

## Hadley, Ryan E

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**From:** Scott Rudd <srudd@townofnashville.org>  
**Sent:** Friday, June 15, 2018 5:54 PM  
**To:** Heline, Beth E.; Comments, Urc  
**Cc:** Krevda, Stefanie N (URC); Hadley, Ryan E; Taber, Pam; 'Mike Laros'  
**Subject:** Brown County Broadband Task Force Comments - IUSF-Broadband Study - Indiana Utility Regulatory Commission  
**Attachments:** Brown County Broadband Task Force IURC Broadband Study Comments.pdf

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Beth,

On behalf of Michael Laros, Chair, Brown County Broadband Task Force I am forwarding the attached comments to you.

Thank you,  
Scott Rudd

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**From:** Heline, Beth E. <BHeline@urc.IN.gov>  
**Sent:** Thursday, May 17, 2018 12:10 PM  
**To:** kolson@citact.org; sbowers@indianaec.org; mlawrence@indianachamber.com; jschneider@infb.org; acarter@incap.org; jhart@incable.org; Koppin, John <john@itainfo.org>; aterrell@ineca.org; William.soards@att.com; sr7872@att.com; srudd@townofnashville.org  
**Cc:** Krevda, Stefanie N (URC) <StKrevda@urc.IN.gov>; Hadley, Ryan E <RHadley@urc.IN.gov>; Taber, Pam <PTaber@urc.IN.gov>  
**Subject:** IUSF-Broadband Study - Indiana Utility Regulatory Commission

Good Afternoon,

You are receiving this email because you testified on HEA 1065 during the 2018 Legislative Session. As you are aware, the Indiana Utility Regulatory Commission (Commission) was directed in HEA 1065 to complete a study of topics related to the Indiana Universal Service Fund (IUSF) and broadband deployment by October 1, 2018. Specifically, the Commission will be studying the following:

1. The types of service on which the IUSF surcharge is imposed
2. The types of service for which disbursements from the IUSF may be used
3. The eligibility requirements for service providers to receive disbursements from the IUSF
4. Broadband deployment (expansion and improvement of access to broadband services)
5. Any other matter concerning universal service reform that the Commission considers appropriate

The Commission approved a General Administrative Order (attached) on May 16, 2018, delegating responsibility for completing the study to Commission staff, and outlining the process by which stakeholder input may be provided.

As an individual who testified on HEA 1065, we want to inform you that, through its GAO, the Commission announces it is accepting written comments from the public and stakeholders until **June 15, 2018**. The public and stakeholders will then have the opportunity to provide reply comments by **July 13, 2018**. Comments and reply comments will be posted on the Commission's website at <https://www.in.gov/iurc/3010.htm>.

Additionally, Commission staff would welcome the opportunity to meet with you and/or interested individuals from your organization regarding information you would like to provide on the study topics. Please reach out to Ryan Hadley to schedule a meeting; his phone number is (317) 234-0375 and his email address is [RHadley@urc.IN.gov](mailto:RHadley@urc.IN.gov).

Please feel free to share the GAO to any other individuals or groups you believe may be interested in this topic.

Thank you,

***Beth E. Heline***

General Counsel

**Indiana Utility Regulatory Commission**

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If you have received this e-mail transmission in error, please reply to the sender, so that the Indiana Utility Regulatory Commission's Office of General Counsel can arrange for proper delivery, and then please delete the message from your inbox. Thank you.

Dear General Counsel Beth Heline:

Re: IUSF-Broadband Study

Date: June 15<sup>th</sup>, 2018

On behalf of the Brown County Broadband Task Force, I am pleased to be able to provide the following comments regarding the Indiana Universal Service Fund

**1. The types of service on which the IUSF surcharge is imposed**

No comment.

**2. The types of service for which disbursements from the IUSF may be used**

The IUSF was established by IURC order to support small rural incumbent local exchange carriers in hopes of ensuring the continued deployment and maintenance of universal telephone service to all areas of the state at competitive rates.

On the federal level, the Federal Communications Commission ("FCC") long ago determined that federal universal service funds would be used to support broadband within their high cost program. That means that federal universal service fund support explicitly covers broadband as long as the provider receiving support also offers voice telephony services. Under the Connect America Fund, the FCC targets census blocks that do not have sufficient broadband.

**In our opinion this is a clear precedent for the state to recognize the need to transition from a telephony based to a broadband based Indiana Universal Service Fund support for under connected communities.**

**3. The eligibility requirements for service providers to receive disbursements from the IUSF**

Eligibility requirements should be greatly expanded to include all service providers able to meet the FCC Broadband standards, 25/3 Mbps. If Indiana wishes to eliminate the connectivity divide it must factor in both accessibility and affordability into determining eligibility requirements.

