

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic
Development

BILL: CS/SB 2004

INTRODUCER: Commerce and Tourism Committee and Senator Burgess

SUBJECT: Broadband Internet

DATE: April 7, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harmsen</u>	<u>McKay</u>	<u>CM</u>	<u>Fav/CS</u>
2.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Pre-meeting</u>
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

PLEASE MAKE SELECTION

I. Summary:

CS/SB 2004 requires the Office of Broadband (Office) within the Department of Economic Opportunity to address additional areas in its strategic plan. Specifically, the Office must develop short-term and long-term goals and strategies to increase the availability of and access to broadband Internet service in Florida; incorporate federal broadband activities that may improve Florida's broadband Internet service; and identify available federal funding for the expansion or improvement of broadband Internet service. The bill requires the Office to complete and submit its strategic plan by June 30, 2022.

Additionally, the bill requires the Office to provide technical and planning assistance to Florida's rural communities' broadband Internet infrastructure projects.

The bill provides an appropriation of \$1.4 million in nonrecurring funds for Fiscal Year 2021-2022.

II. Present Situation:

Broadband Internet Deployment

Fixed and mobile broadband Internet services provide access to numerous employment, education, entertainment, and health care opportunities.¹ Access to a sufficient internet connection has only grown more important during the COVID-19 pandemic, which requires many Americans to connect to their family and friends, schooling, work, and even medical appointments over the internet.²

While Florida's urban areas are served at a fixed broadband coverage rate of 98 percent, its rural areas are served at a rate of 78.6 percent.³ This disparity is caused primarily by high per-unit construction costs required to build broadband infrastructure across larger swaths of rural geographic areas.⁴ Communities that lack broadband access can have difficulty attracting new capital investment.⁵ Additionally, data indicates that low-income households disproportionately lack access to broadband Internet service, which puts children in those households at risk of falling behind.⁶

Broadband internet is a high speed internet that is faster than dial-up access and is always on; in 2015, the Federal Communications Commission (FCC) defined broadband as 25/3 megabits per second (Mbps), i.e., 25 Mbps (download rate) and 3 Mbps (upload rate).⁷ Consumers can receive Broadband internet through several different technologies, including a digital subscriber line (DSL), a cable modem, fiber, wireless, satellite, and broadband over power lines.⁸

Other State Action

All 50 states have created either a task force, commission, or authority to coordinate broadband expansion.⁹ One organization has studied the work of several state broadband offices authorities

¹ U.S. Federal Communications Commission (FCC), *2018 Broadband Deployment Report*, at 1 (Feb. 2, 2018), available at <https://docs.fcc.gov/public/attachments/FCC-18-10A1.pdf> (last visited Mar. 28, 2021).

² FCC, *Emergency Broadband Benefit Report and Order*, at 2-3 (Feb. 26, 2021), available at <https://docs.fcc.gov/public/attachments/FCC-21-29A1.pdf> (last visited Mar. 28, 2021).

³ FCC, *2021 Broadband Deployment Report*, at 58 (Jan. 19, 2021), available at <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf> (last visited Mar. 28, 2021). For purposes of this data, "fixed broadband services" are measured at 25 megabits per second downstream and 3 megabits per second upstream.

⁴ National Telecommunications and Information Administration, American Broadband Initiative, *Milestones Report*, at 11 (Feb. 13, 2019), available at https://broadbandusa.ntia.doc.gov/sites/default/files/resource-files/american_broadband_initiative_milestones_report_feb_2019_0.pdf (last visited Mar. 28, 2021). See also Congressional Research Service (CRS), *Broadband Internet Access and the Digital Divide: Federal Assistance Programs*, at 7 (Oct. 25, 2019), available at <https://fas.org/sgp/crs/misc/RL30719.pdf> (last visited Mar. 28, 2021).

⁵ CRS, *Broadband Internet Access and the Digital Divide: Federal Assistance Programs*, *supra* note 4 at 8.

⁶ New American Economy Research Fund, *Back to School: A Look at the Internet Access Gap* (Aug. 6, 2020), available at <https://research.newamericaneconomy.org/report/internet-access-covid-19/> (last visited Mar. 28, 2021).

