Public Engagement in B.E.A.D.

THE OPPORTUNITY

BEAD

$1.23 Billion Grants
$1.54 Billion
total investment with match

The Washington State Broadband Office will be responsible for administering the statewide program under BEAD. WSBO is required to develop a series of plans and proposals, which include a Five-Year Action Plan, Initial Proposal Vol I & II, and Final Proposal.

$1.23 Billion is a lot- but it's not enough to fully solve the problem. We must be strategic to make the most impact for WA communities.

Step 1

Five-Year Action Plan

Due August 2023

The Five-Year Action Plan (FYAP) will provide a foundation for BEAD planning by establishing broadband goals, priorities, and a comprehensive needs assessment that the Initial Proposal and Final Proposal will build upon.

Step 2

Initial Proposal

Due December 2023

The Initial Proposal is the "first draft" of the Final Proposal. It is intended to explain how the State intends to use the BEAD funds and other sources of funding to ensure that every resident has access to a reliable, affordable, high-speed broadband connection. Upon the NTIA's approval of the Initial Proposal, a minimum of 20% Washington's allocation will be made available.

Step 3

Final Proposal

Due Late 2024

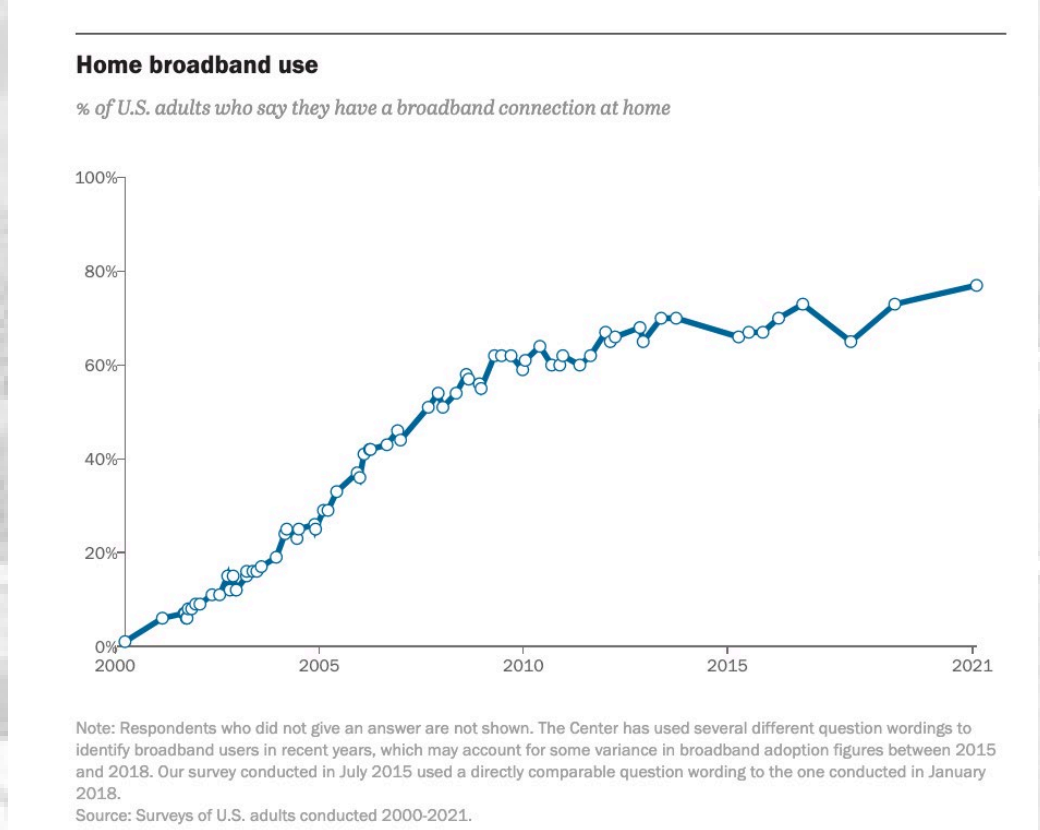
The Final Proposal is intended to explain how the State intends to use the BEAD funds and other sources of funding to ensure that every resident has access to a reliable, affordable, high-speed broadband connection, including how it complied with what was included in the Initial Proposal. Upon the NTIA's approval of the Final Proposal, the remaining 80% Washington's allocation will be made available.

WHY THE HECK HASN'T THIS HAPPENED YET?

