Office of the Texas Governor | Greg Abbott

Governor's Broadband Development Council Meeting

July 22, 2020

MEETING AGENDA: 7/22/2020

ITEM

I.   Call to Order

II.   Chair welcome and remarks

III.   Discussion and Possible Action on Approval of Minutes from the Council meeting on May 13, 2020 (Tab 1).

IV.   Discussion and Possible Action on Approval of Minutes from the Council meeting on June 10, 2020 (Tab 2).

V.   Comments by Texas Education Agency staff providing information relating to Council's areas of research, identification, study, and analysis under Tex. Gov't Code § 490H.006, including information relating to distribution of broadband in unserved areas of Texas, and council review, discussion, consideration and/or possible action regarding same

VI.   Comments by Texas Telephone Association staff providing information relating to council's areas of research, identification, study, and analysis under Tex. Gov't Code § 490H.006, including information relating to distribution of broadband in unserved areas of Texas, and council review, discussion, consideration and/or possible action regarding same (Tab 3).

VII.   Comments by US Telecom Association staff providing information relating to council's areas of research, identification, study, and analysis under Tex. Gov't Code § 490H.006, including information relating to distribution of broadband in unserved areas of Texas, and council review, discussion, consideration and/or possible action regarding same

VIII.   Update from Council subcommittee focused on researching the progress of broadband development in unserved areas, regarding initial steps, and Council review, discussion, consideration and/or possible action regarding same

IX.   Update from Council subcommittee focused on identifying barriers to residential and commercial broadband deployment in unserved areas, regarding initial steps, and Council review, discussion, consideration and/or possible action regarding same

X.   Update from Council subcommittee focused on studying technology-neutral solutions to overcome barriers to residential and commercial broadband deployment in unserved areas, regarding initial steps, and Council review, discussion, consideration and/or possible action regarding same

XI.   Update from Council subcommittee focused on analyzing how statewide access to broadband would benefit: (A) economic development; (B) the delivery of educational opportunities in higher education and public education; (C) state and local law enforcement; (D) state emergency preparedness; and (E)

the delivery of health care services, including telemedicine and telehealth, regarding initial steps, and Council review, discussion, consideration and/or possible action regarding same

XII. Review, Discussion, Consideration and/or Possible Action on Council Next Steps for Following Meeting(s) - Chairman Sproull

XIII.   Comments without Deliberation:

Public comment may be received on any matter under the Council's jurisdiction without regard to whether the item was posted on the agenda.

XIV. Adjournment

Persons with disabilities who plan to attend this meeting, who may need auxiliary aids or services, or who need assistance in having English translated into Spanish, should contact Philip Rocha at 512-936-0246 at least 2 days before the meeting so that appropriate arrangements can be made.

Personas con discapacidades que asistirán a esta reunión y requieren servicios o instrumentos especiales, o necesitaran traducción al español, por favor de comunicarse con Philip Rocha al 512-936-0246 por lo menos 2 días antes de la reunión para hacer los arreglos necesarios.

Tab 1

Governor's Broadband Development Council Meeting

Minutes of May 13, 2020 Meeting

VIDEOCONFERENCE MEETING:

COUNCIL MEMBERS IN ATTENDANCE:
William "Bill" Sproull (Chair), Juli Blanda, Frank Moreno, Lindsey Lee, Marshall Harrison, Marty Lucke, Kirk Petty, Thomas Kim, M.D.,Greg Pittman, Jennifer K. Harris, Kenny Scudder, Mike Easley, Edward Smith, and Steven Johnson, Ph.D.

STAFF IN ATTENDANCE:
Adriana Cruz, Larry McManus, Mary York, Michael Treyger, Phil Rocha, Lindsey Aston,

The Council proceeded on posted agenda items in the order as follows:

Agenda Item I.   CALL TO ORDER

Bill Sproull, Chairman of the Governor's' Broadband Development Council, welcomed the council members and the staff at 1:34 PM. A quorum was present.

Agenda Item II.   CHAIR WELCOME AND REMARKS

Chairman Sproull outlined some of the duties of the council and stressed the importance of the tasks in front of the council.