⁷ CRS, *State Broadband Initiatives: Selected State and Local Approaches as Potential Models for Federal Initiatives to Address the Digital Divide*, at 2-3 (Apr. 6, 2020), available at <https://crsreports.congress.gov/product/pdf/R/R46307> (last visited Mar. 28, 2021).

⁸ CRS, *Broadband Internet Access and the Digital Divide: Federal Assistance Programs*, *supra* note 4 at 1.

⁹ National Conference of State Legislatures (NCSL), *State Broadband Task Forces, Commissions or Authorities and Other Broadband Resources* (June 2020), <https://www.ncsl.org/research/telecommunications-and-information-technology/state-broadband-task-forces-commissions.aspx> (last visited Mar. 28, 2021).

and determined that effective practices include stakeholder outreach and engagement at both the state and local levels; thorough development of a policy framework with well-defined goals; adoption of a state broadband plan; and helping communities identify their broadband goals and needs to better connect them with satisfactory resources.¹⁰

Florida's Office of Broadband

In 2020 the Legislature created the Florida Office of Broadband (Office) within the Department of Economic Opportunity (DEO).¹¹ The Office is tasked with developing, marketing, and promoting broadband Internet service in the state.

Specifically, the Office must:

- Create a strategic plan for increasing the use of broadband Internet service in Florida which must include a process to review and verify public input regarding transmission speeds and availability of broadband Internet service throughout the state;
- Build local technology planning teams representing, among others, libraries, schools, colleges and universities, local health care providers, private businesses, community organizations, economic development organizations, local governments, tourism, parks and recreation, and agriculture;
- Encourage the use of broadband Internet service, especially in rural, unserved, and underserved¹² areas of the state through grant programs; and
- Monitor, participate in, and provide input in proceedings of the FCC and other federal agencies related to the geographic availability and deployment of broadband Internet service as necessary to ensure that Florida's rural, unserved, and underserved areas are best positioned to benefit from federal and state broadband deployment programs.¹³

The DEO may apply for and accept federal grant funds, enter into necessary or useful contracts, and establish any committee or workgroup to further the above goals.¹⁴

Federal Broadband Initiatives

FCC Digital Opportunity Data Collection Program

The FCC collects and monitors data on broadband deployment in order to identify underserved and unserved localities in the United States.¹⁵ In August 2019, the FCC adopted the Digital Opportunity Data Collection Program, which modernized the collection of broadband deployment data by creating granular coverage maps, as opposed to census tract maps, and by

¹⁰ Kathryn de Wit, Pew Charitable Trusts, *How States are Expanding Broadband Access* (Feb. 27, 2020), available at <https://www.pewtrusts.org/en/research-and-analysis/reports/2020/02/how-states-are-expanding-broadband-access> (last visited Mar. 28, 2021).

¹¹ Chapter 2020-26, Laws of Fla.

¹² Section 364.0135(2)(d), F.S., defines the term "underserved" to mean a geographic area of this state in which there is no provider of broadband Internet service that offers a connection to the Internet with a capacity for transmission at a consistent speed of at least 10 Mbps downstream and at least 1 Mbps upstream

¹³ Section 364.0135(4), F.S.

¹⁴ Section 364.0135(5), F.S.

¹⁵ FCC, *Establishing the Digital Opportunity Data Collection*, at 1-2 (Jan. 19, 2021), available at <https://www.fcc.gov/document/fcc-takes-next-step-collect-more-precise-broadband-mapping-data> (last visited Mar. 28, 2021).

implementing a process to accept public data to confirm the maps' accuracy.¹⁶ In March 2020, Congress ratified the FCC's Data Collection Program with passage of the Broadband Data Act, which requires the FCC to establish a semiannual collection of geographically granular broadband coverage data to use to create coverage maps.¹⁷ Congress allocated \$65 million to the FCC to achieve this mapping project in December 2020.¹⁸

To create these geographic service maps, the FCC collects information from service providers according to specific reporting standards. The service providers must report their service coverage areas, including where their services were available to residences or businesses, and the speed and latency at which their services are delivered.¹⁹ The FCC also set up a website to allow for public input regarding consumers' experiences with broadband.²⁰ The FCC anticipates completing initial, targeted mapping by July 2021.²¹

