Broadband Briefing: Deep East Texas



March 16, 2021











Deep East Texas Council of Governments and Economic Development District



Why does broadband matter to us?

- Six of 12 counties declining in population.
- Ten of 12 counties have higher unemployment than rest of Texas
- All 12 counties have low incomes
- Essential for education
- Essential to provide access to healthcare
- Basic building block for the future





DETCOG's Core Principles:



DETCOG

Deep East Texas Council of Governments and Economic Development District

- Access to broadband for <u>every</u> home and business in Deep East Texas
- Equity & affordability
- Reliability & redundancy
- Better than "the minimum"



Progress to date...



- ✓ Regional feasibility study & market analysis completed
- ✓ Engineering, grant management firms in place
- **✓ Broadband project manager in place** (Mickey Slimp)
- ✓ Network design completed for Phase One of project
- ✓ Grant application approved to fund Phase 1-A (\$9 million for service in northern Newton County)
- ✓ Grant application submitted to fund Phase 1-B (\$100 million for service in all 12 counties)



DETCOG Feasibility Study & Market Analysis conducted by inCode/Ericsson

REVIEW OF FINDINGS

- Majority of residents do not have access to broadband.
- Those that do pay 4x more for service than residents of DFW metro area based on cost per Mbps.
- Affordable broadband can be provided to everyone if we employ a regional approach utilizing a combination of technologies



DETCOG Feasibility Study & Market Analysis conducted by inCode/Ericsson

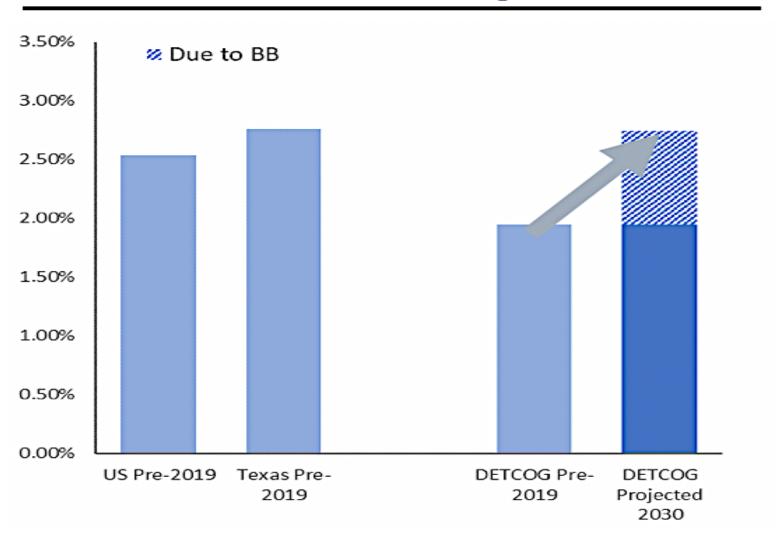
REVIEW OF FINDINGS

- The economic impact for our region is huge:
 - 10,300 jobs in 10 years in a rural, economically disadvantaged region
 - \$1.4 billion in GDP growth over 10 years
- Greatest societal impact in Education and Healthcare.



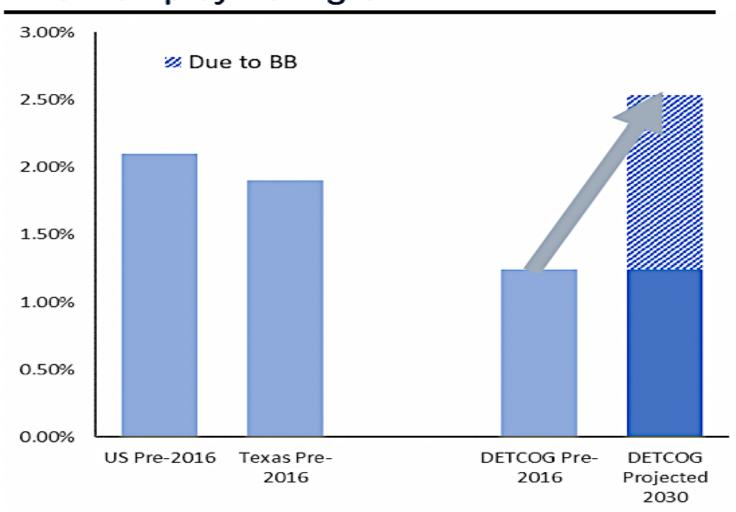
Economic Impact of Broadband in Deep East Texas

