Facilitating Public-Private Collaboration to Achieve Digital Equity Goals in Two Michigan EDDs
12/7/22

The goal

The goal of this project is to augment the capacity of two Michigan regional planning organizations to support effective public-private collaboration that enables the state's digital equity goals (100% access and 95% adoption) to be achieved in the seven counties these organizations serve, with particular focus on areas with high and persistent levels of poverty.

Alignment with EDA's investment priorities

This project's focus on developing public-private collaborations that bring affordable broadband access to underserved communities is closely aligned with EDA's ***Equity*** investment priority, which focuses on directly benefiting underserved populations.

The project's focus on expanding broadband access will also contribute to the achievement of other EDA investment goals. For example, the nation's experience with COVID has dramatically underscored the reality that broadband connectivity is necessary: 1) for economic resilience and recovery from economic shocks; 2) to foster regional knowledge ecosystems that support the technology-driven and environmentally-sustainable businesses capable of creating high-value products and well-paying quality jobs and; 3) to support workforce education and skills training activities that enable citizens to be gainfully employed in these well-paying jobs.

The challenge

Michigan, like other states, faces an urgent need to extend affordable high-performance Internet access to communities that currently lack such access. The urgency of this need has been dramatically underscored by two years of COVID-related restrictions on in-person gatherings at work, school and other places. These restrictions interacted with the state's rural and urban digital divides to aggravate existing inequalities in access to healthcare, education, well-paid employment for families; profitable growth for firms and farms and; the technology-based and environmentally sustainable development the state--and especially its economically distressed communities--will need to prosper in the future.

This increased awareness of harms caused by a lack of high-performance broadband has led the federal government to allocate an unprecedented amount of funds to expand broadband access, adoption and digital literacy. These funds are being channeled through multiple agencies and programs, each with its own—often very different--set of rules and requirements. The largest and most recent of these are: 1) the state's $250 million *Realizing Opportunities with Broadband Infrastructure Networks (ROBIN)* state grant program supported by American

Rescue Plan Act (ARPA) funds and; 2) the $42.5 billion *Broadband Equity, Access, and Deployment (BEAD)* program authorized by the Infrastructure Investment and Jobs Act (IIJA) of 2021. The latter could channel as much as $1.7 billion to support broadband expansion in Michigan.

If planned and managed well, this historic expansion of public funding could bring affordable high-performance broadband and its benefits to every home and business in the state. **If planned and managed poorly, however, it could leave underserved those that have thus far been denied a full opportunity to participate in key aspects of economic prosperity.** This planning and management challenge is made more difficult by the complex and sometimes conflicting requirements and priorities of different grant programs and the federal, state and local government rules that will impact their implementation.

The urgent need for more broadband planning capacity

While the dramatic expansion of public funding is good news for underserved Michigan communities, the process of planning, grant application and project execution is placing new and challenging demands on state and local planners and decision-makers, as well as the state's Internet Service Providers (ISPs). These demands will be especially difficult to meet for Michigan's smaller and more rural communities and the smaller ISPs that often serve them. While these communities are the primary target of publicly subsidized broadband infrastructure investment, they are also most likely to lack the necessary planning capacity.

Though the recent expansion of federal financial support has triggered helpful changes in Michigan broadband policy, the state remains a relative laggard in standing up the broadband planning capacity needed to translate the new wave of federal funding into universal access to affordable high-performance broadband. For example, though many states have been operating a state broadband office for years, it was not until August 2022 that Michigan hired a director of its Michigan High Speed Internet Office (MIHI), which has primary responsibility for developing, executing and monitoring a statewide broadband expansion program. And, as of early December 2022, the state had yet to fully staff the MIHI office.

Given the intense time pressure and nationwide demand for broadband planning skills, it remains unclear how quickly and how well MIHI's staff of eight will be able to traverse what promises to be a steep and demanding learning curve. In addition, the size of that staff in relation to the state's massive and time-sensitive broadband planning needs suggests that, even if it performs well, its ability to provide direct and sustained support for local broadband planning and successful grant development will be limited.