Eligibility requirements need to be refined from the current federal census block determination criteria which grossly overstate rates of broadband connectivity in Brown County and other areas of rural Indiana. This will be discussed further in response to question 5.

**4. Broadband deployment (expansion and improvement of access to broadband services)**

The lack of broadband in Brown County is crippling by all accounts. It contributes to the academic divide, continued health disparities, a connectivity divide, school enrollment decline, population decline, loss of workforce and jobs, agricultural inefficiencies, utility rate increases, higher taxes, and reduces quality of life. This is a major impediment to a county and state that strives to improve quality of life, skill up our workforce, attract talented people and grow its population. The following statement by Dr. Laura Hammack, Brown County School Superintendent describes this need with regard to our schools and students very succinctly.

*Beginning in the school year 2018-2019, all students in Brown County Schools will have access to an electronic device in a 1:1 model. Students in grades Kindergarten through grade four will have access to the iPad technology in Science classes and will have access to a personal Chromebook in all other classes. All students in grades 5 through 12 will have a personal Chromebook for their use in all course applications. With this incredible access to connectivity in school, it has become critical that students are able to enjoy the same amount of connectivity at home.*

*For this reason, it is the responsibility of the school district to find innovative solutions for supporting our families in need to realize connectivity in the home. Many assignments are now issued through an electronic learning management system and this has begun to generate a "connectivity divide" between students who have internet access at home and those who don't. We are very concerned that this divide will ultimately translate in an achievement divide. This is not fair for our students without access.*

*Connectivity at home and school are now imperative for student success. Over half of our students present as qualifying for free or reduced lunches in school and we understand that nearly the same percentage also realizes a lack of internet connectivity in the home. We need to even this new playing field. We are committed to assisting those families who aren't able to connect because of financial burden and appreciate the way in which our community is willing to work together towards making this happen.*

Thanks to recent state legislation enabling REMC's to deploy broadband along their existing infrastructure, new opportunities for access and resources have been provided to increase the speed of deployment, particularly in rural areas. Brown County has been aggressive in implementing these legislative efforts by being the first to become a Broadband Ready County, exempting taxes on future broadband investment to the home and business, and working closely with all providers to create the most business friendly climate for broadband investment.

Our efforts along with the aforementioned state initiatives have contributed to recent announcements by 2 local REMC's to deploy fiber over the next 4 years to 7,200 homes and businesses within their service territories in Brown County – and we greatly appreciate this substantial commitment.

However, this success highlights a new challenge for Brown County. The areas that are now left unserved in Brown County are primarily along state highways outside REMC territory. These same areas often have the greatest density compared to the other rural parts of the county, the highest concentration of businesses and the most potential for economic and residential development due to their proximity to infrastructure. Brown County has waived all fees, exempted taxes, expedited permits and created a single point of contact to motivate internet providers to serve these areas, so far without much success. This may well be an area where the IUSF support funding could be important to help rural communities meet connectivity needs in all areas.

**5. Any other matter concerning universal service reform that the Commission considers appropriate**

Indiana (and probably the FCC) should review the criteria used for estimating current levels of connectivity in order to determine underserved areas and thus eligibility for support funding. The current federal criteria, based on U.S. census blocks, greatly over estimates the actual level of connectivity, particularly in rural areas. "There are some flaws in the mapping," says Rep. Sharon Negele (R-Attica). "If you have one person receiving great service in a census block, the entire census block is marked as having great service."

As a local example, a recent study based on FCC census block data shows that 86.9% of Indiana’s population has access to 25/3 internet in their homes. The data also identifies Brown County as having 44.6% of its population having service available at this 25/3 speed. Yet our experience on the ground in Brown County is that these estimates overstate our broadband connectivity rates by 400% or more. Even with this overstatement, Brown County is listed as the 83<sup>rd</sup> worst connected county in the state by the FCC data, which would imply that significant internet deficiencies exist across Indiana. Additionally this same FCC data for rural areas in the four states surrounding Indiana show Indiana as the least connected of the group at 58.5%.

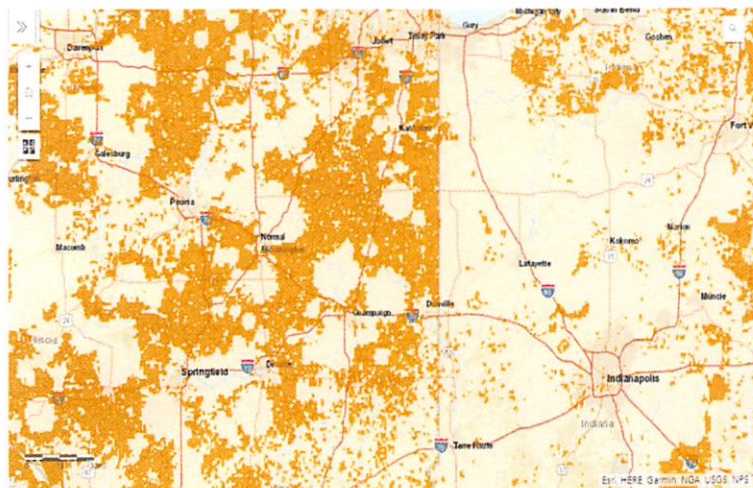
**Americans with Access to Fixed 25 Mbps/3 Mbps Services By County – Segmented by Urban and Rural (Data as of December 2016)**