FCC's Rural Digital Opportunity Fund

In January 2020, the FCC established the Rural Digital Opportunity Fund to fund the deployment of broadband networks in rural America over the next decade. The first phase of the fund began in 2020 and made available up to \$16 billion to target census blocks that are wholly unserved by fixed broadband speeds of at least 25 Mbps downstream and 3 Mbps upstream (25/3 Mbps).²² Florida entities received over \$190 million (to be distributed over the next 10 years) in this first round of funding.²³

Phase II of the Fund will target underserved localities, as identified by the FCC's Digital Opportunity Data Collection Program.²⁴ Using this more precise data, the second phase of FCC grants will make available at least \$4.4 billion to target geographic areas where some locations lack access to 25/3 Mbps broadband.²⁵

FCC's Emergency Broadband Benefit Program

Congress appropriated \$3.2 billion in December 2020 to expand broadband access via subsidies for broadband service to students, families, and unemployed workers.²⁶ Eligible households can receive a discount of up to \$50 per month off their broadband service bill for service and associated equipment. A household is eligible to receive a subsidy if any member of the

¹⁶ *Id.* at 3.

¹⁷ 47 U.S.C. 642(a)(1)(A) and (a)(2) (2020).

¹⁸ Marguerite Reardon, CNET, *FCC Chair Rosenworcel Launches Broadband Mapping Taskforce* (Feb. 17, 2021), available at <https://www.cnet.com/news/fcc-chair-rosenworcel-launches-broadband-mapping-task-force/> (last visited Mar. 28, 2021).

¹⁹ FCC, *Establishing the Digital Opportunity Data Collection*, *supra* note 15 at 5, 8-16.

²⁰ FCC, *Broadband Data Collection Consumer Information*, available at <https://www.fcc.gov/BroadbandData/consumers> (last visited Apr. 1, 2021).

²¹ FCC, *Carr Welcomes New, Four-Month Timeline for Broadband Maps*, available at <https://docs.fcc.gov/public/attachments/DOC-370911A1.pdf> (last visited Apr. 1, 2021).

²² FCC, *FCC Launches \$20 Billion Rural Digital Opportunity Fund* (Feb. 7, 2020), available at <https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0> (last visited Mar. 28, 2021).

²³ Federal Communications Commission, *Auction 904 Winning Bidders: Attachment A*, available at <https://www.fcc.gov/document/auction-904-winning-bidders> (last visited Mar. 28, 2021).

²⁴ *See*, FCC, *FCC Launches \$20 Billion Rural Digital Opportunity Fund*, *supra* note 20 at 3.

²⁵ FCC, *FCC Launches \$20 Billion Rural Digital Opportunity Fund*, *supra* note 20 at 4.

²⁶ NCSL, *COVID-19 Economic Relief Bill: Broadband Provisions* (Jan. 4, 2021), available at <https://www.ncsl.org/ncsl-in-c/publications-and-resources/covid-19-economic-relief-bill-stimulus.aspx> (last visited Mar. 28, 2021).

household: qualifies for the Lifeline program, receives benefits under the free or reduce-price school lunch program, received a Federal Pell Grant, experienced a substantial loss of income in the last year and had a total household income in 2020 below \$99,000 for single filers and \$198,000 for joint filers, or meets criteria to participate in service providers' existing low-income or COVID-19 programs.²⁷ The program will conclude when all the funding has been expended or six months after the end of the public health emergency.²⁸

U.S. Department of Agriculture Programs

The U.S. Department of Agriculture (USDA) has several rural utilities programs to provide a variety of loans and grants to build and expand broadband networks.²⁹ The ReConnect Program offers federal loans, grants, and loan/grant combinations to facilitate broadband deployment to rural areas without access to sufficient broadband service. Eligible entities include cooperatives and nonprofits, for-profit companies, and state and local governments and their agencies and political subdivisions. Applicants for a grant or a loan/grant combination under the ReConnect Program must submit a scoring sheet by which USDA may analyze nine separate evaluation criteria to score the application. One of the evaluation criteria is whether the proposed project is in a state with a broadband plan that has been updated within the previous 5 years.³⁰