- Widespread consumption of broadband is less than 15 years old.
- That consumption has grown exponentially until flattening out once the urban areas were served.
- Telephone networks were not built to support broadband.
- It took from 1948 to 1989 for cable operators to get to 53 million subscribers, pre-dating widespread broadband adoption. As of 2022, there are only 76 million subscribers (124 million households in the US).
- Rural Providers must compete with 5G, Satellite, LEO Satellite, WISP's and others for limited revenue opportunities in high-cost areas.

What's your point?

The *economics* don't work for private enterprise to develop or replace legacy networks in rural areas.



THE BASICS OF THE PROBLEM

Population Density

- Private companies often prioritize areas with higher population densities because they can serve more customers with less infrastructure.
- In rural or small communities, the lower number of potential customers makes it less profitable for these companies to invest in broadband.

ROI

- Building and maintaining broadband infrastructure is expensive.
- Private companies typically seek a reasonable Return on Investment (ROI), and in areas with lower population density, it can take longer to recoup the costs, making it less attractive from a business perspective.

Program Inefficiencies

- Broadband rollout in rural areas has been hampered by several challenges, including:
  - funding allocation delays
  - application process challenges
  - competing programs
  - red tape
  - complex reporting requirements
  - failed broadband mapping and
  - lagging broadband definitions.

DO PRIVATE COMPANTIES LACK INCENTIVES TO INVEST?

Federal Funding ($581,083,900.00)*

- RDOF, CAF, ReConnect, Community Connect
- NTIA BIP, NTIA Tribal BIP, NTIA Mid Mile
- ARPA-SLFRF (WSBO), ARPA (CERB, PWB)

This does not include the $80 million awarded to Star link, $7.7 million for Commnet Wireless (unlicensed spectrum) and $7.0 million returned funding from St. John's Telco for filing bankruptcy.

This data only goes back less than a decade.

***Washington State Department of Commerce 5 Year Action Plan Section 3.1.2 Table 1**

State Funding ($68,250,106.00)*

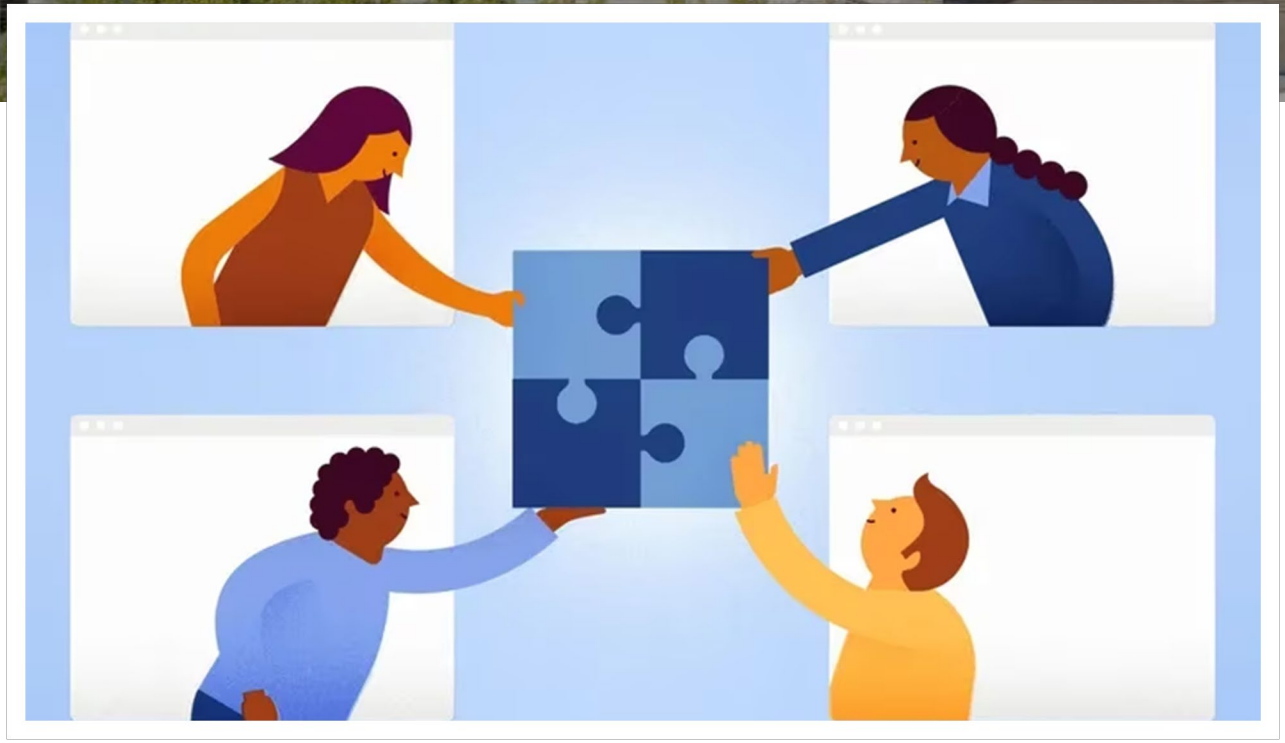
- State Match Program
- OSPI Dig Equity and Inclusion
- CERB, PWB