The need to harmonize public and private sector goals, priorities and resources

The federal government has given states substantial power and responsibilities in the national effort to achieve universal broadband access and the benefits it can provide. It has also sought to involve and empower local governments in the planning process. For example, the IIJA

requires states to: 1) involve local governments and community stakeholders in the broadband planning process and; 2) avoid restrictions on the eligibility of public entities to receive BEAD grants. In addition, the IIJA, as well as the state ROBIN grant program, encourage the creation of public-private partnerships to achieve universal, affordable access.

Achieving the goal of universal and affordable broadband access will require effective collaboration between Michigan's public sector and the private sector firms whose expertise in network engineering, construction, financing and operation can help to achieve this goal.

One of the challenges that must be faced is that, to date, the vast majority of broadband network planning has been done by private companies focused on maximizing internal financial returns, with community benefits, economic development and digital equity and inclusion given little or no attention.

In Michigan, as in other states, private service providers have much better access to broadband-related information and expertise than the public sector. This situation creates significant risk that, if the latter does not "up its game" when it comes to broadband planning, the financial priorities of private firms—particularly large cable and telephone companies--will dominate the grant allocation process at the expense of the state's goal of achieving universal and affordable broadband access. Should this occur, those most likely to suffer will be families and businesses in economically distressed communities where the economics of building and operating broadband networks are especially challenging.

While private companies will and should continue to play important roles in the expansion of broadband access, COVID has made it painfully clear that broadband access is now essential infrastructure and that broadband planning must place more emphasis on equity and affordability. Helping to achieve this rebalancing of priorities is a natural but as yet underdeveloped role for public planning entities.

Understanding and facilitating successful public-private collaborations

The massive expansion of federal financial support for broadband expansion over the past two years has underscored the potential value of public-private collaborations, as well as the need to consider local and regional contexts when negotiating and managing them.

The variety of public-private collaborations in the broadband sector has expanded over the past decade, as discussed in reports from government agencies, foundations and consultants.[1] At one end of the collaboration spectrum are models in which local governments support a private service provider's network deployment by contributing public funds and/or in-kind services

[1] See BroadbandUSA: An introduction to effective public-private partnerships for broadband investments, National Telecommuncations and Information Administration, January 2015; The Emerging World of Broadband Public–Private Partnerships:A Business Strategy and Legal Guide, Coalition for Local Internet Choice, Benton Foundation, May 2017; The Era of the Broadband Public-Private Partnership: New trends and opportunities in the wake of COVID-19, Benton Institute for Broadband & Society, CTC Technology & Energy, November 2021.

related to zoning, permitting, and access to public rights of way and existing network facilities (e.g., conduit, existing fiber). At the other end of the spectrum are publicly owned networks. In some cases these networks are designed to encourage competition among private service providers via "open access" networks that are the digital equivalent of public roads.

Between these two poles lie a range of options. For example, in exchange for financial and in-kind support, a private service provider may provide free or low-cost connectivity for government facilities, schools, clinics and other community anchor institutions. And, even if a public entity owns the network, it may choose to hire private companies to design, build and operate it.

Leveraging the expertise of Michigan's regional planning organizations

Facilitating public-private collaborations that help achieve the state's digital inclusion goals requires an approach to broadband planning that: 1) achieves a greater harmonization of the priorities and resources of local communities and private service providers; 2) places greater emphasis on achieving and leveraging universal broadband access to increase and expand prosperity rather than focusing solely on generating attractive financial returns for network investors and; 3) includes a regional planning perspective that can help address the fact that much of today's broadband infrastructure is a patchwork of cross-jurisdictional networks utilizing different technologies and owned by different entities, a reality that adds to the complexity individual communities face in seeking an ISP partner in the task of bridging its digital divide.