Miscellaneous Federal Broadband Initiatives

Federal assets to assist with the expansion and promotion of broadband comes from a variety of sources, for example:³¹

- The FCC's E-Rate Universal Service Fund subsidizes telephone service (including broadband Internet access) to low-income households, high-cost areas, rural healthcare providers, and eligible schools and libraries;³²
- The U.S. Department of Housing and Urban Development³³ and Department of Education³⁴ offer block grants that can support broadband infrastructure;
- The Department of the Interior launched a mapping tool to allow service providers to locate federal property available for infrastructure development;³⁵ and

²⁷ FCC, *Emergency Broadband Benefit Program*, <https://www.fcc.gov/broadbandbenefit> (last visited Mar. 28, 2021).

²⁸ See FCC, *FCC Adopts Report and Order for Emergency Broadband Benefit Program*, available at <https://www.fcc.gov/document/fcc-adopts-report-and-order-emergency-broadband-benefit-program-0> (last visited Mar. 31, 2021).

²⁹ USDA, *Telecom Programs*, available at <https://www.rd.usda.gov/programs-services/all-programs/telecom-programs> (last visited Mar. 28, 2021).

³⁰ See USDA, *ReConnect Loan and Grant Program*, available at <https://www.usda.gov/reconnect#anchor1> (last visited Mar. 28, 2021).

³¹ See generally, National Telecommunications and Information Administration (NTIA), *American Broadband Initiative, Progress Report* (June 2020), available at https://www.ntia.doc.gov/files/ntia/publications/abi_progress_report_june2020.pdf (last visited Mar. 28, 2021).

³² FCC, *E-Rate: Universal Service Program for Schools and Libraries* (Sep. 16, 2020), <https://www.fcc.gov/consumers/guides/universal-service-program-schools-and-libraries-e-rate> (last visited Mar. 28, 2021).

³³ U.S. Department of Housing and Urban Development, *State CDBG Program Broadband Infrastructure FAQs* (Jan. 7, 2016), <https://files.hudexchange.info/resources/documents/State-CDBG-Program-Broadband-Infrastructure-FAQs.pdf> (last visited Mar. 28, 2021).

³⁴ U.S. Department of Education, *Rural and Low-Income School Program*, available at <https://www2.ed.gov/programs/reaprlisp/index.html> (last visited Mar. 28, 2021).

³⁵ U.S. Department of Interior, *Supporting Broadband Tower Facilities in Rural America on Federal Properties Managed at Interior*, available at <https://www.doi.gov/broadband> (last visited Mar. 28, 2021).

- The National Telecommunications and Information Administration within the U.S. Department of Commerce is working to improve coordination between federal programs that fund broadband and statewide efforts.³⁶

Additionally, the latest COVID-19 relief bill passed by Congress in December 2020³⁷ included the following funding to expand broadband Internet access for students, families, and unemployed workers:³⁸

- \$300 million for rural broadband;³⁹
- \$250 million for the FCC’s telehealth program;⁴⁰
- \$285 million to fund a pilot program to assist with broadband issues at historically Black colleges and universities;⁴¹
- \$10 billion for the Capital Projects Fund to provide grants to states for the costs of capital projects, like broadband infrastructure.⁴²
- \$1.9 billion for “rip and replace” efforts related to Huawei and ZTE equipment in U.S. networks;⁴³ and
- \$1 billion in grants for tribal broadband programs.⁴⁴

Additionally, the American Rescue Plan, signed into law on March 11, 2021, includes multiple appropriations that can be used for broadband infrastructure, such as \$10 billion for the Capital Projects Fund to provide grants to states for the costs of capital projects, like broadband infrastructure and \$130.2 billion for Community Development Block Grants that can be used for community development projects, including broadband infrastructure.⁴⁵

³⁶ Broadband USA, *State Broadband Leaders Network* (Dec. 19, 2018), <https://broadbandusa.ntia.doc.gov/ntia-resources/state-broadband-leaders-network-sbln> (last visited Mar. 28, 2021).

³⁷ Consolidated Appropriations Act of 2021, H.R. 133, 116th Cong. (2021).

³⁸ NCSL, *COVID-19 Economic Relief Bill: Broadband*, *supra* note 24..