Median household income growth

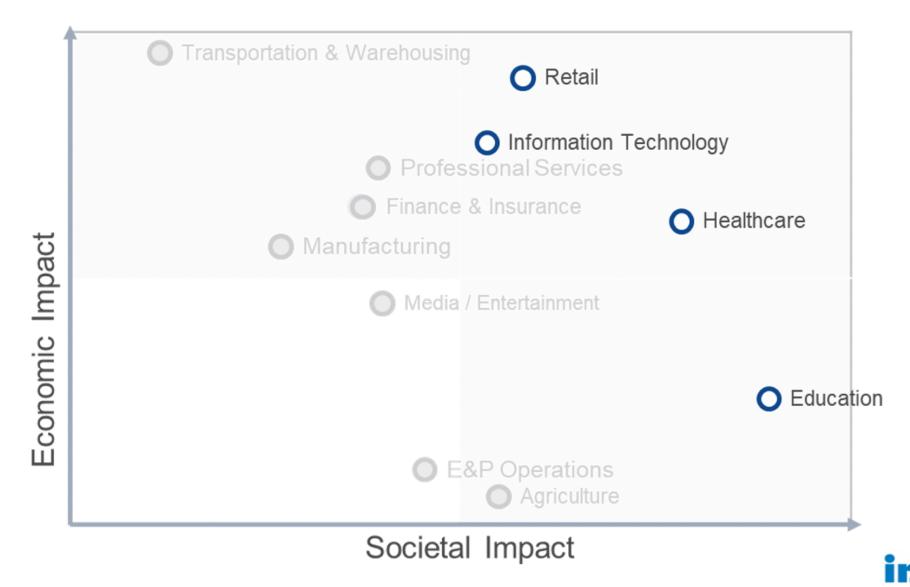


Economic Impact of Broadband in Deep East Texas

New employment growth



Sectors that would benefit most in Deep East Texas from both an economic and societal impact.