An underutilized and valuable source of support for broadband planning and successful public-private collaboration is Michigan's regional planning organizations. While regional planners have been deeply involved in planning other forms of infrastructure, their role in broadband planning has historically been limited. Among the reasons for this is the fact that most existing broadband networks reflect the evolution of privately owned cable and telephone networks, an evolution driven mainly by market forces and internal rates of return, with little public input or integration with other forms of infrastructure and economic development planning.

This is beginning to change. A key driver of this change is the massive increase in federal funding to support broadband expansion which, as noted above, comes with a requirement that local governments and community stakeholders be involved in the planning process.

The **Southwest Michigan Planning Commission (SWMPC)** and the **Southcentral Michigan Planning Council (SMPC)** have been at the forefront of this change, having been early to recognize the value of broadband access and collaborative approaches to expanding it.

SWMPC has been engaged in broadband-related collaboration for nearly a decade, reflecting its early recognition of both the widespread gaps in its region's broadband coverage and the economic benefits that bridging these gaps could help achieve. As a first step, in 2012 it assembled a multi-sectoral collection of leaders and conducted a survey to gauge existing

conditions in the region. By 2015, realizing the scale of the challenge exceeded its available resources, SWMPC pushed "pause" on its broadband-related work.

In 2019, responding to growing demand for improved connectivity in its region, SWMPC began gathering information on the technological, sociological, political, and logistical challenges related to broadband expansion. This work involved networking with experts and stakeholders, and led to SWMPC having seats on Broadband Task Forces created by two of its counties: Berrien and Van Buren. Through this work SWMPC leadership came to realize that each of the three counties in its region—as well as the underserved Pokagon Band of Potawatomi-- were moving at its own pace in response to its unique mix of need and resources.

In 2022 SWMPC acquired software and skills that enabled its staff to estimate the costs to extend broadband to unserved and underserved households in its constituent communities. It has used this analytical capability to help these communities better understand available options for bridging their broadband gaps and engage more productively with ISPs about opportunities for collaboration.

SWMPC's networking, information gathering, and acquisition of planning tools and skills has positioned it to play a key role in developing solutions to the connectivity challenges across a range of scales; the highly local, the township level, the county level, and the multi-county regional level.