Agenda Item III.   WELCOME OF COUNCIL MEMBERS AND STAFF

Chairman Sproull welcomed all council members to introduce themselves.

Agenda Item IV.   INTRODUCTION TO AND REVIEW OF CHAPTER 490H OF THE TEXAS GOVERNMENT CODE - SENATOR CHARLES PERRY

Senator Charles Perry expressed his excitement to be a part of this effort and offeredhis assistance to meet the goals of the state.

Agenda Item V.   ETHICS, OPEN RECORDS ACT, AND PRACTICES OVERVIEW AND DISCUSSION - LINDSEY ASTON, ASSISTANT GENERAL COUNSEL, OFFICE OF THE GOVERNOR

Lindsey Aston, Assistant General Counsel within the Office of the Governor, provided a general overview of ethics and practices, and related expectations for the council.

Agenda Item VI.   DISCUSSION OF FUNDING RELATING TO BROADBAND IN TEXAS (including https://www.ntia.gov/blog/2020/ntia-updates-comprehensive-guide-federal-broadband-funding)

Michael Jansen, Director of the Rural Broadband Auctions Task Force within the Federal Communications Commission discussed the Rural Digital Opportunity fund and how it could help Texas meet its broadband development goals. Mr. Janson also fielded general questions from some of the members of the Council.

Agenda Item VII.   DISCUSSION OF DISTRIBUTION OF REPORT RELATING TO CURRENT STATE OF BROADBAND IN TEXAS, FEDERAL INITIATIVES IMPACTING THE STATE AND THE INDUSTRY, AND A SUMMARY OF RELATED ACTIVITY IN OTHER STATES AROUND THE COUNTRY

Council member Jennifer Harris gave an overview of the Texas Broadband Briefing Guidebook. The guidebook includes interactive maps that reflect different broadband speeds across the state, definitions for industry terms, and other data.

Chad Roupe, a representative from The United States Department of Agriculture, made some remarks about broadband development in Texas and his experience in other states. Mr. Roupe stressed the importance of accurate data and mapping, then discussed some of the programs that his agency has available. Much of program information discussed can be found at reconnect.usda.gov.

Agenda Item VIII.   REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION ON:

A. COUNCIL EXPECTATIONS AND TIMING - CHAIRMAN SPROULL
B. COUNCIL NEXT STEPS - CHAIRMAN SPROULL

Chairman Sproull reminded the council that the state legislature has requested a report to be presented November 1st of every year. Chairman Sproull said that he would like to meet monthly in order to gain a common understanding of the issues and to create high-level solutions.

Chairman Sproull opened the floor to all council members to provide suggestions on how to meet expectations for the report.

Chairman Sproull and other council members all agreed that splitting into subcommittees that correspond with the major tasks outlined in state legislation would be the next step. Council members proceeded to volunteer for various subcommittees.

Council Member Thomas Kim inquired about a platform for collaboration in order for the council to stay organized. Office of the Governor staff offered to assist in finding a solution.

Lindsey Aston, Assistant General Counsel, Office of the Governor ,verbally provided a link to an ethics website generally discussed: ethics.state.tx.us/resources/guides.

Agenda Item IX.   COMMENTS WITHOUT DELIBERATION:

PUBLIC COMMENT MAY BE RECEIVED ON ANY MATTER UNDER THE COUNCIL'S JURISDICTION WITHOUT REGARD TO WHETHER THE ITEM WAS POSTED ON THE AGENDA.

No public comment.

Agenda Item X.   ADJOURNMENT

No further agenda items were discussed or deliberated and no other action was taken. Meeting adjourned at 3:43 PM.

_____   _____
Bill Sproull, Chair   Date

Tab 2

Governor's Broadband Development Council Meeting

Minutes of June 10th, 2020 Meeting

VIDEOCONFERENCE MEETING:

COUNCIL MEMBERS IN ATTENDANCE:
William "Bill" Sproull (Chair), Juli Blanda, Frank Moreno, Lindsey Lee, Marshall Harrison, Marty Lucke, Kirk Petty, Thomas Kim, M.D.,Greg Pittman, Jennifer K. Harris, Kenny Scudder, Mike Easley, Edward Smith, and Steven Johnson, Ph.D.