Deep East Texas Proposed Rural Broadband Network – Phase One









LMI Census Tracts

Important factor in CDBG grant scoring

40% to 50%

30% to 40%

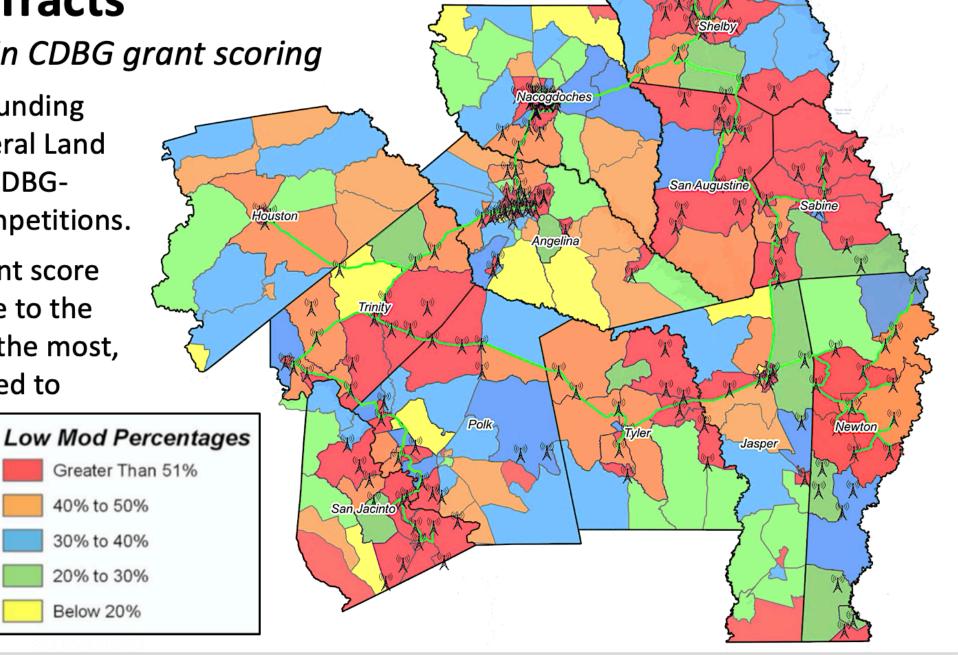
20% to 30%

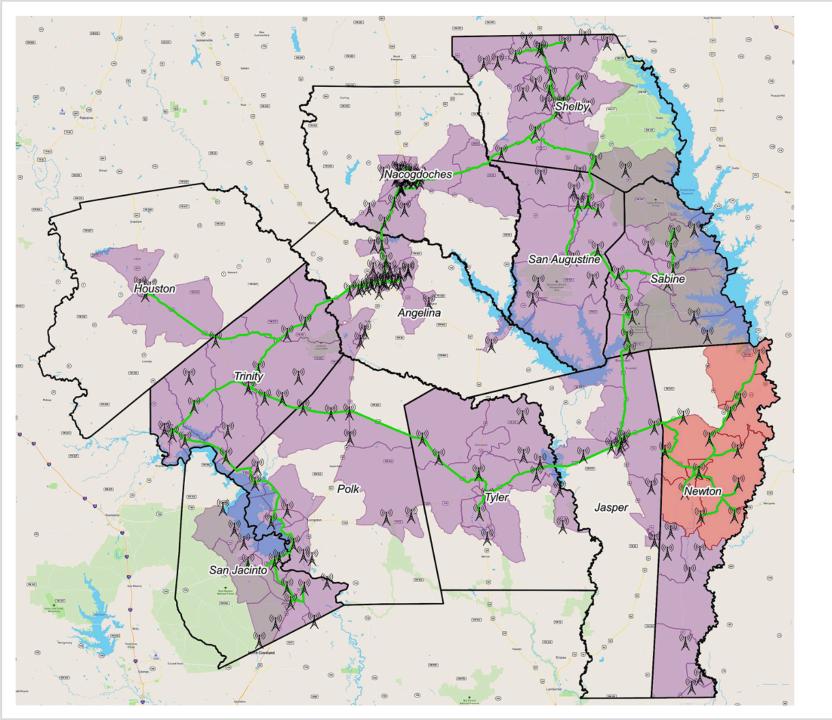
Below 20%

DETCOG is seeking funding from the Texas General Land Office (GLO) in the CDBG-Mitigation grant competitions.

To maximize our grant score and prioritize service to the people who need it the most, Phase One is designed to

include most of the census tracts in our region that are defined as Low-to-Moderate Income (LMI).





PHASE ONE COVERAGE AREA (2 GRANTS COMBINED)

Phase



Phase





PHASE ONE - DESIGN HIGHLIGHTS



- Would reach 222,310 persons (58% of region's population)
- Free access for 46,496 low-income households (115,130 persons)
- Redundant fiber backbone across all 12 DETCOG counties
- 3 Interconnection locations (or more)
- 608 miles of fiber backbone
- Wireless distribution using CBRS (50-100 Mbps download speed)
- Provides framework for future expansion to serve entire region
- Proposed funding from two grant applications (\$109 Million)
 - 2016 Floods CDBG-MIT Newton County (\$9.1 million APPROVED)
 - Hurricane Harvey CDBG-MIT 12 Counties (\$99.9 million PENDING)

Phase One – County by County

Combined Grant Applications (Hurricane Harvey and 2016 Flood Programs)

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|-----------------------|----------------|--------|---------|---------|--------|--------|--------|--------|---------|----------|--------|--------------|---------|
| | Total | Sabine | San Aug | Trinity | Newton | Shelby | Tyler | Nac | San Jac | Angelina | Jasper | Polk | Houston |
| Population Served | 222,310 | 10,350 | 8,440 | 14,335 | 12,895 | 22,030 | 13,190 | 37,775 | 15,410 | 41,455 | 16,570 | 21,200 | 8,660 |
| Percent of Population | 58% | 100% | 100% | 100% | 91% | 85% | 62% | 58% | 56% | 47% | 47% | 44% | 38% |
| LMI Population Served | 115,130 | 5,375 | 4,685 | 7,285 | 5,605 | 11,720 | 6,260 | 20,580 | 7,865 | 22,470 | 8,285 | 9,635 | 5,365 |
| LMI Percentage | 52% | 52% | 56% | 51% | 43% | 53% | 47% | 54% | 51% | 54% | 50% | 45% | 62% |
| Tower Capital Leases | 178 | 13 | 11 | 14 | 15 | 27 | 13 | 26 | 12 | 26 | 6 | 12 | 3 |
| Base Stations | 872 | 50 | 56 | 52 | 49 | 130 | 52 | 182 | 74 | 124 | 32 | 42 | 29 |
| Microwave Links | 75 | 4 | 6 | 4 | 7 | 10 | 8 | 5 | 6 | 8 | 11 | 6 | - |
| LMI Premise Access | 46,496 | 2,594 | 1,874 | 2,914 | 2,242 | 4,688 | 2,504 | 8,232 | 3,146 | 8,988 | 3,314 | 3,854 | 2,146 |
| Edge Equip & Cabinets | 178 | 13 | 11 | 14 | 15 | 27 | 13 | 26 | 12 | 26 | 6 | 12 | 3 |
| Fiber (miles) | 608 | 48 | 36 | 91 | 91 | 73 | 45 | 46 | 28 | 30 | 44 | 56 | 20 |
| Core Equip & Shelters | 12 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 1 1 | 1 |
| | | | | | | | | | | | | | |



Other Positive Developments

- Increased awareness of the issue and a stated desire to address it at every level. Advocacy by groups like Texas Rural Funders & others has elevated the issue in Texas.
- Legislative initiatives in Austin led by Sen. Nichols (SB5) and Rep. Ashby (HB5)
- Additional federal funding is coming from omnibus spending bill and COVID stimulus bill
- Recent RDOF awards will benefit our region





DETCOG remains committed to:



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