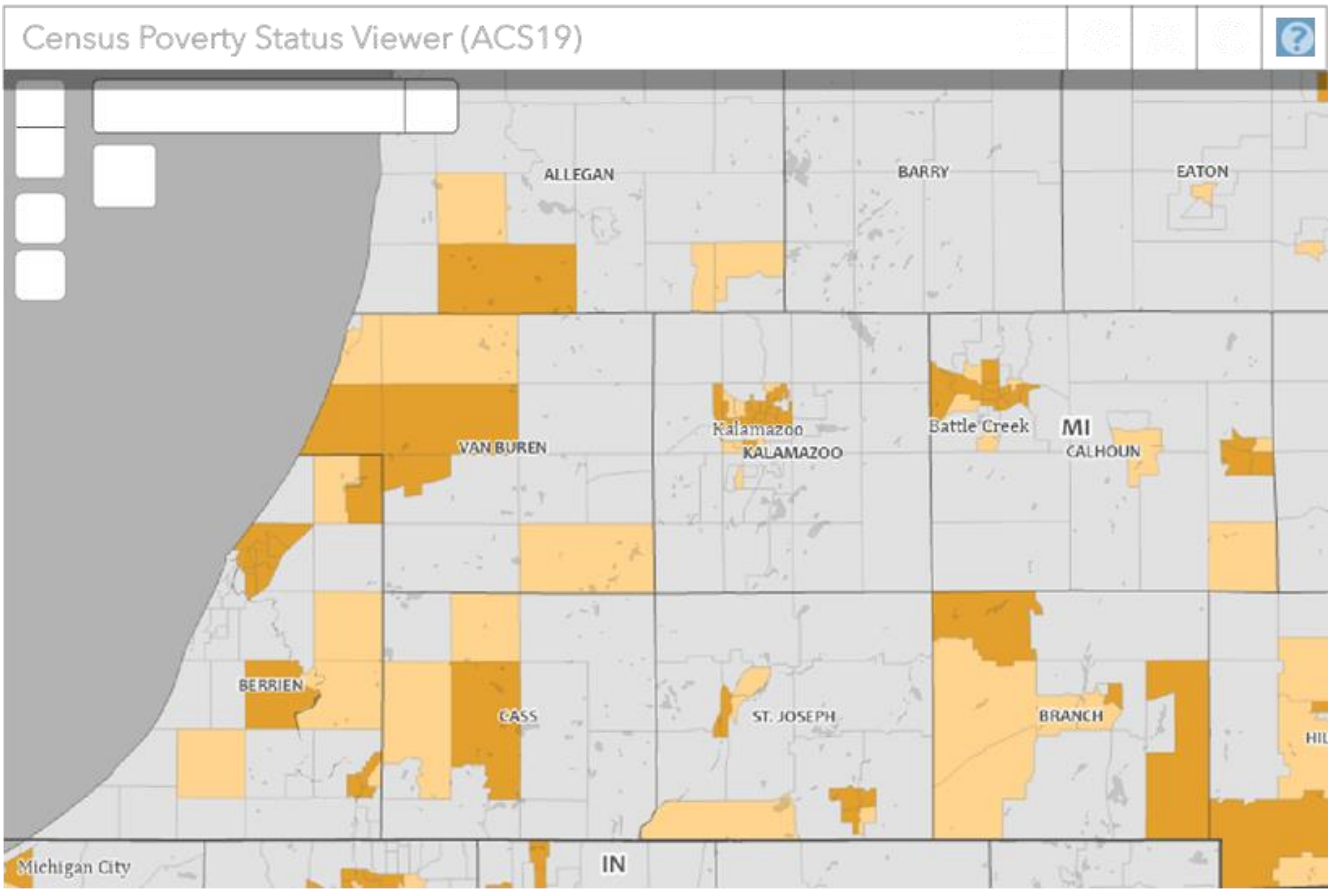
SMPC has been engaging local stakeholders in broadband planning and coordination efforts since 2016. The extensive and ongoing input it received from local units of government made it increasingly clear that affordable broadband access was a vital need in the region. And, like SWMPC, it has found that the local mix of needs, leadership and stakeholder and service provider engagement has led to different local approaches to filling broadband gaps.

For example, SMPC partnered with local stakeholders in Calhoun County to start the process of creating a broadband plan. Eventually, that group of stakeholders formed a steering committee that raised funds to hire a contractor to create a broadband assessment and plan. More recently, Kalamazoo County engaged SMPC to support the County's development of a broadband plan, while Branch County began discussions with a private partner to explore its broadband options and potential grant-seeking strategies. In addition to these county-level planning activities, SMPC has begun facilitating communication among its region's county administrators to support and, where helpful, coordinate planning and grant-seeking efforts across the region.

Collaborating to serve the unserved

The County and Census Tract map below, generated with the online Census Poverty Status Viewer, shows that substantial portions of the seven counties in the SWMPC and SMPC regions (in the lower two tiers of the map) suffer high poverty levels (the darker the color, the higher the poverty level). This includes a significant portion of the region's rural areas as well as its larger cities, including Kalamazoo, Battle Creek and Benton Harbor.