STAFF IN ATTENDANCE:
Adriana Cruz, Larry McManus, Mary York, Michael Treyger, Phil Rocha, Lindsey Aston, Abby Austin, Fauye Bennett

The Council proceeded on posted agenda items in the order as follows:

Agenda Item I.   CALL TO ORDER

Bill Sproull, Chairman of the Governor's Broadband Development Council, welcomed the council members and the staff at 1:32 PM. A quorum was present.

Agenda Item II.   CHAIR WELCOME AND REMARKS

Chairman Sproull remarked on his conversations with the Boston Consulting Group and how their broadband development goals align with this council. Chairman Sproull plans to invite the group to make a presentation at a future meeting. Chairman Sproull also updated the council on discussions with Rep. Phil King about the Texas Universal Service Fund.

Agenda Item III.   UPDATE FROM COUNCIL SUBCOMMITTEE FOCUSED ON RESEARCHING THE PROGRESS OF BROADBAND DEVELOPMENT IN UNSERVED AREAS, REGARDING INITIAL STEPS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

Update from Jennifer Harris stating the subcommittee will be updating access maps, working through a research plan, and combining data pieces. The subcommittee will seek guidance on what needs to be in the report in November.

Agenda Item IV.   UPDATE FROM COUNCIL SUBCOMMITTEE FOCUSED ON IDENTIFYING BARRIERS TO RESIDENTIAL AND COMMERCIAL BROADBAND DEPLOYMENT IN UNSERVED AREAS, REGARDING INITIAL STEPS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

> Greg Pittman provided an update on the progress of the subcommittee focused on identifying barriers of commercial and residential broadband in underserved areas and indicated they discussed what the obstacles are in terms of broadband deployment. Mr. Pittman and his subcommittee plan to meet with local officials on some of the challenges they are facing.

Agenda Item V.   UPDATE FROM COUNCIL SUBCOMMITTEE FOCUSED ON STUDYING TECHNOLOGY-NEUTRAL SOLUTIONS TO OVERCOME BARRIERS TO RESIDENTIAL AND COMMERCIAL BROADBAND DEPLOYMENT IN UNSERVED AREAS, REGARDING INITIAL STEPS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

> In the absence of Dr. Patel, the subcommittee chair, other members of the subcommittee updated the council on their progress as they plan to outline and define their goals. Members of the subcommittee mentioned their desire to meet with other subcommittees.

> Chairman Sproull highlighted that as to inter-subcommittee collaboration, open meetings standards should continue to be followed as a best practice.

Agenda Item VI.   UPDATE FROM COUNCIL SUBCOMMITTEE FOCUSED ON ANALYZING HOW STATEWIDE ACCESS TO BROADBAND WOULD BENEFIT: (A) ECONOMIC DEVELOPMENT; (B) THE DELIVERY OF EDUCATIONAL OPPORTUNITIES IN HIGHER EDUCATION AND PUBLIC EDUCATION; (C) STATE AND LOCAL LAW ENFORCEMENT; (D) STATE EMERGENCY PREPAREDNESS; AND (E) THE DELIVERY OF HEALTH CARE SERVICES, INCLUDING TELEMEDICINE AND TELEHEALTH, REGARDING INITIAL STEPS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

> Judge Marty Lucke updated the council on a plan to reach out to leaders across the state to gather input on how broadband access would benefit communities. Judge Lucke believes that more exciting opportunities will present themselves with more broadband access.

Agenda Item VII. COMMENTS BY T-MOBILE STAFF PROVIDING INFORMATION RELATING TO COUNCIL'S AREAS OF RESEARCH, IDENTIFICATION, STUDY, AND ANALYSIS UNDER TEX. GOV'T CODE § 490H.006, INCLUDING INFORMATION RELATING TO DISTRIBUTION OF BROADBAND IN UNSERVED AREAS OF TEXAS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

T-Mobile representatives David Bazant, Head of the T-Mobile Division for Government, and Keith Ayton, a member of the T-Mobile engineering team, discussed T-Mobile's commitment to mobile broadband and emphasis on its 5G capabilities. The representatives gave examples of previous state partnerships, such as its partnership with the New York Department of Education.