³⁹ See generally, NTIA, *Overview of Consolidated Appropriations Act, 2021: Broadband Infrastructure Deployment Grants*, available at <https://broadbandusa.ntia.doc.gov/ntia-common-content/overview-consolidated-appropriations-act-2021> (last visited Mar. 28, 2021). These grants will be available to support infrastructure for the deployment of fixed broadband service in a census block with at least one household or business that does not have access to internet at a speed of 25/3Mbps or higher.

⁴⁰ FCC, *COVID-19 Telehealth Program* (Feb. 9, 2021), available at <https://www.fcc.gov/covid-19-telehealth-program> (last visited Mar. 28, 2021).

⁴¹ See generally, NTIA, *Minority Broadband Initiative*, <https://www.ntia.doc.gov/category/minority-broadband-initiative> (last visited Mar. 28, 2021).

⁴² U.S. Treasury, *FACT SHEET: The American Rescue Plan Will Deliver Immediate Economic Relief to Families*, available at <https://home.treasury.gov/news/press-releases/jy0069> (last visited Apr. 2, 2021).

⁴³ B. Braverman, M. Browne, and J. Mark, *Let Her Rip! FCC Adopts Remove-and-Replace Rules* (Jan. 15, 2021), <https://www.dwt.com/insights/2021/01/fcc-huawei-zte-rip-and-replace-rules> (last visited Mar. 28, 2021). See also, FCC, *Second Report and Order in re: Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs* (Dec. 10, 2020), available at <https://docs.fcc.gov/public/attachments/FCC-20-176A1.pdf> (last visited Mar. 28, 2021).

⁴⁴ See generally, NTIA, *NTIA Announces Tribal Consultations on New Program to Increase Broadband Access Across Indian Country* (Feb. 5, 2021), <https://www.ntia.gov/blog/2021/ntia-announces-tribal-consultations-new-program-increase-broadband-access-across-indian> (last visited Mar. 28, 2021).

⁴⁵ Pub. L. No. 112-2, ss. 603 and 604 (117th Congress) (H.R. 1319). U.S. Treasury, *FACT SHEET: The American Rescue Plan Will Deliver Immediate Economic Relief to Families*, available at <https://home.treasury.gov/news/press-releases/jy0069> (last visited Apr. 2, 2021).

III. Effect of Proposed Changes:

The Office is currently required to draft a strategic plan for increasing the use of broadband Internet service in Florida. **Section 1** of the bill adds additional subject matter areas that the Office must address in the strategic plan, specifically:

- Short and long-term goals that increase and improve the availability of and access to broadband Internet service in Florida;
- Federal broadband activities, specifically those implemented by the FCC, that may improve broadband Internet service in Florida; and
- Federal funding sources that may be used to expand or improve broadband Internet service in Florida.

The bill requires that the Office complete and submit its strategic plan to the Governor, Chief Justice of the Supreme Court, the President of the Senate, and the Speaker of the House of Representatives by June 30, 2022. The plan must be updated biennially thereafter.

Section 1 of the bill also expands the Office's duties to include the provision of technical and planning assistance relating to broadband infrastructure to rural communities.

Section 2 appropriates \$1.4 million in nonrecurring funds from the State Economic Enhancement and Development Trust Fund to the Department of Economic Opportunity for the 2021-2022 fiscal year. The department must use these funds to commission a broadband feasibility study and to develop a strategic plan as required by s. 364.0135, F.S.

Section 3 provides that the bill takes effect on July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The Office's planning and execution of its duties may help localities secure funding for broadband Internet service, which will positively impact citizens' business and personal needs. Additionally, communities with sufficient broadband Internet service may better attract or retain business.

C. Government Sector Impact:

The bill appropriates \$1.4 million in nonrecurring funds from the State Economic Enhancement and Development Trust Fund to the DEO to commission a broadband feasibility study and develop a broadband strategic plan, as required by s. 364.0135, F.S.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 364.0135 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Commerce and Tourism on March 15, 2021:**

The CS appropriates \$1.4 million in nonrecurring funds for the fiscal year 2021-2022 from the State Economic Enhancement and Development Trust Fund to the DEO for the specific purposes of commissioning a broadband feasibility study and developing a strategic plan.

B. Amendments:

None.