July 31, 2020

Delivered via email: gov.cuomo@chamber.state.ny.us

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

RE: Local Leaders Offer Recommendations for the Commission to Reimagine Telehealth, Remote Learning, and Broadband Access

Dear Governor Cuomo,

We applaud your decision to appoint the Reimagine New York Commission (“Commission”) to improve broadband connectivity for residents in the wake of the Coronavirus (“COVID-19”) pandemic. Next Century Cities is a 501(c)(3) nonprofit composed of over 200 member municipalities across the United States that work to bring fast, affordable, and reliable broadband to their residents. We work in coalition with local officials and community leaders, advocating for connectivity policies that expand broadband access and adoption.

On June 24, 2020, Next Century Cities hosted a virtual roundtable discussion with local officials and community leaders from towns, cities, and villages across the state of New York. The meeting was a platform for them to identify local concerns related to broadband access and adoption, especially those exacerbated by COVID-19. Accordingly, participants made specific recommendations for the Reimagine Commission that could help ensure every New Yorker gains access to affordable and reliable broadband.

We are writing to share specific challenges and recommendations that could help inform the Commission’s work. Roundtable participants expressed concerns about expanding digital opportunities for all of their residents, not only in urban centers, but throughout their municipalities. Like many community leaders, they have encountered serious challenges that stand in the way of bringing broadband within reach for every household which limits educational outcomes, economic well-being, telehealth opportunities, civic engagement for residents in unserved and underserved New Yorkers writ large.

Recommendation 1 of 6: Reassess What Qualifies as Served Versus Underserved Areas.

Participants in areas with mid- and small-sized populations noted that as population densities quickly diminish outside of urban centers, so does their access to broadband. Those municipalities have found that providers who accept state and federal funds to deploy in rural areas often overlook or refuse to service their communities. As Municipality B stated:

[E]ven if we’re talking to our federal representatives, they tell us that we’re not rural enough. Even though we’re willing to not only connect the urban core of the city but go out into the rural areas that are relying on satellite or even landline phones, and we still don’t qualify.
Municipalities agreed that even if providers are willing to serve rural areas, they focus on the most densely populated areas. Municipality B specifically described how federal and state programs allocated funding to one of its two providers, and after deploying in the urban area of the municipality, the provider refused to deploy in the more suburban or rural areas it promised to serve.

These criticisms were also shared by the resident of Municipality C who noted that living in a small rural community with less than 3000 residents, it seems unlikely that they would ever have access to service that competes with their urban counterparts. She stated that for “economic reasons” Municipality C has been denied access to state and federal programs that could bring connectivity to their community. Over 40% of the roads within Municipality C are not wired for broadband simply because of light population density. State and federal programs are structured so that applications are determined by the providers rather than the communities themselves.

Rural communities are often forced to accept substandard wireless or satellite service as the only alternative to no service at all. As the resident from Municipality C pointed out, a one and a half hour video call would cost her one-tenth of her monthly data allowance on her satellite plan.

Simply, the providers requesting funding are for-profit entities following the needs of their stockholders to maximize return on funding rather than the needs of the communities. The Reimagine Commission has the ability to work with local officials and community leaders to develop funding that will connect their rural areas with the broadband speeds necessary to work, learn, connect, and age in place across the state.

**Key Takeaway 2 of 6: Address Digital Redlining.**

A majority of participants also noted a lack of choice in broadband providers. Current provider(s) have little to no incentive to deploy wireline access across the whole of their communities. As Municipality A mentioned, Census data reveals that in some areas of their community broadband access is under 40%. Municipality A has a population of over 200,000 residents and stated that the disparity between connected and unconnected follows along the East and West side of their Main Street with the more impoverished communities on the East side facing greater connectivity issues.

Similarly, the Resident from Municipality C, a community of less than 3,000 residents, noted that residents can only obtain service via one company, which owns the only wired and wireless networks, and two satellite providers. Half of the roads in Municipality C are wired, and the wireline provider determines where and when to make investments in the town. Notably, the town has no say in which areas, if any, the provider decides to connect. The Resident expressed concern that even if there were programs or funds that her municipality was eligible for the provider would not apply for them without pressure from local or state leadership.