State	Rural Pop. Eval.	% of Pop. With Fixed 25 Mbps/3 Mbps
Indiana	1,829,471	58.50%
Illinois	1,473,364	63.50%
Michigan	2,546,731	66.40%
Ohio	2,570,418	71.10%
Kentucky	1,822,678	68.80%

Overstated connectivity rates also likely contribute to the lack of funding in Indiana from Connect America Funding. As stated above, eligibility is based on unserved census block data. However, the definition of unserved is an area that does not have at least one provider that can meet connectivity criteria. As shown on the map below, Illinois has far more CAF 2 funding eligibility areas than Indiana. This is in spite of Indiana having significantly less population served at 86.9%, compared to Illinois at 94.7%.

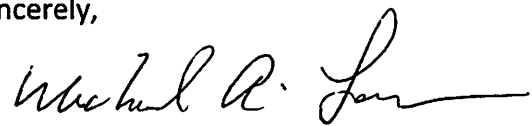
**Connect America Phase II Auction**

Preliminary Eligible Areas



In summary, an additional matter that should be considered as part of this review will be developing a better model for determining eligibility for IUSF funding than the current census block approach that is utilized for Federal Connect America funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Laros". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael A. Laros  
Chair, Brown County Broadband Task Force

**Exhibit A: From FCC Broadband Progress Report Table F1: Americans with Access to Fixed Terrestrial 25 Mbps/3 Mbps Services and/or Mobile LTE with a Minimum Advertised Speed of 5 Mbps/1 Mbps by State, County or County Equivalent (Data as of December 2016)**

County Rank	State, County or County Equivalent	% of Pop. with Fixed 25 Mbps/3 Mbps	County Rank	State, County or County Equivalent	% of Pop. with Fixed 25 Mbps/3 Mbps
	Indiana	86.90%	60	Wells County	67.20%
92	Crawford County	1.00%	59	Steuben County	67.60%
91	Benton County	10.30%	58	Clinton County	68.30%
90	Switzerland County	19.20%	57	Jefferson County	68.50%
89	Spencer County	26.50%	56	Gibson County	70.90%
88	Warren County	32.50%	55	Starke County	71.40%
87	LaGrange County	32.60%	54	Parke County	71.60%
86	Franklin County	32.80%	53	Cass County	72.10%
85	Union County	43.80%	52	Putnam County	73.20%
84	Pulaski County	44.00%	51	Huntington County	73.40%
83	Brown County	44.60%	50	DeKalb County	74.20%
82	Ripley County	45.10%	49	Shelby County	74.50%
81	Harrison County	50.50%	48	Jackson County	74.70%
80	Rush County	52.60%	47	Fountain County	74.80%
79	Orange County	54.70%	46	Tipton County	75.50%
78	Perry County	54.70%	45	Fulton County	75.70%
77	Blackford County	55.70%	44	Fayette County	75.90%
76	Pike County	56.80%	43	Posey County	76.40%
75	Dubois County	57.90%	42	Scott County	77.90%
74	Noble County	58.00%	41	Grant County	78.20%
73	Martin County	58.30%	40	Lawrence County	78.70%
72	Whitley County	59.00%	39	Jasper County	78.80%
71	Carroll County	60.40%	38	Kosciusko County	78.90%
70	Washington County	62.00%	37	Jay County	79.30%
69	Decatur County	62.20%	36	Boone County	79.40%
68	Marshall County	62.20%	35	Sullivan County	79.70%
67	Montgomery County	62.30%	34	Warrick County	82.00%
66	Wabash County	62.40%	33	White County	83.30%
65	Daviess County	62.70%	32	Morgan County	85.60%
64	Miami County	62.90%	31	Wayne County	85.90%
63	Jennings County	64.20%	30	Adams County	86.20%
62	Ohio County	64.20%	29	Elkhart County	86.60%
61	Owen County	65.50%	28	Greene County	86.60%
			27	Henry County	86.70%

