

February 8, 2021 AZBSN COVID-19 Digital Access Task Force Teleconference Report

Attendees

Steve Peters, Oris Friesen, Henry Goldberg, Mark Goldstein, Robert Alvarado, Marni Anbar, Andrew Bevington, Wes Brownfield, Melissa Boydston, Kirk Busch, Gene Carl, Michael Cohen, Jerry Crow, Rick Gibson, Ian Hathcock, Holly Henley, Steve Hill, Cindy Hogan, Dan Hunt, Shereka Jackson, John Kelly, Ryan Kelly, Derek Masseth, Sophia Mayberry, Clarence McAllister, Ryan McCaigue, Georgina Monsalvo, Mala Muralidharan, Mauricio Orozco, Cody Pedersen, Lea Marquez Peterson, Lawrie Prickett, Tracy Rexroat, Paul Ross, Jeff Sobotka, Paul Stapleton-Smith, Tom Tardy, David Whitt-Ruckus, Karen Ziegler

Task Force Participants List, Meetings Length, Planning Committee

Task Force List of Participants

Steve Peters stated most task force participants have submitted the Google Form with their contact information. He will put the GoogleDoc of task force participants with their contact information on the task force website this week.

Task Force Meetings Length

Steve asked for discussion of the possibility of making the Monday morning task force meetings longer to accommodate the greater number of participants now attending the meetings (he didn't receive much response to his survey on this). Steve stated the introductions of attendees at the beginning of the meetings take a long time but provide information on who is participating and enable potential for collaboration as well as informing the task force about new people attending the meetings.

Jeff Sobotka and Ian Hathcock indicated the current one-hour meetings are as long as they can participate. Shereka Jackson and Ian suggested that introductions (possibly with contact information) could be submitted into the Chat to save time. Karen Ziegler and John Kelly suggested only introducing new people attending the meetings. Jeff stated he likes the introductions to make connections, and that instead the presentations delivered to the task force be tightened up to take less time. Derek Masseth commented that if introductions are submitted in the Chat that participants would not see attendees ahead of time. Mark Goldstein remarked that since the summary reports of the meetings contain the Chat and are distributed the same day, there would be timely information on who participated if all attendees were summarized in the Chat.

Task Force Planning Committee

Karen Ziegler commented the task force should establish soon the planning committee with appropriate subcommittees for implementing some of the recommendations in the task force recommendations report.

Shereka Jackson noted that she and Tracey Beal have discussed setting up a subcommittee this week of the task force organizations that dispense devices to schools/students to share information, help each other, and avoid duplication. Steve responded that he will meet with Shereka and Tracey about this, and will inform the task force about this subcommittee meeting.

Updates: State Broadband Director, AZ State Library, ADE, ACC, Sun Corridor Network

State Broadband Director Update

Jeff Sobotka, State Broadband Director at the Arizona Commerce Authority (ACA), reported on his recent activities.

Jeff is following state legislature activities pertaining to broadband. The following bills have been proposed:

- 1) HB 2036 – the ability of rural electric co-ops to expand rights-of-way for broadband (as done by Mohave Electric Co-op)
- 2) HB 2808 – proposes \$10 million for state Rural Broadband Development Grants (RBDGs) for the fiscal year beginning July 1, 2021
- 3) HB 2596 – rights-of-way for ADOT fiber deployment along state highways
- 4) HB 2454 – telehealth bill including various provisions such as payment parity by private insurers for telehealth services (the Governor’s telehealth advisor Christina Corieri is promoting this; the Telehealth Fact Sheet provided by Janet Major posted on the task force website summarizes the provisions in this telehealth bill).

Steve Peters asked about the support for these bills in the Legislature. Jeff responded legislators understand the importance of broadband and telehealth as a result of the COVID-19 crisis as well as his education efforts on these issues, and he has not heard any objections from them on these bills.

