes per person and cannot be extended by using someone else's unused minutes.

**Board of Advisors
August 2022**

Comptroller Glenn Hegar
Texas Comptroller of Public Accounts
Chair

Representative Trent Ashby
Representative for House District 57
Appointed by Speaker of the House Dade Phelan on April 14, 2022

Mr. Alonzo Cantu
Chairman and CEO of Cantu Construction
Appointed by Speaker of the House Dade Phelan on April 14, 2022

Mr. Sergio Contreras
President/CEO of the Rio Grande Valley Partnership
Appointed by Lt. Gov. Dan Patrick on December 22, 2021

Ms. Adriana Cruz
Executive Director of the Governor's Economic Development and Tourism Office
Appointed by Gov. Greg Abbott on December 9, 2021

Mr. Robert McGee
Senior Vice President of Telecom for Qunta
Appointed by Lt. Gov. Dan Patrick on December 22, 2021

Dr. Scott Muri
Superintendent of Ector County ISD
Appointed by Lt. Gov. Dan Patrick on December 22, 2021

Ms. Mari Robinson
Director of Telehealth with the University of Texas Medical Branch
Appointed by Speaker of the House Dade Phelan on April 14, 2022

Mr. Gregory Conte
Director of Broadband Development Office
Non-voting member

MINUTES

Broadband Development Office Board of Advisors Meeting

The Broadband Development Office Board of Advisors meeting (BDOBOA) was held virtually and in person. Comptroller Glenn Hegar called the meeting to order at 2 p.m. via Cisco WebEx on June 1, 2022.

Members Present:

Comptroller Glenn Hegar

Representative Trent Ashby

Sergio Contreras

Adriana Cruz

Robert F. McGee

Dr. Scott Muri

Mari Robinson

Greg Conte

Members Not Present:

Alonzo Cantu

Overview of Infrastructure Investment and Jobs Act (IIJA) notice of funding opportunities (NOFO) for the Broadband Equity, Access, and Deployment (BEAD) Program and the Digital Equity Act (DEA)

After establishing a quorum, Greg Conte, Director of the Broadband Development Office reviewed the notices of funding opportunities (NOFO) for the Broadband Equity, Access, and Deployment (BEAD) and the Digital Equity Act (DEA) programs, including each respective program's purpose, funding priorities and upcoming deadlines. For the BEAD program, the BDO must work with the National Telecommunication and Information Administration (NTIA) to submit a letter of intent from the governor by July 18, request initial planning funds by August 15 and then submit a five-year action plan. Once the new Federal Communications Commission (FCC) maps are released, the BDO will submit an initial proposal, undergo a challenge process, and conduct a subgrantee selection process. The NTIA will then release 20 percent of the funding, and the BDO must submit a final proposal to receive the remaining funds. Mr. Conte briefly reviewed the BEAD program requirements that states and subgrantees must meet to participate in the program. Additionally, he mentioned extensive subgrantee reporting requirements, encouragement of states to relax laws that prohibit broadband expansion, a

preference for subgrantees who pursue public private partnerships, and that all BEAD funds should be considered taxable income.

For the DEA Program, Mr. Conte explained that the BDO will receive planning funds to develop a state digital equity plan, which should be closely linked to the five-year action plan for the BEAD program. The application for the DEA planning funds is due to NTIA by July 12.

Ms. Robinson, Mr. Contreras and Mr. McGee discussed the role the members would play in developing and contributing to the BEAD and DEA plans, as well as the timeline in which the deployment of these projects would take place. Members suggested reaching out to organizations they are affiliated with to share these timelines and enable communities to make their projects more shovel ready. Dr. Muri posed questions regarding the overlapping timelines for both programs and the importance of the state broadband plan evolving over time. There was discussion from all members regarding the potential for an in-person workshop with board members to provide guidance on the evolution of the plan.

Discussion on affordable broadband service in Texas

Comptroller Hegar invited the members to share their thoughts on what they consider affordable broadband service. As part of the IJJA, internet service providers who apply for a grant award through the BDO must provide a “low-cost” broadband service option, and it is up to the state to determine what “low-cost” broadband service means for Texans.