Poverty Status in the SWMPC and SMPC Planning Regions

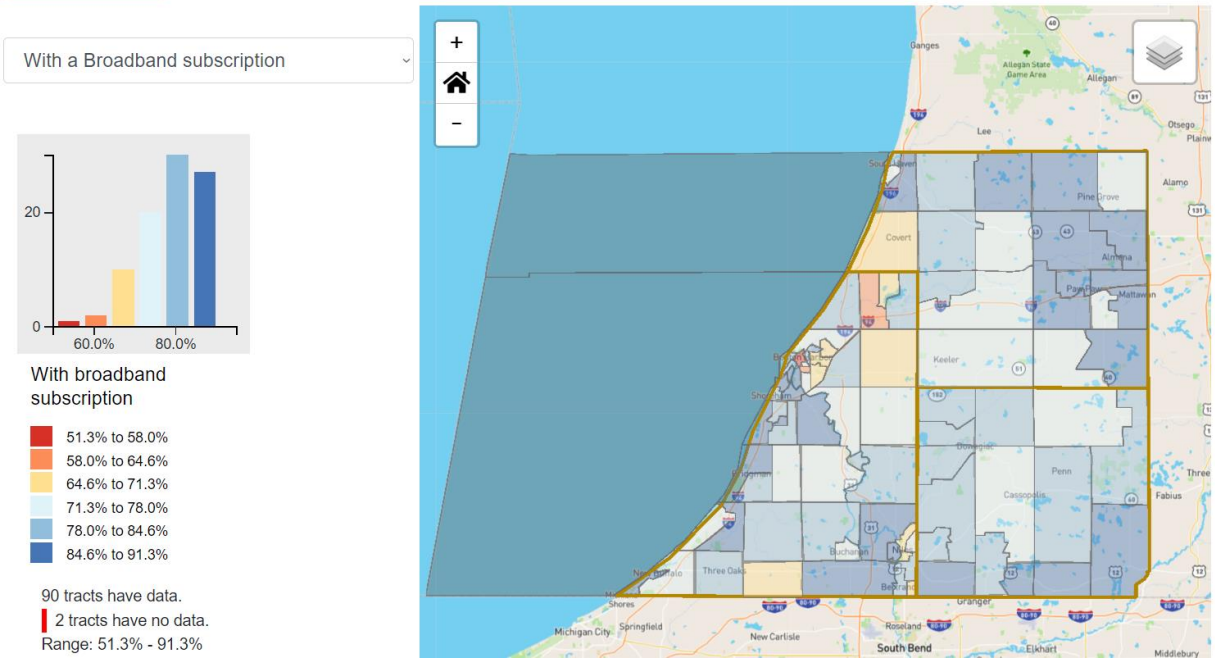


Source: [Census Poverty Status Viewer]

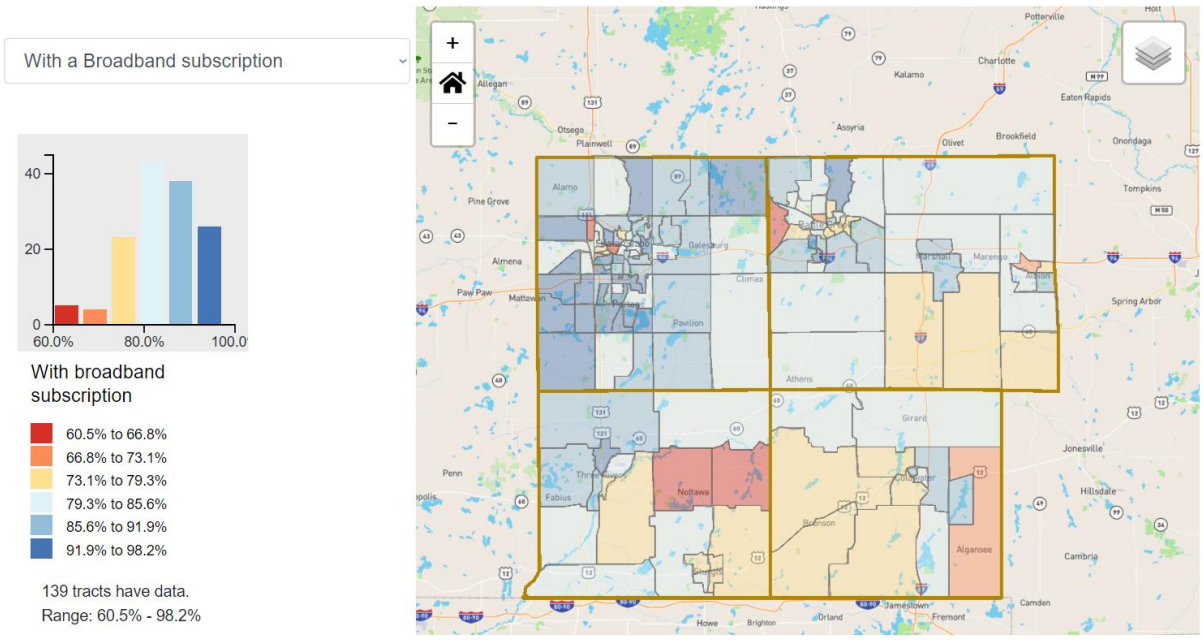
Not surprisingly, these high poverty areas have substantial overlap with areas characterized by low broadband adoption levels, as depicted in the two regional maps below, which cover the four counties in SMPC and the three counties in SWMPC, respectively. These maps are based on data collected by the Census Bureau in its [American Community Survey] (ACS).