County Rank	State, County or County Equivalent	% of Pop. with Fixed 25 Mbps/3 Mbps
26	Newton County	87.20%
25	Madison County	88.00%
24	Bartholomew County	88.40%
23	Tippecanoe County	89.40%
22	Johnson County	90.20%
21	Dearborn County	90.50%
20	Monroe County	91.20%
19	Howard County	91.40%
18	Knox County	91.40%
17	Delaware County	92.60%
16	Clay County	93.10%
15	Hendricks County	93.20%
14	St. Joseph County	93.60%
13	Vigo County	93.70%
12	Hamilton County	94.20%
11	Allen County	94.30%
10	Vermillion County	94.50%
9	Clark County	94.60%
8	Floyd County	96.60%
7	Marion County	97.90%
6	Randolph County	98.20%
5	Vanderburgh County	98.80%
4	Hancock County	98.90%
3	Porter County	99.30%
2	LaPorte County	99.50%
1	Lake County	99.60%



**Exhibit B: FCC Table F1: Americans with Access to Fixed Terrestrial 25 Mbps/3Mbps Services and/or Mobile LTE with a Minimum Advertised Speed of 5 Mbps/1Mbps by State, County or County Equivalent (Data as of December 2016) -- -- Population Unserved Column added for reference**

State Rank	State, County or County Equivalent	Population Evaluated	% of Pop. with Fixed 25 Mbps/3 Mbps	Population Unserved By Fixed 25 Mbps/3Mbps - Added for Reference, Unaudited
50	Mississippi	2,985,678	72.30%	827,033
49	Oklahoma	3,915,006	77.00%	900,451
48	Montana	1,041,271	77.10%	238,451
47	Arkansas	2,982,094	77.60%	667,989
46	Wyoming	584,605	78.20%	127,444
45	Alaska	738,046	78.80%	156,466
44	New Mexico	2,075,423	80.60%	402,632
43	West Virginia	1,829,865	82.20%	325,716
42	Alabama	4,857,496	83.10%	820,917
41	Missouri	6,085,681	83.50%	1,004,137
40	Louisiana	4,670,015	84.50%	723,852
39	Arizona	6,914,677	85.60%	995,713
38	Kentucky	4,427,647	85.80%	628,726
37	Vermont	624,352	86.10%	86,785
36	Wisconsin	5,775,322	86.40%	785,444
35	<b>Indiana</b>	<b>6,626,052</b>	<b>86.90%</b>	<b>868,013</b>
34	South Carolina	4,950,467	88.30%	579,205
33	South Dakota	862,992	88.30%	100,970
32	Idaho	1,679,561	88.70%	189,790
31	Nebraska	1,903,270	88.90%	211,263
30	Kansas	2,901,452	89.20%	313,357
29	Maine	1,332,109	89.90%	134,543
28	Michigan	9,934,198	90.20%	973,551
27	Iowa	3,130,157	90.50%	297,365
26	Georgia	10,284,202	90.80%	946,147
25	Virginia	8,386,602	90.80%	771,567
24	Oregon	4,086,337	91.00%	367,770
23	Tennessee	6,640,499	91.10%	591,004
22	North Dakota	755,996	91.20%	66,528
21	Ohio	11,609,735	92.40%	882,340
20	Minnesota	5,512,510	92.60%	407,926
19	Texas	27,763,538	93.40%	1,832,394
18	North Carolina	10,123,183	93.70%	637,761
17	New Hampshire	1,334,384	94.20%	77,394
16	California	39,171,084	94.70%	2,076,067

State Rank	State	Population Evaluated	% of Pop. with Fixed 25 Mbps/3 Mbps	Population Unserved By Fixed 25 Mbps/3Mbps - Added for Reference, Unaudited
15	Illinois	12,790,522	94.70%	677,898
14	Pennsylvania	12,774,221	94.90%	651,485
13	Colorado	5,520,255	94.90%	281,533
12	Hawaii	1,424,913	95.30%	66,971
11	Florida	20,564,173	95.80%	863,695
10	Nevada	2,937,297	96.00%	117,492
9	Utah	3,039,716	96.60%	103,350
8	Delaware	950,155	97.40%	24,704
7	Maryland	6,001,382	97.50%	150,035
6	Massachusetts	6,793,862	97.70%	156,259
5	New York	19,720,703	98.00%	394,414
4	Rhode Island	1,055,650	98.10%	20,057
3	Washington	7,269,148	98.30%	123,576
2	New Jersey	8,932,584	99.00%	89,326
1	Connecticut	3,570,650	99.10%	32,136

**TABLE F2**

**Americans with Access to Fixed 25 Mbps/3 Mbps Services By County – Segmented by Urban and Rural (Data as of Decemer 2016)**

State	Rural Pop. Eval.	% of Pop. With Fixed 25 Mbps/3 Mbps
Indiana	1,829,471	58.50%
Illinois	1,473,364	63.50%
Michigan	2,546,731	66.40%
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