***Broadband Funding Invested in the State of Washington, as of June 2023**

CURRENT EFFORTS, GENERALLY

PUDs	Ports	Counties	Private ISPs
Open Access Lit Fiber Networks	Open Access Dark Fiber Networks	PPP/ IRU with Private Provider	Closed networks with private capital as Sole owner/operator

TO FOSTER PROGRESS IN THE BEST INTEREST OF THE PUBLIC, HOW CAN WE TRANSITION FROM INDIVIDUAL EFFORTS TO COLLABORATION?



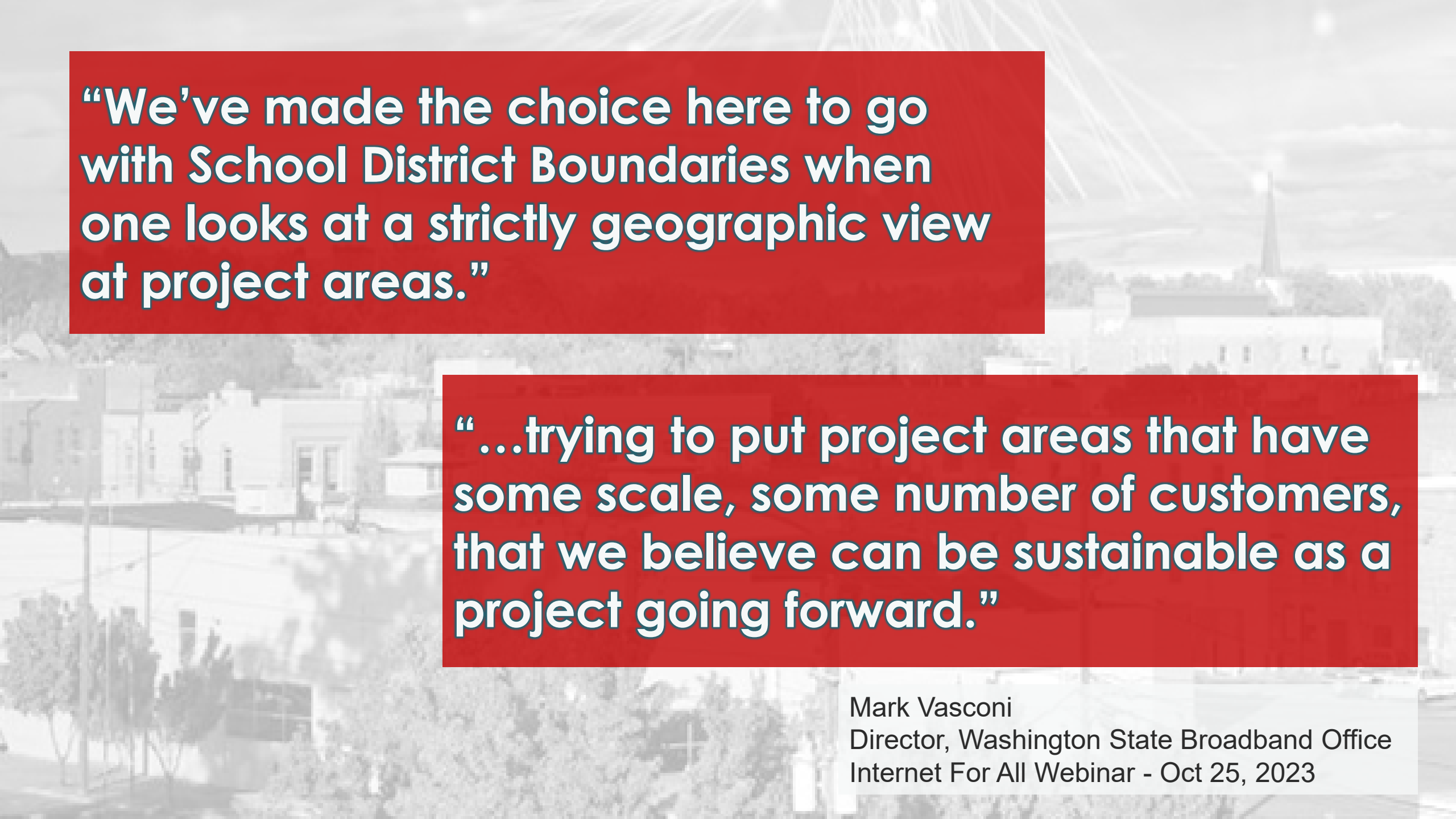
ESTABLISH FOUNDATIONAL PRINCIPALS FOR BROADBAND POLICY

Maximize long-term public benefit of the network

Minimize public risk and cost to public agency

Maximize grant efficiency to serve the maximum number of residents

Promote open access use of public networks for all qualified ISPs



"We've made the choice here to go with School District Boundaries when one looks at a strictly geographic view at project areas."

"…trying to put project areas that have some scale, some number of customers, that we believe can be sustainable as a project going forward."

Mark Vasconi
Director, Washington State Broadband Office
Internet For All Webinar - Oct 25, 2023

"Primary Scores (75%) for… match – with points for more affordability, fair labor practices"

"Secondary Scores (25%) for… speed to deployment, open access, coordination with local and tribal governments"

Is there money reserved for each county?

"We know project areas will only compete with each other"

Mark Vasconi
Director, Washington State Broadband Office
Internet For All Webinar - Oct 25, 2023

"Subgrantee qualifications are extensive: Financial, management, and technical capability, along with a history of broadband performance."

"Partnerships with an existing ISP will be essential"

Mark Vasconi
Director, Washington State Broadband Office
Internet For All Webinar - Oct 25, 2023

KEY TAKEAWAYS

Vol II Initial Proposal Readiness

Extremely High-Cost Location Threshold

Outline a plan for how the Extremely High Cost Per Location Threshold will be utilized in the subgrantee selection process to maximize the use of the best available technology while ensuring that the program can meet the prioritization and scoring requirements set forth in Section IV.B.6.b of the BEAD NOFO.

The response must describe:

a. The process for declining a subgrantee proposal that exceeds the threshold where an alternative technology is less expensive.

b. The plan for engaging subgrantees to revise their proposals and ensure locations do not require a subsidy.

c. The process for selecting a proposal that involves a less costly technology and may not meet the definition of Reliable Broadband

KEY TAKEAWAYS

Vol II Initial Proposal Readiness

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for