Steve asked Jeff and John Kelly to share the task force recommendations report with legislators, and Jeff replied that the report has been widely circulated from what he has heard.

Arizona State Library Update

Mala Muralidharan, E-rate Administrator for Public Libraries at the Arizona State Library, reported on her recent activities.

Mala noted that today February 8th is the 25th anniversary of “The Telecommunications Act of 1996”, signed by President Bill Clinton, which was the first significant overhaul of telecommunications law since the Communications Act of 1934. This Act was the first time that the Internet was included in broadcasting and spectrum allotment. An interesting write-up of this Act can be read at: <https://colincrowell.medium.com/the-25th-anniversary-of-the-telecommunications-act-of-1996-88006fabdb9f>.

Mala reported that Arizona has received \$1.378 billion (2.65%) of the \$52 billion in national E-rate funding provided for schools and libraries over the last 25 years. See Appendix 1 for Mala's chart of Arizona and national E-rate funding from 1998-2019. Mark Goldstein asked if Arizona is considered a donor state in terms of how much universal service funds it put into USAC relative to how much it has gotten back, and Mala responded that over the last few years with fiber buildouts Arizona has received a lot more than it put in.

The Schools, Health & Libraries Broadband Coalitions (SHLB) has filed a petition with the FCC requesting that E-rate funds be eligible for off-campus use (remote learning) during the COVID-19 pandemic (<https://www.shlb.org/uploads/Policy/E-rate/SHLB%20et%20al.%20Remote%20Learnng%20Petition%201-26-21%20FINAL.pdf>).

This petition is supported by education stakeholder groups and the American Library Association, and the States of Colorado and Nevada have also filed such petitions. The FCC responded with a public notice seeking comments on the use of E-rate funds to support remote learning during the COVID-19 pandemic, with initial comments due by February 16th. The FCC seeks comments on: the specific equipment and services that E-rate should fund to support off-campus Internet access (including level of broadband service needed and costs of services and equipment); how can the FCC ensure cost-effective purchases if there are no competitive bidding rules (as proposed by SHLB and Colorado); prioritization of funding since substantially more funding might be needed to support off-campus Internet access than is available through the E-rate program; timeframe of funding issues such as retroactive funding of services/equipment purchased for off-campus Internet access during 2020; and legal authority to allow off-campus use of E-rate funds. For the full FCC request for comments description see <https://docs.fcc.gov/public/attachments/DA-21-98A1.pdf>

ADE Update

Sophia Mayberry, Project Manager in the Office of the Superintendent of Public Instruction at the Arizona Dept. of Education (ADE), reported on recent ADE activities.

In her "State of Education" speech last week, Superintendent Kathy Hoffman talked about broadband and funding for Native American education, and continued to advocate for full funding for distance learning as is provided for in-person learning.

ADE is following the broadband bills mentioned in Jeff Sobotka's update.

An ADE Technology Task Force subcommittee has published its parents technology toolkit to support parents with distance learning (See the Appendix Chat for a link to this).

ACC Update

Lea Marquez Peterson, Commissioner and Chair of the Arizona Corporation Commission (ACC), reported on her recent activities.

Lea participates in a National Association of Regulatory Utility Commissioners (NARUC) broadband task force (as mentioned at previous task force meetings), which consists of about 200 commissioners across the country. This task force is sharing and recording information on what state commissions and broadband offices are doing in the broadband area and the resources available for broadband, building better relationships with the FCC, and weighing in on state legislative bills.

Steve Peters asked about the ACC docket to discuss reforming of the Arizona Universal Service Fund (AUSF) to support broadband services in high-cost rural areas. Lea replied that this docket has been opened, and they are soliciting comments from service providers and others. The AUSF currently collects \$1.2 million per year. Steve remarked that he may organize a meeting of task force participants to discuss the AUSF and what other states are doing in using their state universal service funding to support broadband.

Sun Corridor Network Update

Derek Masseth, Executive Director of the Sun Corridor Network (SCN), reported on recent SCN activities.

