

Accessible, Affordable Broadband



What is broadband?

The Minnesota Department of Broadband Development estimates that 291,000 households do not have access to wireline broadband, including 1 out of 3 rural households that do not have access to wireline broadband. Wireline broadband uses cables or data lines to connect service rather than satellite or other wireless options. Weather and terrain can limit the speed, capacity, availability, and reliability of wireless broadband. Increasing access and adoption of broadband in rural areas, including digital skills, online education, and job search opportunities, leads to higher property values, increased job and population growth, higher rates of new business formation, and lower unemployment rates. (1) Broadband access refers to high-speed internet that does not block other modes of communication, such as telephone lines, and provides the highest quality services. The Federal Communication Commission (FCC) defines broadband as 25 Mbps downstream and 3 Mbps upstream (25/3 Mbps). Access to broadband is critical to work, school, healthcare access, community services, transportation, entertainment, and other life sustaining supports.

Factors Contributing to the Lack of Broadband Access

Cost of Installation

- Geography and distance create challenges to reach rural Minnesotans. This creates speed limitations and increases costs with the average cost of connecting unserved households at \$9,500. (2)
- Labor shortages reduce contractor availability.
- High monthly costs for broadband prevent lower income households from being able to afford service.
- Property management can require residents to purchase internet access that they resell to the development and prevent broadband service providers from accessing the property.

Affordability to the Consumer

- High monthly costs prevent lower income households from being able to afford wireline broadband services.
- According to the FCC, the average 2023 benchmark 25/3 Mbps broadband cost is \$90.98 per month(3).
- In 2022, the U.S. Census Bureau reports that 88.6% of households in Minnesota had broadband internet subscriptions. (4)
- 57% of U.S. adults with annual household income less than \$30,000 report access to home broadband. This goes up to 83% for households with incomes between \$30,000 - \$99,999, and 97% of households that earn more than \$100,000. (5)
- The maximum payment for an SSI (Supplemental Security Income) recipient is \$941/month in 2023.

- A Minnesota Department of Employment and Economic Development (DEED) reports that a variety of barriers prevent low-income Minnesotans from using subsidy programs, including documentation requirements, language barriers, lack of awareness, and difficulty of use. (2)
- Broadband providers do not promote affordability programs.
- Housing instability would require moving subscriptions or enrolling in new services, incurring connection frequent connection/disconnection fees.

Lack of Suitable Devices and Digital Skills

- Large upfront costs prevent lower-income households from purchasing devices.
- 62% of people with a disability report owning a desktop or laptop computer compared to 81% with no disability. 72% of people with a disability report owning a smartphone compared to 88% of adults without a disability. (6)
- Privacy and security concerns
- Limited resources for ensuring to support basic user skills

What Has Been Tried

Minnesota received \$652 million for broadband in the Infrastructure Investment and Jobs Act (IIJA). (7)

- In 2022 the estimated cost to connect all unserved households in Minnesota was \$2,764,500,000.

Minnesota's "Border-to-Border" grant program has distributed nearly \$296 million since it began in 2014. (7)

The Affordable Connectivity Program helps income eligible household pay for internet and devices such as a laptop or tablet.

- Up to \$30 monthly toward broadband (up to \$75 on qualifying Tribal land).
- A one-time discount of up to \$100 to purchase a laptop or tablet.

Policy Recommendations

- Change the FCC definition of broadband to 100/20 Mbps to provide all Americans with higher quality, more reliable broadband access. American households typically have multiple devices that rely on connectivity as well as multiple users connecting to broadband at the same time. The increased speed metric provides greater reliability crucial for education and work from home.
- Require all broadband providers to assertively promote affordability programs. Internet access increases employment, telehealth, and educational opportunities, improving the financial and social status of low-income households and the communities where they live.
- Reclassify broadband as a telecommunications service under Title II, allowing the FCC to designate broadband as a utility. Government agencies ensure that public utilities such as electricity, natural gas, and water are reliable, resilient, and available. Rate and service regulation protects consumers while ensuring quality and reliability, and service providers are ensured income to cover maintenance costs and investment in expansion. Currently there is limited state oversight for internet providers with no rate regulation and limited quality assurance requirements.
- Promote adaptive devices for people with disabilities. According to the World Health Organization (WHO) without assistive technology people are often excluded, isolated, and locked into poverty, increasing the impact of disability on the person, their family, and society.

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(2) **Minnesota Governor's Task Force on Broadband 2022 Annual Report** https://mn.gov/deed/assets/2022-broadband-task-force-report_tcm1045-557268.pdf

(3) **FCC:** <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewixnL2QzlyAAxWttokEHdLHCLYQFnoECBAQAw&url=https%3A%2F%2Fdocs.fcc.gov%2Fpublic%2Fattachments%2FDA-22-1338A1.docx&usq=AOvVaw2t1yB5HrNVBgQkU1eHSl8&opi=89978449>

(4) **U.S. Census:** <https://www.census.gov/quickfacts/fact/table/MN/INC110221>

(5) **Pew Research:** <https://www.pewresearch.org/short-reads/2021/06/22/digital-divide-persists-even-as-americans-with-lower-incomes-make-gains-in-tech-adoption/>

(6) **Pew Research:** <https://www.pewresearch.org/short-reads/2021/09/10/americans-with-disabilities-less-likely-than-those-without-to-own-some-digital-devices/>

(7) **MINNPOST:** <https://www.minnpost.com/greater-minnesota/2023/06/minnesota-set-for-652-million-broadband-windfall-from-federal-infrastructure-bill/>