BROADBAND DEMONSTRATION PROJECT

Evansville, Indiana

Observations / Overview: The Broadband Deployment project addresses the ever-increasing utilization of the internet. As technologies advance, the need for bandwidth will be ever increasing. Adequate broadband infrastructure is essential to attracting and retaining young talent to the Region. Broadband is also essential to support commerce. Without access to high speed broadband, businesses cannot fully utilize the cost-effective resources provided via internet applications.

In regard to economic impact of broadband, analysis by the Strategic Network Group indicates that fiscal revenues increase at a rate of 3 to 4 times the amount of public funds invested in broadband deployment projects. Also noted is that initial funding in broadband will return 10 times that amount to the area's GDP.

Today, to attract new residents to an area, it is essential that the area have affordable, high-speed broadband service. Broadband will continue to become an ever-increasing quality-of-life amenity that it is essential to access today's business, communication and entertainment options. Broadband allows for a more flexible lifestyle by providing greater access to education through distance learning programs or remote employment. Young people view this as essential, not optional.

The maps on the following page depict the areas within the Region with speeds up to 100 mbps up and 5 mbps down. The table to the right identifies persons without broadband and the number of potential new broadband subscribers, assuming the national average of a 28% take rate.

Local community involvement in broadband development has been limited. However, in areas where population density and customer demand are marginal, it is incumbent on the community to pursue activities to assist with deploying broadband technologies. These activities might range from, 1) promoting the utilization of broadband to increase potential customer base, 2) changing policies that reduce the administrative and construction costs to internet providers to extend services and 3) direct involvement with financially supporting internet providers to expand service.

The new Southwest Indiana Regional Development Authority (RDA) is well positioned to address the lack of broadband throughout the Region. The RDA can engage broadband solutions without regard to local government jurisdictions, partisan concerns and, instead, foster broadband deployment within a regional platform.

Recommendations / Implementation Strategy: The Broadband Demonstration Project involves the use of $1,000,000 Regional Cities funding to leverage $1,900,000 in matching funds from the Universal Service Administration Company.

The project begins with the Regional Development Authority assembling a team of local professionals to create a steering committee to help guide the broadband demonstration project. The steering committee will work in an advisory capacity to the Regional Development Authority. The pilot will likely be in a rural area. However, the demonstration project will help outlying areas better align with urban resources, such as healthcare and education. It is noteworthy that the region has a number of rural communities that might be of considerable value to attracting new residents. However, without broadband service, the attractiveness of these areas is diminished.

This steering committee would issue a Request for Proposals that would be sent to internet service providers. The RFP would outline specific levels of service and technologies desired. The RFP would also require the internet providers to identify projects that would help to initiate broadband infrastructure that could positively influence the future build-out of the broadband network in the Region.

Broadband Demonstration Project	Public	Private	Regional Cities	Total
Request for Proposal for Demonstration Project	$ 1,900,000		$ 1,000,000	$ 2,900,000
Anticipated Future Development - Broadband				
Total	$ 1,900,000		$ 1,000,000	$ 2,900,000

Broadband Take Rate			
County	Population	Without Broadband	Take Rate 28%
Gibson	33,564	10,371	2,904
Posey	25,318	13,830	3,872
Vanderburgh	182,356	2,484	696
Warrick	62,102	44,565	12,478
Total	303,340	71,250	19,950

https://www.fcc.gov/reports/2015-broadband-progress-report
https://www.fcc.gov/maps/2015-broadband-progress-report-fixed-broadband-deployment-map

This RFP process ensures that market-based decisions are driving the expansion of broadband services. The steering committee would make a recommendation to that RDA to enter into an agreement with the selected internet provider to implement the specifically defined broadband project. It is noteworthy that the RFP project creates an equal playing field for internet service providers to compete and avoids the need for the RDA to create a regional utility or special purpose unit of government.

An important consideration of the project is that the communities in the Region will be encouraged to participate in the State of Indiana's new Broadband Ready Communities Program. Successful completion of the application and participation by communities will help existing providers expand service and attract additional internet service providers to the Region. Also, efforts will be pursued to engage the University of Southern Indiana in weaving the RDA's broadband deployment efforts into their I-69 Innovation Corridor Project. The I-69 Innovation Corridor project was initiated by Lt. Governor Sue Ellspermann, while she led engagement programs for the University of Southern Indiana. Ellspermann framed the goals of the program as building capacity along Interstate 69 in southwestern Indiana as a corridor of innovation, entrepreneurship and creativity.

Following the successful implementation of this project, the RDA and member jurisdictions will be well positioned to pursue additional partnership projects that will further the installation of high speed internet connectivity throughout the Region. A key consideration will be for future projects to utilize and incorporate the best practices that were incorporated into the original pilot project.

Failure to secure Regional Cities funding would result in problematic delays. The larger consideration would be the lost opportunity for the Regional Development Authority to effectively institute an important pilot program that would have considerable regional significance.