

CMIC Overview

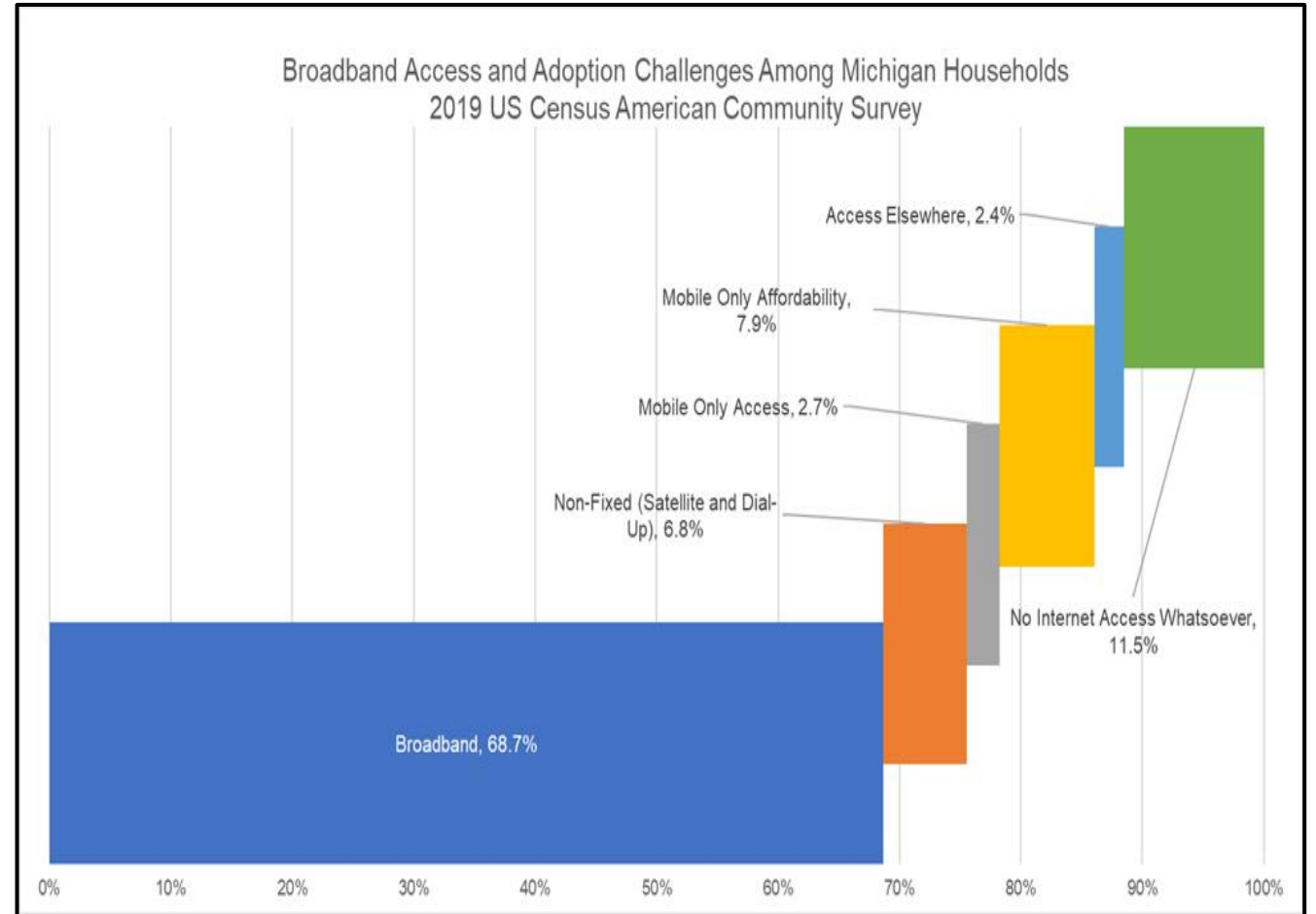
House Communications and Technology Committee

