

# Regional Policy Advisory Committee

December 11, 2023

2 p.m.



# Opening Agenda Items

Agenda Item 1: Welcome and Introductions

Agenda Item 2: Action on the Minutes from October 23, 2023

# Update on the Save The Allegheny River (S.T.A.R.) Initiative

*DJ Ryan, Director of Strategic Initiatives & Policy*

Agenda Item 3



# STAR UPDATE

- Letter led by Rep. Reschenthaler to USACE HQ
  - “While many of us are seeking a solution to the lockage hour issue through the Water Resources Development Act process, we respectfully request that USACE ensure the service levels remain unchanged in the short term. Pausing any action that would reduce access and stymie growth will help our region maintain a robust and diverse economy centered on our river system.
  - Cosigned by Sens. Casey and Fetterman, Resp. Thompson, Deluzio, Lee, Joyce, and Kelly
- Sen. Casey responded to the STAR letter
  - Working through approps process to establish freight diversification task force
  - Amendment to WRDA 2024 to freeze levels of service until study is completed
- STAR also working on independent study to understand full impact of the river

# Questions?



# Broadband Connectivity Briefing

*Aadil Ginwala, Senior Advisor  
University of Pittsburgh*

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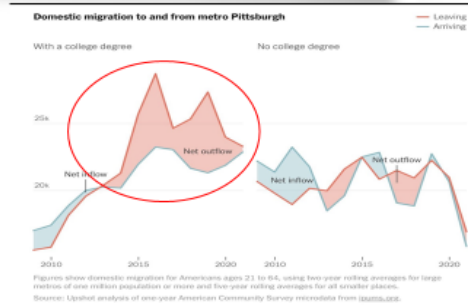
## Affordable High-Speed Internet in the SPC Region

Considerations in advance of historic BEAD funding

## Affordable High-Speed Internet is Critical for Economic Growth

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**Demographics is destiny – to thrive Pittsburgh, region, and state must attract net inflows of working age population**



- Census studies show that **rural counties with affordable high-speed internet lost significantly fewer residents** than those without it over the last decade ... **pre-pandemic**
- Carnegie Mellon University study suggests **fiber-to-the-home internet raises the value of a home by over 3%**
- **84% of residents rated gigabit internet as very or extremely important to their housing decision** in Fairlawn, Ohio in a recent survey of Fairlawn Gig clients



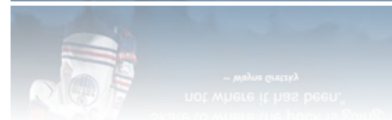
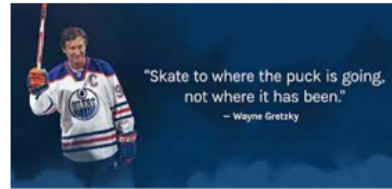
## Is Western PA being left behind?

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- In **Oakland CA** today Sonic offers **\$50 10 GBPS with first month free**
- **Dublin, Ohio** awarded **10 GBPS to every residence** to AltaFiber in June

- In July 2023, Altice launched **8 GBPS service across 1.7 million homes in NY State**
- **ACE Fiber Co-op** is 10 Gig capable in **rural NE Mississippi**
- In April 2023, Ziplly Fiber launched **10 GPBS service across Washington, Idaho, Oregon, and Montana**



- 10 GBPS networks also being built internationally today in rural UK and even in Vietnam!

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## BEAD Update – PBDA approved an Initial Proposal to send to NTIA

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### BEAD 101 Background

- Commonwealth of PA received \$1.16B to subsidize broadband infrastructure to ~ 300,000 un- and under-served locations in the state
- Unlike previous programs (e.g., Capital Projects Funds) PA must cover everyone with this money – all counties must get money to cover all of their un/under served with at least 100 MBPS speeds – with fiber projects getting priority

### PBDA Approved and Sent Their Rules to Federal Govt on Nov 30

Scoring Criteria for "Priority Broadband Projects" (fiber builds)

20%	Least Amount of Subsidy Requested
<b>10%</b>	<b>Latest Technology Used (e.g. 10 GBPS XGS-PON)</b>
10%	Network Resiliency in High Hazard Areas
<b>25%</b>	<b>Affordability (12.5% for 1 GBPS price; 12.5% for 100 MBPS price)</b>
15%	Fair Labor Standards (paying prevailing wage)
<b>10%</b>	<b>Workforce Development (esp. use of unions)</b>
<b>5%</b>	<b>Open Access Networks</b>
<b>4%</b>	<b>Local Consultation</b>
1%	Speed of Deployment

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## BEAD Update – Process and Possible Dates Going Forward

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### NTIA Review and Approval of PA Initial Proposal

- PBDA technically submitted its Initial Proposal in 2 parts – Volume 1 (which includes its proposed “challenge process”) and Volume 2 (which includes the grant selection process and scoring weights)
- Likely possible actions by NTIA –
  - Approve Volume 1 in January/February, ask for some “curing” changes to Volume 2, approve it by end of March
  - Approve both Volume 1 and 2 as is in January/February
  - Approve both Volumes by end of March