A Resident from Municipality D agreed, sharing that the broadband providers in their communities prioritize returns for their shareholders and stockholders. Community needs are secondary. This has led their community to take matters into their own hands and
seek funding directly from City and State agencies to expand local community network capabilities.

These examples highlight the hold that providers have on whether residents are able to access broadband services. Notably, they are not the only entities capable of deploying broadband infrastructure as they often subcontract the build out to other companies. The Commission should work with municipalities and nonprofit community network providers to explore municipal, mesh, and public WiFi solutions for areas that are unlikely to be served by traditional Internet service providers. All of these solutions must deliver broadband that is reliable and affordable.

Key Takeaway 3 of 6: Residents Must Have Alternatives When Providers Choose Not to Participate in Federal/State Programs.

Several participants highlighted that oftentimes providers are reluctant to participate in federal or state programs that may impact other parts of their business models. For example, the resident from Municipality C noted that before Governor Cuomo requested the FCC transfer money to the State to distribute for broadband programs, their town’s single wireline provider chose not to participate in federal programs because of Davis-Bacon which would have required the provider to pay a set minimum federal wage in order to participate.

In Municipality C those residents who can afford to sometimes take matters into their hands by paying the provider to deliver wire from the road to their homes. This normally costs thousands of dollars and can be economically challenging to many in a depressed community. There are no tax credits given to homeowners for this investment. To add insult to injury, the monthly service fee from the provider includes infrastructure build-out, one would expect there would be a reduction in a customer’s monthly bill having covered the build out costs themselves. And, the infrastructure that they have built to their homes, belongs to the provider. Depending on how much closer this brings the wire to other homes on the road, the provider has made one customer finance the delivery of wire to other customers. That means that if residents who paid for their own wireline sold their properties, the provider would retain ownership of the wireline and the new residents would have to pay for the same exact infrastructure to the same location again.

Situations like this make it clear that federal and state programs must be supportive of the communities and include their input.

Key Takeaway 4 of 6: Fund Municipality Networks That Can Fill-In Service Gaps.

Participants agreed that the Commission should support local efforts to expand broadband access. The local leader from Municipality B highlighted that “What we are seeing is these private providers receiving a boatload of money and then being discriminatory in where they provide service.” He explained that in his community, a DSL provider that is laying fiber in their city has claimed that it is covering the entire city, but is only serving a small portion of the downtown area with fiber speeds. He continued, noting that the provider has predominantly avoided deployment in minority neighborhoods and areas outside of their downtown core, this has become a serious
issue. There is community support and political will to expand to areas that current providers shun. However, the lack of funding is a major roadblock.

Everyone agreed that money should not simply be given to the municipalities to do with as they pleased. However, they do support, as the Local leader from Municipality B stressed, having proper procedures in place for the state to disburse funds to municipalities to fill in these types of service gaps. The local leader suggested that the Community Block Grant programs administered by the Department of Housing and Urban Development was a good model. When determining if a municipality is eligible for funding, the Commission should ask “[d]oes a municipality have a plan to increase the connectivity for the members of their community, and what is that plan? What will they be using that money for? If they don’t have a plan, reallocate that money to a community that might actually need it.”

The Resident from Municipality C reiterated that if the Commission is focused on expanding broadband to everyone in the state, it is imperative that the State allow the communities to determine what works best for their residents. She added that just as important as access is providing funding for digital literacy programs, teaching people about what devices they need and how to use them is essential for planning for the future. Municipal governments often have the clearest picture of the assets, challenges, and opportunities that are unique to their communities. Allowing them the ability to build bespoke connectivity solutions from the ground up will guarantee that funds are spent efficiently and, importantly, residents’ needs are met.

Key Takeaway 5 of 6: Encourage Competition. It Makes Broadband More Affordable.