February 17, 2021

Why Broadband Matters

The 2019 American Community Survey, conducted by the U.S. Census Bureau estimates:

- Michigan ranks **33rd** in the nation for households that subscribe to a fixed broadband service
- **456,000** no internet access
- **97,000** access internet from outside the home
- **312,000** rely on connection via a smartphone
- **107,000** rely on data plan to support multiple devices
- **271,000** rely on satellite or dial-up connections



Why Broadband Matters

- Approximately **415,000** Michigan K-12 students do not have an internet connection at home that can support some form of virtual learning. ⁽¹⁾
- Households with an internet connection experience a **\$1,500 to \$2,200** annual economic advantage over disconnected households. ⁽¹⁾
- Approximately **\$1.7B to \$2.5B** in potential annual economic benefit is left unrealized among these disconnected households.⁽²⁾
- Broadband contributes around **\$5.7B** to Michigan's GDP. Connecting these disconnected households and businesses could increase the state's GDP by an estimated **\$1.6B**.⁽³⁾

(1) https://www.gomaisa.org/downloads/general/maisa_digital_divide_infographic_042320_1.pdf

(2) Greenstein, S. and R. McDevitt (2012), "Measuring the Broadband Bonus in Thirty OECD Countries," OECD Digital Economy Papers, No. 197, OECD Publishing.

(3) <https://www.itu.int/myitu/-/media/Publications/2019-Publications/BDT-pubs-2019/Economic-contribution-of-broadband-digitization-and-ICT-regulation-Econometric-modelling-for-the-Ame.pdf>.

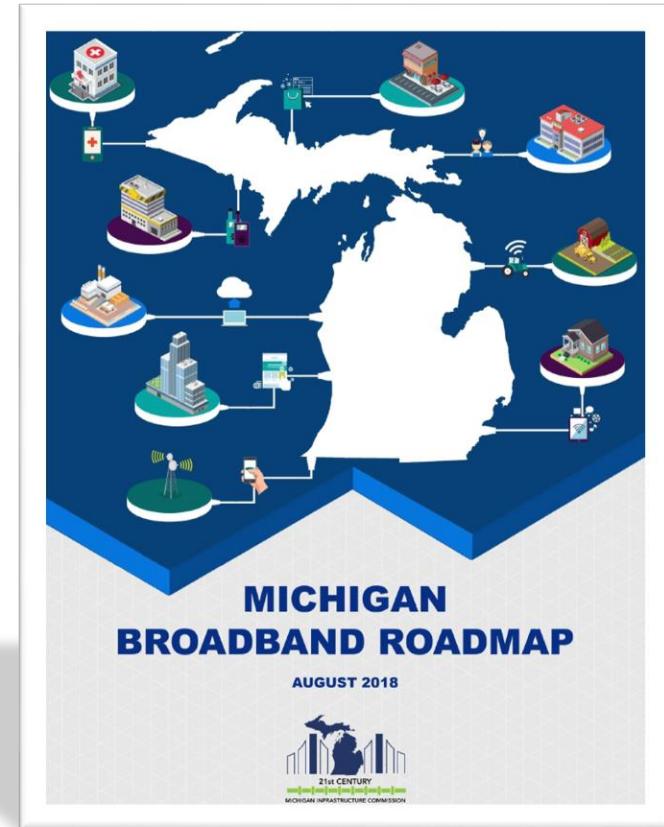
2018 Michigan Broadband Roadmap

Michigan Consortium of Advanced Networks (MCAN)

- Identify gaps in service coverage and capacity
- Identify current efforts underway on connectivity issues
- Develop key strategies and recommendations for the public and private sector
- **47** diverse public and private entities
- **130** stakeholders provided input

Recommendations

- Investment in broadband access and adoption
- State of Michigan broadband leadership