Derek is involved in outreach activities with communities and service providers along I-17 and I-19 where ADOT is deploying middle-mile fiber.

The SCN is also considering how federal stimulus grants can support broadband including tribal broadband grants.

Steve commented it would be useful for communities and schools to know how they can engage with the SCN, and Derek responded he will put together a document on that.

Karen Ziegler remarked that the NTIA is getting feedback on tribal broadband needs and that she has a contact on that.

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“Sustainability Partners” Presentation

Rick Gibson, Senior Investment Partner of Sustainability Partners, delivered a presentation to the task force on their firm’s business in funding infrastructure. Following is a summary of key points from the presentation, and the recording of the presentation and full presentation will be posted on the task force website.

Rick stated he is a long-term entrepreneur turned investor. About six years ago he along with others founded Sustainability Partners (SP), and there are about 40 people in the company. SP is headquartered in Chandler, and he is located in Tucson. Mark Goldstein has done work with SP.

SP funds infrastructure projects for public entities such as cities, schools, hospitals, and airports, where there is not sufficient capital to pay for the projects. They have funded a number of infrastructure projects in such areas as HVAC, lighting, and water, as well as fiber broadband, and have \$180 million with 17 projects in 11 states funding in Q1’21.

SP sees the need for broadband infrastructure in rural areas and small towns. Many schools, hospitals, and businesses are suffering in these areas because of a lack of broadband. The State of Arizona is looking to help such communities in developing broadband infrastructure and there is also federal funding available, but the federal/state funding is not sufficient to meet all these communities’ broadband infrastructure needs so there is a key role for private sector funding.

SP uses an “Infrastructure as a Utility Service” funding approach. Typically, first a community performs a “Community Assessment” (which costs the community about \$20,000 - \$50,000)

describing the communities' characteristics, the broadband services/infrastructure currently installed, and what is needed for the future. Then an SP underwriter determines the investment path needed, and works out an agreement with the community to pay for the infrastructure on a monthly basis similar to a utility charge. SP's fee is 80 basis points per year which is about 1% of the total project cost per year. Their Master Utility Service Agreement is 10 pages and requires a 6-step process.

The advantages of SP's business model are that communities don't require any upfront capital or issue bonds to pay for the infrastructure, SP provides a lower cost of usage over time than other approaches, funding can be provided quickly, and risk is transferred from the customer to SP similar to an inexpensive rental. This is an off-balance sheet approach to funding infrastructure, and the customer can buy out the funding agreement at any time with zero penalty. They can work with communities that have federal/state funding to provide the additional funding needed based on their model. SP is agnostic with respect to the choice of the infrastructure vendor just focusing on robust engineering practices to deliver reliable, safe, efficient solutions.

SP currently only has one project in Arizona with the State Dept. of Corrections, and has an e-vehicles project with the State of Hawaii. They are very interested in funding broadband infrastructure projects in Arizona.

Karen Ziegler asked if SP is considered a vendor for a community without issuing an RFP. Rick replied that there may need to be an RFP in certain cases, and SP can respond to an RFP when there are similar vendors competing for providing infrastructure for a community.

Karen asked how fast SP can provide funding. Rick responded that SP can approve an agreement within 3-4 weeks, and then provide funding within 60 days after that.

Karen also asked how SP works with infrastructure vendors. Rick responded that SP acts as a steward of the project by including costs of maintenance and upgrades over the 20 – 30 year life of the project, and any funds left over for maintenance/upgrades go towards lowering future fees paid to SP.

Mauricio Orozco asked how many broadband projects SP has done. Rick responded that SP has only funded two broadband projects in the southeastern U.S. (one at LSU) so far, but wants to pursue more broadband projects.