### PBDA Challenge Process

- After Volume 1 is approved, PBDA must publish a proposed list of unserved and underserved locations (and underserved Community Anchor Institutions) and run a 90-day challenge process to let governments, companies, or non-profits submit challenges (either that a proposed location is actually served or that there are unserved or underserved locations missing from the list)

### Applications Window Opens After Challenges Complete

- **Depending on NTIA approval of Volume 1 – could be early April or June**

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## Important Questions and Considerations for County Commissioners

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- **Will we get our fair share** of the BEAD money? Are all of our unserved and underserved locations accounted for in the PBDA's current maps?
- Will the BEAD money grants go to the best projects for the **long-term benefit of our counties**? Will the winners:
  1. Build out to all our residents with the **best quality technology** that will stand the test of time?
  2. Provide the **fastest speeds for the lowest prices** today and over time?
  3. **Stay in our communities and be sustainable** and here for the long run? Not sell their fiber assets to a far-away private equity in 5 years?
  4. Bring **choice and competition** to the internet markets in our communities?
  5. Enable us to **leapfrog our competitors in other states** to attract the best talent and be the most attractive place for companies and people to locate?

## Cost to provide Multi-Gigabit Speed Service in SPC Counties is Lower Than You Think – estimated \$20-40 per month for BEAD eligible homes

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	Total Homes un/underserved	County or ISP Cost per Home			
		Greenfield Capex FTTH	Capex/Home	25% Match	50% Match
Allegheny	2,150	\$ 7,621,877	\$ 3,545	\$ 886	\$ 1,773
Armstrong	5,397	\$ 33,721,033	\$ 6,248	\$ 1,562	\$ 3,124
Beaver	3,480	\$ 16,647,563	\$ 4,784	\$ 1,196	\$ 2,392
Butler	3,659	\$ 17,316,516	\$ 4,733	\$ 1,183	\$ 2,366
Fayette	8,757	\$ 37,137,936	\$ 4,241	\$ 1,060	\$ 2,120
Greene	6,753	\$ 40,811,166	\$ 6,043	\$ 1,511	\$ 3,022
Indiana	11,268	\$ 58,821,998	\$ 5,220	\$ 1,305	\$ 2,610
Lawrence	2,909	\$ 13,262,433	\$ 4,559	\$ 1,140	\$ 2,280
Washington	9,355	\$ 44,372,832	\$ 4,743	\$ 1,186	\$ 2,372
Westmoreland	7,011	\$ 29,038,815	\$ 4,142	\$ 1,035	\$ 2,071

	Capex Recovery Cost per home per month (10 years)		Total Operating Cost estimate per home per month for 1-10GBPS	
	25% Match	50% Match	Low End	High End
Allegheny	\$ 7.39	\$ 14.77	\$ 22.75	\$ 35.51
Armstrong	\$ 13.02	\$ 26.03	\$ 28.67	\$ 47.34
Beaver	\$ 9.97	\$ 19.93	\$ 25.46	\$ 40.93
Butler	\$ 9.86	\$ 19.72	\$ 25.35	\$ 40.71
Fayette	\$ 8.84	\$ 17.67	\$ 24.28	\$ 38.55
Greene	\$ 12.59	\$ 25.18	\$ 28.22	\$ 46.44
Indiana	\$ 10.88	\$ 21.75	\$ 26.42	\$ 42.84
Lawrence	\$ 9.50	\$ 19.00	\$ 24.97	\$ 39.95
Washington	\$ 9.88	\$ 19.76	\$ 25.38	\$ 40.75
Westmoreland	\$ 8.63	\$ 17.26	\$ 24.06	\$ 38.12

Source: CostQuest Associates, University of Pittsburgh IT

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## Three Options for County Commissioners on BEAD

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### Do Nothing

#### What You Must Believe

- Affordable high-speed internet not a critical driver of economic growth for your county or economic growth not an issue
- Will have good enough speeds and prices with status quo and will keep up over time

### Try to Negotiate ISPs to serve you with Affordability and Top Speeds

- Able to successfully get ISPs with monopoly over new areas to offer lowest prices and highest speeds – and to maintain over time
- Will not get sufficiently significant economic growth advantages from being place with best speeds and lowest prices to justify effort of public-private open access network and BEAD application

### Build an Open Access Network to enable Competition and Top Speeds

- Areas with best speeds for lowest prices and least/no digital divide will be significant drivers of economic growth and well-being
- Status quo, left to own devices, will not deliver this in our county
- Willing to bond and work with partners for BEAD application

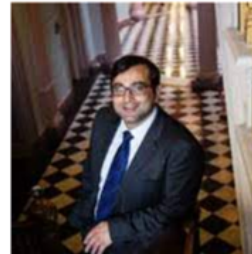
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## Thank You and Next Steps

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- We at Pitt IT would **like to work with each and every SPC County** on how to make the most out of this historic funding opportunity for our region
- If you are interested in further discussions, **please reach out to us:**

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# Questions?





# Reminder: Next Meeting Date

## *February 26, 2024*

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# Adjourn

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