



RURAL BROADBAND EXPANSION COUNCIL

Minutes for Regular Meeting
10:00 a.m. January 20, 2021
State Capitol, Room 112

Approved by the Council on March 17, 2021, as presented.

The location of the meeting shall be at the State Capitol Building, 2300 N. Lincoln Blvd., Room 112, Oklahoma City, OK 73105.

People may observe this meeting either remotely through **teleconference or in person**. Observation through teleconference shall be through Zoom.

- Link to access meeting: <https://okcommerce.zoom.us/j/93907263797>
- Meeting ID: **939 0726 3797**
- Call-in: 312-626-6799

The notice of this Regular Meeting was filed with the Secretary of State's Office on December 8, 2020. The agenda was posted at least twenty-four (24) hours prior to the meeting at the East entrance of the Oklahoma Department of Commerce building at 900 N. Stiles Ave., Oklahoma City, OK 73104 as well as on the Oklahoma Department of Commerce Website at <https://www.okcommerce.gov/about-us/meeting-notices/#rbec>.

1. Welcome / Call to Order / Establish a Quorum

[Because the Oklahoma Highway Patrol requisitioned Room 112 for its Operations Base during expected Inaugural demonstrations at the Capitol, the Council's meeting was moved to Room 450.]

- Sen. Leewright welcomed members and guests, called the meeting to order at 10:03 a.m., and asked for the roll to be called.
- Members attending in person: Patrick Grace, James Leewright, Logan Phillips, Daniel Webster, Jerry Whisenhunt, and Brian Whitacre.
- Members listening remotely: Michael Berube, Darlene Brugnoli, Roger Neal, Billy Staggs, Sammie Valentino, and Brandy Wreath.
- Members not joining: David Ostrowe and Jack Smiley.
- Lacking a quorum of 8 members physically present, the Council proceeded with presentations and discussions with no binding votes or actions able to be taken.

2. * Approval of Minutes from November 10 & December 16 meetings

- Tabled for lack of quorum.
- Sen. Leewright asked members to review the minutes and send any corrections or additions to kirk.martin@okcommerce.gov.

3. Remarks from Co-Chairman Sen. James Leewright

- I anticipate the Legislature will address changes to the Open Meeting Act early in the upcoming session.

4. Remarks from Co-Chairman Rep. Logan Phillips

- Agenda Items 11 & 12 will be tabled for lack of quorum.

5. Report of the GEOGRAPHIC BOUNDARIES sub-committee by Jerry Whisenhunt for Mr. Brandy Wreath (20 minutes)

- Whisenhunt: Geographic boundaries are definitely needed, but we need more information to define them. The mapping project should provide this information. Currently, the federal government uses Census Block data, which we know are inadequate. We need to identify who is unserved. We need funding for the mapping project to do that.
- Leewright: Has the sub-committee determined the needed level of funding?
- Grace: The CostQuest data will cost \$54,000 a year (cheaper if multi-year purchase). Another data source is being considered by the sub-committee. Ballpark of \$200,000 (not yet voted on by sub-committee).
- Phillips: Would \$400,000 for the coming year be enough?
- Grace: Yes, for data; however, the sub-committee has not addressed possible funding for staffing.
- Leewright: Would Commerce handle such an account?
- Martin (Commerce staff): That's my understanding. The current account is at Commerce.

6. * Discussion and possible action on different modes of broadband, definitions, service coverage, boundaries, and/or costing (20 minutes)

- Phillips: The floor is open for discussion [but no official action].
- Whisenhunt: There's been much discussion that the State's definition should mirror the federal government's. As their definition changes, so should ours. [Pine Telephone Company] is "doing symmetrical" (same speed up as down), like the co-ops are. Oklahoma should mirror the Feds – go up if they go up and have *no less* than they do – if for no other reason than funding.
- Whitacre: Several other states (e.g., Illinois, Minnesota, & New York) have set goals higher than the FCC definition – 50 up and 250 down. That's 10 times higher than the current thresholds. The sub-committee doesn't think we need to set our definition that high for now, but know that's the direction others are going.
- Webster: The Policy Impacts sub-committee met and discussed broadband speeds. We're mostly in agreement that following the FCC definition is advisable. That doesn't prevent the state from setting higher goals later.
- Leewright: To clarify – the recommendation is to mirror the FCC definition for broadband, but we may go higher later? [Several members nodded.]

7. Report of the ADVISORY sub-committee by Sec. David Ostrowe (10 minutes)

- Martin: Per Ostrowe, nothing to report.

8. Report of the ADOPTION RATE sub-committee by Dr. Brian Whitacre (10 minutes)

- Whitacre: The sub-committee met several times since the last meeting and have reached a couple of conclusions.
 - A. The survey organized by Secretary Ostrowe is very helpful. OK ranks about 40th in over-all adoption rates, but higher on cellular & satellite connections, which, frankly, is not the kind of broadband connectivity I think we want.