Jeff Sobotka commented that he views the SP approach as a very innovative funding model for communities that want to fund broadband infrastructure where the ROI has been too low for incumbent service providers. Jeff views this as a good option for communities to consider when they don't want to put bond debt on their books. Steve Peters stated that he may set up a meeting with Jeff to discuss this.

Steve commented that the SP funding model can be a sustainable funding model when COVID-19 government stimulus funding runs out. Rick responded that federal stimulus funding will not be sufficient for all broadband infrastructure needs of communities, and SP can provide funding for long-term (20+ year) projects that will be lower cost per month than other funding approaches. Mark Goldstein added that the broadband network must have paying customers in the community to provide the revenues to sustain the monthly payments over time to SP.

Steve concluded saying he will arrange follow-up discussions with Rick, and Rick said that SP will be interested in working with communities or schools.

Next Steps

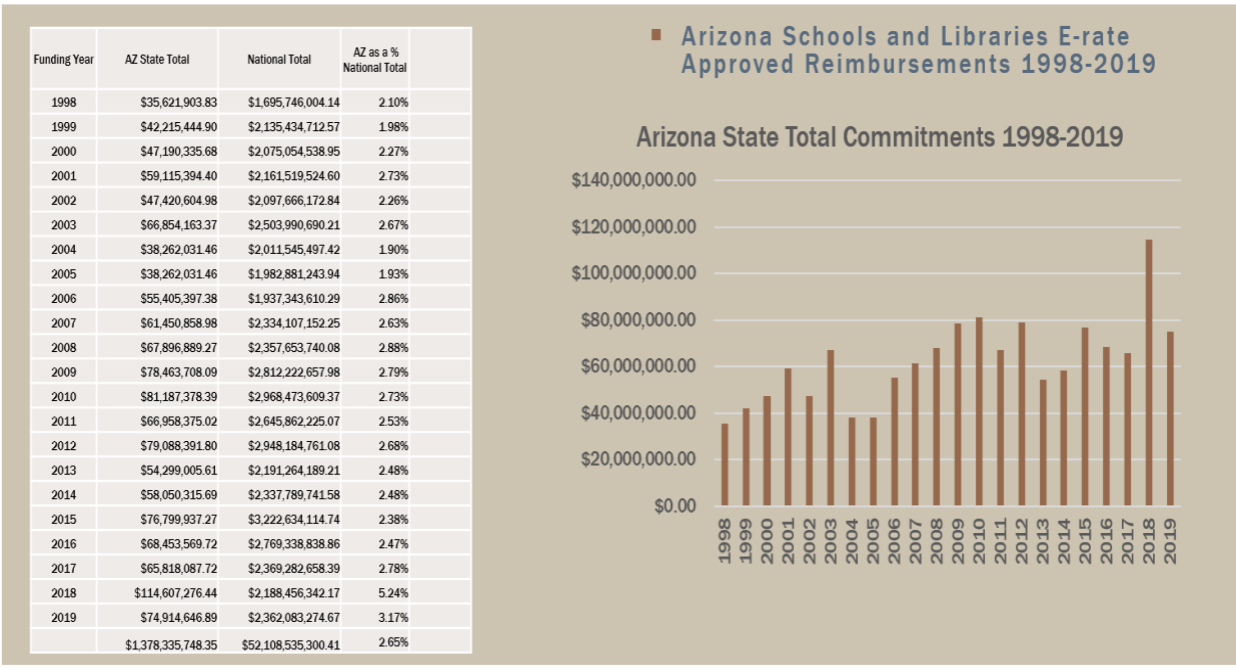
The next AZBSN COVID-19 Digital Access Task Force overall meeting will be held on Monday, February 15th at 7:30 am.

Steve has asked Gene Carl of Cox Communications to deliver a presentation to the task force next week on Cox activities in Arizona, and Wes Brownfield of the Arizona Rural Schools Association may present in the near future.

Henry Goldberg and Oris Friesen will write up a summary report of today's task force meeting.