2.4.12 .....managerial capability as outlined on pages 73 – 74 of the BEAD NOFO.
The response must:

a. resumes for key management personnel.
b. readiness to manage their proposed project and ongoing services provided.

2.4.13 ..... technical capability as outlined on page 74 of the BEAD NOFO.
The response must:

a. technically qualified to complete and operate the Project and that they are capable of carrying out the funded activities in a competent manner, including that they will use an appropriately skilled and credentialed workforce.
b. submit a network design, diagram, project costs, build-out timeline and milestones for project implementation, and a capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant, all certified by a professional engineer

KEY TAKEAWAYS

Vol II Initial Proposal Readiness

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for

2.4.15 ..... operational capability as outlined on pages 74 – 75 of the BEAD NOFO.

The response must:

a. possess the operational capability to qualify to complete and operate the Project.

b. Must that have provided a voice, broadband, and/or electric transmission or distribution service for at least two (2) consecutive years prior to the date of its application submission or that it is a wholly owned subsidiary of such an entity, attests to and specify the number of years the prospective subgrantee or its parent company has
been operating.

e. has obtained, through internal or external resources, sufficient operational capabilities.

BEAD Initial Proposal Guidance Volumes I and II

WHAT VALUE DOES A CONSORTIUM BRING?

PPP + OPEN ACCESS PARTNERSHIPS

- Collaborations between local governments and private companies can help address the funding and infrastructure challenges.
- These partnerships can involve shared investment and resources to expand broadband access.
- A consortium can work across county boundaries to develop mutually beneficial partnerships with service providers.

COMMUNITY NETWORKS

- Establish community-owned networks, funded and governed by local entities, including municipalities, counties, port, and counties.
- These community networks can out-source, administer, and partner operations and maintenance as a non-revenue based operating agency.

GRANTS & SUBSIDIES

- Local Governments and Agencies can collectively pool together resources and project areas to create a grant application model to support the project readiness requirement.

REGULATORY REPRESENTATION

- Policymakers can work to streamline regulations and reduce administrative barriers that discourage affordable investment in rural broadband.
- This includes simplifying permitting processes, zoning regulations yet protect the public's right of way, tax and electric rate payers.