Oklahoma Rural Broadband Expansion Council

B. To improve adoption, I want to bring to the Council's attention 3 main points, 2 of which relate to the recent federal Stimulus package passed by Congress in December:

- 1) The federal Stimulus package has \$3.2 Billion for \$50/month broadband support for households – much higher than historical. But this money may not last long and we don't know when it's going to be available.
 - 2) The federal Stimulus package has \$1 Billion funded through the National Telecommunications and Information Administration (NTIA) for infrastructure & adoption in Tribal areas. High potential here for both infrastructure & adoption, so we will monitor this.
 - 3) The Oklahoma Corporation Commission has the Oklahoma Lifeline Fund. It's modeled on the federal Lifeline Fund, which provides a subsidy of \$9.25/month to low-income households to pay for either wireless or broadband connection. Here in Oklahoma, we have a tribal component that covers most of Oklahoma. In this area, low-income households qualify for an additional subsidy of \$25/month. The uncovered area includes portions of 13 counties, 9 of which are rural. For this area, there is a proposal currently under consideration by the Oklahoma Corporation Commission for an additional \$5/month per eligible household, funded through the Oklahoma Lifeline Fund. This consumer subsidy, by increasing demand for service, would incentivize phone companies to offer coverage in those areas. The OCC estimates that the cost of funding this \$5/month subsidy would be covered by a fee increase of 3-4 cents per month for subscribers with a wireless, VOIP, or landline connection. An alternative proposal is to extend the \$5/month subsidy for *all* areas of Oklahoma, costing about 19 cents/month for all subscribers.
- Leewright: What are subscribers' existing fees per month?
 - Whisenhunt: The Feds charge about \$6.50/month on landlines; nothing on "internet only." I don't recall what it is on wireless. The State imposes lower amounts. The federal Lifeline program says, "Pick one – either cell phone or wireless" and experience shows that most households choose cell phone over Wi-Fi, even though they want to have both.
 - Phillips: If the rules changed to permit more than one device per household, would that affect adoption?
 - Whisenhunt: Oh, yes. However, that is the federal program.
 - Phillips: What are the eligibility requirements for the new \$50/month federal program?
 - Whitacre: The household eligibility requirements remain the same as before. That new program also includes \$100 subsidies to purchase tablets or laptops, the cost of which can be a barrier to many.
 - Phillips: I will note that the recommendation of the sub-committee is for the 3-4 cent fee for the supplement of the Oklahoma Lifeline Fund.

9. * Discussion and possible action on Broadband Adoption Rate issues (15 minutes)

- Tabled for lack of quorum.

10. Report of the POLICY IMPACTS sub-committee by DEANO Cox for Ms. Darlene Brugnoli (10 minutes)

- Darlene will give a full report next month. Educating consumers will help increase adoption of broadband services. Mike Fine, OML, has provided a lot of perspective. The sub-committee wants to focus on addressing the needs in rural areas.

Oklahoma Rural Broadband Expansion Council

- Topic 1: More discussion needed on “served” and “unserved” to agree on definition. CostQuest looks only at fixed connections, excluding other options like fixed wireless and wireless. We need more discussion about understanding these terms.
- Topic 2: Barry Moore and others have worked on the broadband definition. Keep it out of OCC & under Commerce. Rep. Phillips will file a bill defining it at 25/3 with the option to raise it later.
- Idea for legislation -- In 2018, the industry ran a bill, authored by Sen. Leewright, for a rebate on the tax paid by carriers on machinery and equipment used to build the broadband network. In Oklahoma, that tax rate is 8.9% -- the 5th highest rate in the country. Three studies show that lowering this rate could stimulate investment. Put a group together to look at this measure to see if it would help rural Oklahoma.
- The sub-committee recommends looking at measures other states (e.g., Virginia) are taking to increase broadband infrastructure and adoption.
- There are many players in the industry. Competition is a good thing. We want a level playing field.
- Leewright: We’re filing legislation for the rebate. Some legislators will require provisions for a sunset & a cap. Funding will not be extravagant, but enough to open the door and move forward, benchmark, demonstrate a return on investment to the state, and build support for additional funding, similar to the ACES program at Commerce [which recruits aerospace and defense businesses to Oklahoma].
- Cox: The rebate is good because it isn’t paid out for 2 years, after the build-out, giving time to evaluate what’s working.
- Whitacre: Has the sub-committee considered “Dig Once” legislation? It requires running new state construction projects (roadwork, trenches, etc.) by local ISPs to see if there’s an interest in running conduit (for fiber lines) at the time of construction. Requires no money to implement. Only about 5 states doing it. Iowa since 2014.
- Co-chairs Phillips and Leewright were interested in hearing more about this in the future. Leewright asked the Policy Impacts sub-committee to present more information on the topic to the Council.
- Whitacre: The FCC released its latest broadband report (using 2019) showing the national average of rural areas with 25/3 speed broadband is 82% (U.S.) vs 72% (OK).
- Robbie Squires: Consider encouraging ISPs to work in tandem with ODOT’s 8-year plan, especially regarding the “Dig Once” concept.
- Cox: We’ll get a group set up in the next couple of weeks to look at the proposed tax rebate measure.
- Leewright: We’re giving great latitude to who is recognized to speak and will follow more decorum once we can meet more easily. I recommend that the sub-committee chairs select a Council member from their sub-committee to present to the Council.
- Grace: Regarding “Dig Once,” we have seen a tremendous openness from Secretary Ostrowe to facilitate that kind of cooperation, so even if legislation is not possible, I’d recommend that we share the “Dig Once” idea with the Governor’s Cabinet.
- Leewright: Agree. ODOT especially has always been a great partner to work with.

11. * Discussion and possible action on recommending language for legislation (15 minutes)

- Tabled for lack of quorum.

12. * Discussion and possible action on membership of various sub-committees (5 minutes)

- Tabled for lack of quorum.

13. Discussion of possible agenda items for next meeting

- Phillips: Recap suggestions for legislation:
 1. Matching definitions with FCC.
 2. Modifying the Oklahoma Lifeline Fund.
 3. Working group on tax incentives to promote broadband expansion.
 4. Funding for the mapping project

14. Announcements

- Next regularly scheduled meeting: 10:00 a.m., Wednesday, February 17, 2021.

15. Adjournment

- Rep. Phillips adjourned the meeting at 10:45 a.m.

* Indicates anticipated action.