Members discussed the complexity of defining “low-cost broadband service.” It was suggested that researching gas and electric formulas used to determine low-income pricing may be appropriate. Members raised concerns regarding what pricing operators could afford to offer to meet the minimum service requirements as outlined by IJJA with the assistance of the subsidies that may be offered through the federal funding. The group discussed contingency language that may be used to cover these concerns as appropriate. Another area of concern was the idea that some families may be unwilling to accept “free” broadband service due to prior perceptions that lower quality service may be provided. Members discussed that awareness and outreach will be required to change these perceptions. Members advised that finding the proper balance between what businesses are willing to offer and what families are willing to accept will be an important part of determining “low-cost broadband service” options for Texans.

Public comment

Comptroller Hegar began the public comment period by inviting attendees who had registered to speak in person and then inviting those who had registered virtually to speak.

The board was addressed by Jennifer Harris, who attended the meeting in person, sharing that a meeting of Governor’s Broadband Development Council will be held on June 14 at 2 p.m.

There were no other public comments.

Future BDOBOA meetings

Comptroller Hegar informed the members the next meeting would be held in the same format on August 9 at 2 p.m. and that the state broadband plan would be emailed to members prior to the next meeting and discussed at the August meeting.

Meeting adjourned at 3:07 p.m.

Low-Cost Service Plan Guidance and Information

CPF Guidance:

- “Recipients are encouraged to require that services provided by a Capital Projects Fund-funded Broadband Infrastructure Project include at least one **low-cost option** offered at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning.”
- When selecting Broadband Infrastructure Projects for Capital Projects Fund grant funding, recipients are required to consider whether the broadband service options offered by recipients of Capital Projects Fund grant funding will be **affordable** to their target markets in the proposed service area.
- <https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf>

NTIA BEAD Guidance:

- “With respect to the deployment of last-mile broadband infrastructure, the Program prioritizes projects designed to provide fiber connectivity directly to the end user. It also requires all projects to provide a **low-cost option** to eligible subscribers, **requires all states to have plans to address middle-class affordability**, and further prioritizes proposals that improve affordability to ensure that networks built using taxpayer dollars are accessible to all Americans.”
- <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>

BDO Initial Analysis:

- BDO surveyed a small sample of Internet Service Providers (ISPs) in July.
- Early research indicates that clearly defining minimum download and upload speeds for a low-cost broadband service option is critical.
- Several ISPs indicated that they are not currently participating in the Affordable Connectivity Program. The FCC’s Affordable Connectivity Program provides eligible households with a discount on broadband services and connected devices.
- ISP feedback on customer participation in existing low-cost broadband service programs varies greatly, with most responses indicating less than 20% of total customers are in the offered programs.
- BDO will continue to conduct research and provide feedback on this issue.

Broadband Development Office: State & Federal Deadlines



| | | | |
|-------------|------------------|---|-------------------------------------|
| 2022 | JUNE | 15 Establish a statewide broadband plan | Related to: HB 5 |
| | JULY | 12 Submit application for DEA planning funds 18 Submit letter of intent | IIJA/DEA IIJA/BEAD |
| | AUGUST | 15 Submit application for initial planning funds | IIJA/BEAD |
| | SEPTEMBER | 24 Submit grant plan to US Treasury 29 Receive digital equity planning grant | CPF IIJA/DEA |
| | OCTOBER | October (Est.) Establish a competitive grant system | HB 5 |
| | NOVEMBER | | |
| | DECEMBER | Late 2022 (Est.) FCC publishes Broadband DATA Maps | IIJA/BEAD |
| 2023 | JANUARY | 1 Establish a state broadband availability map | HB 5 |
| | | Mid 2023 (Est.) Submit 5-year action plan to NTIA | IIJA/BEAD |
| | | Late 2023 (Est.) Submit state digital equity plan to NTIA Late 2023 (Est.) Submit initial proposal to NTIA | IIJA/DEA IIJA/BEAD |
| 2024 | | Early 2024 (Est.) Submit application for DEA capcity funds | IIJA/DEA |
| | | Mid 2024 (Est.) Submit final proposal to NTIA | IIJA/BEAD |
| 2025 | | | |
| 2026 | DECEMBER | 31 All grant funds required to be expended | CPF |

HB 5: House Bill 5, 87th Legislature
IIJA: Infrastructure Investment & Jobs Act
BEAD: Broadband, Equity, Access & Deployment
DEA: Digital Equity Act
CPF: Coronavirus Capital Projects Fund