Competition drives network buildout, pushes costs down, and incentivizes providers to increase speeds. As the local official from Municipality A noted, its residents often know of only one company that provides service to that area, and that service often does not produce speeds fast enough to meet modern demands. At a time when New Yorkers want and need access to reliable, affordable, and high-speed connectivity, the Commission must look at broadband competition from various perspectives, including how it impacts communities that are still struggling to provide their residents with high-speed connectivity.

Further, the Commission must also be aware how competition affects not just deployment, but the cost of access after broadband has been deployed. It is simply not enough for a provider to serve an area if the service they provide is cost prohibitive. For instance, as the resident from Municipality C highlighted, “[w]e also have two satellite providers who offer very expensive metered service, and again we suffer from reliability issues. I pay $70 a month for just 12 gigs of data ... Additional gigs are $10 each.”

Clearly, broadband access and adoption are interrelated. The Commission should work with local leaders to assess the competition landscape in their area. That will help accelerate broadband deployment to areas that are desperately waiting for connectivity while increasing the likelihood that residents with access are able to maintain subscriptions.
Key Takeaway 6 of 6: Invest in Community-Based Organizations Instead of Crafting Incentives for Providers.

When discussing what role providers will play in connecting New Yorkers, there was unanimous agreement that focusing incentives on providers would not promote deployment or lead to meaningful change. As the resident from Municipality C put it, “[t]hey have to make the funds available to the communities. Not the carriers, not the providers, not the franchisees, because those groups will absolutely not focus on back filling gaps. They only are going to be interested in their own economics.” She provided the example of a provider, which is in the process of seeking a waiver from the Federal Communications Commission for permission to refuse to deploy service in some unserved and underserved communities, but still be eligible to apply for RDOF funding.

The Local Leader from Municipality B shared that even though a provider was offering free service to students and teachers during the COVID-19 emergency, it would not connect a family or teacher that had a past due balance with them regardless of amount. He noted that this created a huge challenge and a large gap as a community.

The resident from Municipality D echoed Municipality B’s sentiment saying: Commercial providers -- their interest really is in their shareholders and stockholders, not in providing much-needed critical services that are needed on the ground. So, our folks have another model, an alternative model -- community-based, on-the-ground model, and our folks are looking for direct funding from the City and State municipalities and the State agencies to help make this grow. . . But we and they need support to sustain and grow a community network right here in New York City.

The participants of the roundtable were clear, creating financial incentive models for providers will not close the digital divide in New York. Instead of trying to lure providers into unserved and underserved communities, the Commission should offer grant funding to community organizations and resident associations to support local solutions. For instance, providing grant funds to the community groups already serving New York City Housing Authority (NYCHA) residents would provide community organizations with the requisite resources to identify and connect populations with the greatest need. In turn, community organizations could expand their collaboration with community-based network suppliers that understand the concerns and requirements for deploying reliable access to NYCHA residents.

There was consensus that it is no longer acceptable to allow providers to make the connectivity decisions for unconnected and underserved populations across the state. Working with municipal governments and community organizations is key to accelerating deployment and promoting adoption across the state.

Conclusion

COVID-19 has exposed the importance and urgency of ensuring that every New Yorker is able to get online. Municipal leaders and residents alike are concerned that current programs, funding, and incentive models have failed to address the connectivity issues in their communities. The Reimagine Commission presents an opportunity for unserved and underserved communities to create new digital
opportunities and determine their own connectivity fate. Of course, doing so requires a shift from the traditional provider-centric approach for developing broadband networks.

Being able to expand affordable and reliable broadband to the populations that are being left behind requires local expertise, adequate funding, and community support. Community leaders and residents are asking for the chance to work with state legislators and regulators to identify opportunities to increase both access and adoption. These leaders are invested in the betterment of their communities as well as neighboring communities across the state. That is why we strongly urge the Commission to adopt their aforementioned recommendations.

Respectfully Submitted,
Next Century Cities

CC: Chairman Eric Schmidt, Reimagine Commission