T-Mobile explained one of its initiatives called "Project 10 Million," in which it plans to connect disadvantaged homes to the internet by providing them with the hardware to do so.

T-Mobile outlined its capabilities for long distance wireless service, and emphasized the magnitude of their footprint and dedication to expanding statewide broadband access.

Agenda Item VIII. COMMENTS BY MICROSOFT STAFF PROVIDING INFORMATION RELATING TO COUNCIL'S AREAS OF RESEARCH, IDENTIFICATION, STUDY, AND ANALYSIS UNDER TEX. GOV'T CODE § 490H.006, INCLUDING INFORMATION RELATING TO DISTRIBUTION OF BROADBAND IN UNSERVED AREAS OF TEXAS, AND COUNCIL REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION REGARDING SAME

Mylie Martinez, Project Manager on the Microsoft Airband Team brought to light that at least 18 million people in the United States lack broadband connection, with 14 million of those being from rural areas.

Ms. Martinez explained into some of the technologies and programs Microsoft utilizes to make connectivity more accessible and to drive cost down. Microsoft offered to be an informational resource for Texas.

Agenda Item IX. PRACTICES OVERVIEW AND DISCUSSION – LINDSEY ASTON, ASSISTANT GENERAL COUNSEL, OFFICE OF THE GOVERNOR

Comments from Lindsey Aston, Assistant General Counsel at the Office of the Governor, regarding the Committee following the parameters of the Texas Open Meetings Act as a best practice. In accordance with this best practice, Ms. Aston reminded the council to not collaborate in a quorum or more outside of a public meeting.

Council member Thomas Kim proposed that subcommittee chairs be included in meetings with other subcommittees in order to stay connected.

Agenda Item X.   SUBCOMMITTEE COLLABORATION PROCEDURES OVERVIEW AND DISCUSSION

Michael Treyger, Deputy Director Director for Business & Community Development at the Office of the Governor, provided an overview on the use of the Microsoft Teams collaboration platform.

Agenda Item XI.   REVIEW, DISCUSSION, CONSIDERATION AND/OR POSSIBLE ACTION ON COUNCIL NEXT STEPS FOR FOLLOWING MEETING(S) – CHAIRMAN SPROULL

Chairman Sproull encouraged subcommittees to collaborate within the bounds of Open Meetings Act best practices. He would like each subcommittee to have updated reports.

Chairman Sproull indicated that he plans to request that the Office of the Governor staff assist with the drafting of the November council report.

Council members agreed to consider the "second half" of July for the next meeting. Office of the Governor staff would coordinate a feasible date.

Agenda Item XII.   COMMENT WITHOUT DELIBERATION

No public comments were offered or received.

Agenda Item XIII.   Adjournment

No further agenda items were discussed or deliberated and no other action was taken. Meeting adjourned at 3:08 PM.

_____   _____
Bill Sproull, Chair   Date

Tab 3

Universal Service – The Policy and the Fund

About the Texas Telephone Association (TTA)

TTA is a trade association founded in 1905 that 41 Texas ILEC operating company members. The mission of the TTA is to promote and enhance the performance of its member companies and protect the integrity of the local exchange telephone industry and the services offered within each company's certificated exchange areas within the State of Texas.

- A majority of TTA's ILEC members serve fewer than 5,000 customers each in sparsely populated areas of the state that would not otherwise have service.
- More than one-third are not-for-profit, member-owned telephone cooperatives and all are recipients of Texas Universal Service Fund (TUSF) high-cost support.
- Together TTA's members provide service across 46% of Texas' land mass (more than 124,000 square miles)–an area bigger than 45 states—with an average of 10 households per square mile. Household density outside of TTA member areas is 61 per square mile.
- TTA member cable construction costs per route mile can range from $30,000 to $40,000 plus per mile.
- TTA's members provide a weighted average of 110 / 57 Mbps broadband service to households within their service areas, but there continue to be households within the highest-cost, least-populated areas of the state that lack access to faster broadband services.