Appendix 1 : Mala Muralidharan – E-rate Funding Overview on 25th Anniversary of the 1996 Telecom Act

E-RATE FUNDING COMMITMENT OVERVIEW



Appendix 2 : Chat from Zoom

Wes Brownfield to Everyone (7:41 AM)
<https://www.thefinalmileproject.com/>

Wes Brownfield to Everyone (7:47 AM)
 I love the idea of broadband being considered a utility

Sophia Mayberry she, her, hers to Everyone (7:47 AM)
I do as well. I think it is the future of broadband.

Mark Goldstein to Everyone (7:49 AM)
[file: NCDE Educator's Guide to Digital Equity Resources 2021.pdf]

Mark Goldstein to Everyone (7:50 AM)
The National Collaborative for Digital Equity has published a report "Educator's Guide to Digital Equity Resources" available with free registration at <https://www.digitalequity.us/resources/educators-guide-to-digital-equity-resources/> or attached here FYI.

Tom Tardy to Everyone (7:52 AM)
Hi and bye. I need to leave due to a A+ class I am teaching. See you next week.

Rick Gibson to Everyone (8:00 AM)
520-661-6797 rgibson@s.partners

Rick Gibson to Everyone (8:01 AM)
Rick Gibson Sustainability Partners

Mark Goldstein to Everyone (8:15 AM)
[file: ILSR Building Indigenous Future Zones Four Tribal Broadband Case Studies 02_21.pdf]
ILSR has published a report "Building Indigenous Future Zones: Four Tribal Broadband Case Studies" available at <https://ilsr.org/report-indigenous-future-zones/> or posted here FYI.

Derek Masseth to Everyone (8:16 AM)
<https://broadbandusa.ntia.doc.gov/ntia-event/tribal-broadband-connectivity-program-tribal-consultations>

Sophia Mayberry she, her, hers to Everyone (8:18 AM)
Family Engagement in Covid Resource: <https://www.azed.gov/covid-19/family-engagement-amid-covid-19>

Sophia Mayberry she, her, hers to Everyone (8:19 AM)
Parent Tech Toolkit: <https://www.azed.gov/covid-19/arizona-parent-caretaker-toolkit-distance-learning>
We are very proud of this great work at ADE!

Malavika Muralidharan to Everyone (8:25 AM)
We will add the Parent tool kit to it the Connect AZ website www.connect-AZ.com

Sophia Mayberry she, her, hers to Everyone (8:26 AM)
those of us who do updates probably don't need to do intros

Dan Hunt to Everyone (8:27 AM)
I have to drop for a county admin meeting. Have a great day and week!

Lea Marquez Peterson to Everyone (8:28 AM)

Interested in submitting information to the Arizona Universal Service Fund docket at the Az Corporation Commission? Email me at lmarquezpeteron@azcc.gov.

Jeff Sobotka to Everyone (8:30 AM)

Need to drop. Have a great week everyone!

Paul Ross to Everyone (8:31 AM)

Could use a slide with pictures to show who is attending and which connected organizations (organized by industry), and introduce new people. Would suggest trying to move presentations up in the agenda to avoid presenters being cut off in terms of time with a set amount of time, 15-20 minutes. The presentations, legislative updates, and new initiatives are very informative. Could have a parking lot document for collaborative note taking and sharing updates outside of the chat function too. A few thoughts.

Sophia Mayberry she, her, hers to Everyone (8:31 AM)

register wouldn't work for a re occurring meeting

Marni Anbar to Everyone (8:32 AM)

great idea Paul

Paul Ross to Everyone (8:32 AM)

A collaborative document in the agenda could crowd source the collection of notes and updates.

Derek Masseth to Everyone (8:32 AM)

+1 Paul

Paul Ross to Everyone (8:35 AM)

Shereka please add me to that list for the sub group.

Shereka Jackson to Everyone (8:35 AM)

ok paul

Tracy R to Everyone (8:36 AM)

Thank you!