While it remains unclear whether the recent expansion of federal funding will enable Michigan to fully achieve its goal of 100% broadband access and 95% adoption, the prospects for doing so will be enhanced if planning efforts harmonize the priorities and integrate the resources of the state's public and private sectors. With that in mind, the goal of this project is to augment the capacity of SWMPC and SMPC to support such collaboration and, by doing so: 1) help ensure that broadband access and its benefits will be universally available in the seven Michigan counties served by these two regional planning organizations and; 2) develop successful collaboration models that can help other counties and regions also achieve this goal.

Broadband subscription levels in the SWMPC region



Broadband subscription levels in the SMPC region



Source: connectivityexplorer.com

Work Plan

To inform and facilitate collaborative and successful planning and grant-seeking aimed at achieving the state's broadband goals in the SWMPC and SMPC regions, the project team will:

- Collect and analyze comprehensive and accurate data on existing broadband availability and service providers in the two regions, as well as gaps in access, affordability, service quality and adoption.
- Identify promising models for bridging these gaps, including those that have successfully leveraged public-private collaboration.
- Facilitate discussions and collaborative planning and grant-seeking efforts between local and regional stakeholders and private sector entities, including ISPs and network design and construction firms.
- Provide technical assistance, especially to smaller communities lacking the expertise needed to understand and make best use of available technology, business and partnership models, planning tools, grant programs and financing strategies.
- Help local planning efforts in the two regions coordinate with state-level planning and satisfy state and federal grant-related requirements.
- Help communities cooperate on planning-related issues and activities with a regional component (e.g., ensuring sufficient middle-mile connectivity within a region; negotiating with ISPs and construction firms serving multiple communities).
- Monitor progress in the two regions toward the state's goal of 100% broadband availability and 95% adoption.
- Explore ways to more fully integrate broadband and digital inclusion in the preparation of Comprehensive Economic Development Strategy (CEDS) documents, to reflect the growing importance of broadband connectivity and digital skills in the 21st century economy.

Deliverables and Schedule

Phase 1: Understanding the current situation in the SWMPC and SMPC regions (4 months)
1. Geographic and equity-focused inventory of broadband availability and adoption
2. Profiles of service providers active in and around the two regions
3. Status of regional, county and local planning activities and public-private collaboration
4. Status of state and federal grant programs, planning activities and regulations

Phase 2: Interventions (8 months)
1. Support productive and equity-aware local and regional broadband planning
2. Facilitate productive and equity-aware public-private collaboration

Phase 3: Monitoring impacts (6 months +)
1. Geographic and equity-focused analysis of changes in broadband availability and adoption
2. Comparative evaluation of impacts of specific public-private collaborations
3. Extract lessons and best practices from comparative evaluation
4. Seek funding to support longer term impact monitoring and analysis

Budget

$75,000, spread over 18 months ($50,000 per year; $4,166/month)
$60,000, spread over 18 months ($40,000 per year; $3,333/month)

In-kind match from Navigator budget