DEMAND AGGREGATION

- Communities can aggregate their demand for broadband services to make it more cost effective for self managed community-based networks.
- When multiple entities come together to express their interest in broadband services, it can create a larger customer base and reduce expenses.

WHAT COULD THE STRATEGY LOOK LIKE?

DETERMINE FOUNDATIONAL PRINCIPLES

- Establish your broadband foundation principles to drive your willingness to engage in public broadband.
- Use those principles to engage in the consortium and future development of broadband operating models.

CREATE PROJECT AREAS

- Establish leadership teams mapping experts to engage with WSBO and Breaking Point Solutions to create cohesive project areas that embrace the goals of the broadband office and consider local government knowledge.
- Determine and prioritize distressed and high-cost areas.

DEVELOP REGIONAL APPROACHES

- Local Governments and Agencies can collectively pool together resources and project areas to create an operating model to support the project readiness requirements of the BEAD NOFO.

DEVELOP OPERATING MODELS

- Establish the operating model of the public agency's management of a broadband infrastructure system.
- Establish operating readiness partnerships.
- Create cross jurisdictional relationships with qualifying open access service providers.

REINFORCE PUBLIC STAKEHOLDERS

- Public Networks can engage in policy analysis and proposals with local, county, and state agencies and elected officials.

UNDERSTANDING ROLES

Public Agencies

RESPONSIBILITIES

- Own the local network (if desired)
- Create policy reflecting values
- Seek and provide matching funds
- Decide public-facing messaging
- Define own terms/participants/buildouts

Consortium Lead

RESPONSIBILITIES

- Neutral 3rd Party
- Option to Operate and Maintain the Network
- Option for Online Marketplace
- Option to Manage ISP relationships
- Could Coordinate ACP and broadband adoption
- Creates operations economies of scale

Service Providers

RESPONSIBILITIES

- Customer Services
- Customer Billing/Support
- Over the Top Services
- Support Customers Residential needs
- Provide ACP affordability programs

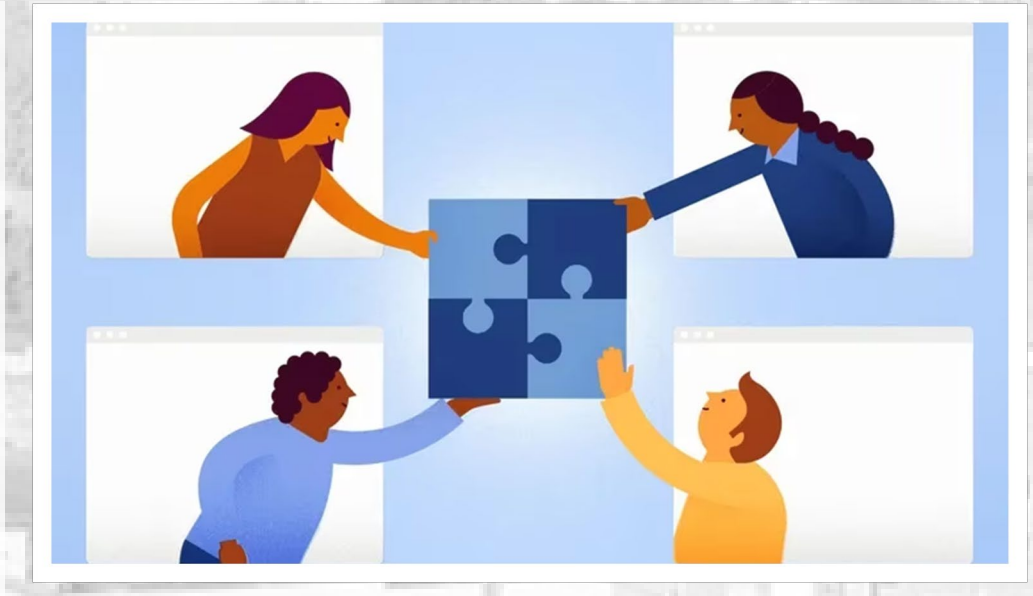
WHAT NEXT?

If your organization decides to participate in the consortium effort….

WORKSHOP #2- JANUARY 2024

Consortium Participants Will Begin to:

- Collaborate with WSBO to Develop Project Areas from a Regional Lens
- Solicit Local Governments for Resources and Community Engagement
- Create a Working Team of GIS Technicians to Support Mapping
- Define regional Teams to engage in the challenge process
- Engage in the Challenge Process
- Develop Teams to support resource allocation across consortium members



Thank you.