History of the Policy of Universal Service

- Universal service is the goal that all Americans and all Texans should have access to affordable communications services.
- This policy objective was established by the Communications Act of 1934, and universal service policies have helped make telephone service ubiquitous at reasonable rates, even in rural, high-cost areas.
- Prior to the creation of the Texas Universal Service Fund (TUSF) and the Federal Universal Service Fund (FUSF), the telecommunications industry used various support mechanisms which provided support from larger telecommunications companies to smaller ones and from lower cost urban areas to higher cost rural areas. In other words, the high cost rural areas of Texas have always received support to keep communications services affordable because in most high cost rural areas there simply is not a business case to provide service without some form of support.
- The goals of universal service have evolved over time, and today, digital divide is an issue.

About the Texas Universal Service Fund

- TUSF was originally created by the Texas Legislature in 1987 and has undergone many changes. TUSF is administered by the Public Utility Commission of Texas (Commission) and is currently a $200-$220 million annual fund that supports 11 programs created by the Texas Legislature related to rural, high-cost, educational, and low-income service to ensure that Texans have access to affordable voice services. Because of low population density and high fixed network costs, many rural areas of the state simply would not have any service but for TUSF support.

- TUSF is currently funded by a 3.3% assessment on telecommunications providers' intrastate taxable telecommunications receipts, which are commonly passed through on customer bills.
- In its current structure, the majority of the TUSF support is used to help telecommunications companies provide voice service at reasonable rates in high cost rural areas. While the TUSF doesn't explicitly fund broadband services, today, companies are building hybrid telecommunications networks that provide both voice and broadband services. Therefore, the TUSF does help support the voice portion of these hybrid networks, reducing the digital divide in rural Texas.
- Over the years, TUSF high-cost disbursements have shrunk from a high of $572 million in 2006 to $198 million in 2019, excluding administrative expenses:
  - Large companies (AT&T and Frontier) no longer receive TUSF high-cost assistance and no longer have any provider of last resort obligations in Texas even though they continue to cover large portions of Texas.
  - Mid-sized companies (Windstream, CenturyLink, Consolidated, and GVTC) that serve many rural areas twice recently reduced their high-cost assistance based upon rate rebalancing proceedings and extensive needs tests enacted in SB 583 in 2013 resulting in a per line support mechanism based on eligible voice lines.
  - In 2017 the Legislature adopted SB 586 to allow small companies (less than 31,000 voice lines) to file detailed annual earnings reports and authorizing the Commission to adjust high-cost assistance upward or downward based upon an authorized rate of return.
  - The small companies' detailed annual earnings reports remove broadband costs from intrastate rate of return calculations and are therefore **not** funded by TUSF.

Current Status of TUSF Funding
- The TUSF surcharge of 3.3% of intrastate taxable telecommunications receipts is no longer sufficient to fund the monthly obligations of the TUSF. Currently, the TUSF fund balance is being used to supplement the monthly receipts so that the fund can meet the monthly obligations.
- Even though the fund has shrunk significantly, the intrastate taxable telecommunications receipts have decreased more significantly due to the change in the composition of customers' bills by some contributors and a VoIP loophole.
- The crisis has come to a head: the Commission recently elected not to increase the revenue-based assessment rate and TUSF is expected to be unable to fund programs at current levels in the fourth quarter of 2020.
- TTA has been working with the Commission and other industry participants to ensure the long-term stability of the TUSF including a proposal to change from a revenue-based mechanism to a connections-based mechanism, similar to 9-1-1 fees in Texas.

Federal Rural Digital Opportunity Fund (RDOF)
- The Federal Communications Commission (FCC) administers federal support mechanisms that fund high-cost, educational, low-income, and rural healthcare programs which are funded by a revenue-based assessment upon providers' interstate revenues that are commonly passed through on customer bills.
- The federal program supports broadband services, but the limited funds available for improved and/or new broadband connections in rural America will barely make a dent in the need.