PA 618 of 2018 - \$20M Appropriation, PA 166 of 2020 - \$14.3M Appropriation PA 224 of 2020 - Broadband Expansion Act

- CMIC Grant Program “to extend broadband service into unserved areas of the state”
- Defines **broadband service**
- Defines **unserved area**
- Defines **internet service provider**
- Excludes a governmental entity or educational institution from receiving grant awards
- Establishes the application process, timeline, grant criteria, and priorities

- The CMIC Grant Program Office established January 2019
- Steering Committee formed to review applications & make initial grant recommendations

CMIC Steering Committee

- Michigan Department of Technology, Management, & Budget
- Michigan Department of Agriculture and Rural Development
- Michigan Department of Education
- Michigan Department of Transportation
- Michigan Department of Treasury: Michigan Infrastructure Council
- Michigan Economic Development Corporation
- Michigan Public Service Commission
- Executive Office of the Governor

Public Act 224 of 2020 Directs:

- Grant awards within 270 days after money is made available
- 30 days after DTMB establishes and publishes the criteria
- 60 days after the criteria is published, applicants may be submitted
- After scoring and considering all applications, DTMB makes initial grant recommendations
- 30 days after initial recommendations DTMB publishes redacted grant applications, with proposed - geographic service area, service speeds for each application
- 60-day comments or objections period
- After vetting of any comment or objection received, DTMB makes final grant awards

Priority in grant awards to applications that demonstrate one or more of the following:

- Collaboration with community investment and economic development goals of area
- Managerial, financial, and technical ability to build, operate & manage a broadband network.
- Likelihood the unserved area will not be served without state grant funding
- Size of area to be impacted or number of locations within an unserved area
- Commitment to providing at least 50% of the cost to deploy the project

CMIC 1.0 Timeline

January 2019

- CMIC Program Office created within DTMB
- CMIC Steering Committee established

February – June 2019

- Public comment period (30 day mandate)
- Scoring criteria published on the CMIC Grant webpage (mandate)
- Development of grant documentation

July – August 2019

- Application window (60 day mandate)

September 2019 – March 2020

- Application review by the CMIC Steering Committee
- Two rounds of supplemental documentation requests were required
- Initial Grant Recommendation announcement scheduled for March 30

March – May 2020

- Program on hold due to COVID-19 emergency response

May – July 2020

- Comment and objection period (60 day mandate)

August – September 2020

- Objection vetting process

October 2020

- Final Grant Awards announced

CMIC 1.0 Awards

APPLICANT	PROJECT NAME	PROJECT TOTAL	GRANT AWARD	LOCATIONS
Barger Creek Wireless	Montmorency, Oscoda	\$4,401,301	\$3,233,618	1,455
Comcast	Comcast Armada	\$3,394,420	\$3,034,206	414
LakeNet	Brant Fiber Project	\$1,372,537	\$959,873	531
Marq6 Broadband	Delta Schoolcraft	\$913,191	\$812,740	978
Mercury Wireless	Berrien and Cass	\$547,228	\$410,421	757
Mercury Wireless	Calhoun	\$368,000	\$276,000	207
Mercury Wireless	Calhoun, Eaton, Ingham, Jackson	\$1,043,598	\$782,698	1,243
Mercury Wireless	Hillsdale	\$436,800	\$327,600	273
Mercury Wireless	Hillsdale, Lenawee	\$1,066,579	\$799,934	2,044
Mercury Wireless	Lenawee, Monroe, Washtenaw	\$1,342,788	\$1,007,091	2,793
		\$14,866,444	\$11,638,014	10,674

CMIC 1.0 - Public Act 618 of 2018

- **\$20M** appropriation
- **38** applications were submitted with **\$45.6M** in grant funding requests
- **14** projects totaling **\$18M** were identified for initial grant recommendations
- Awarded projects are estimated to generate between **\$15.3M** and **\$22.5M** in annual economic benefits
- Unobligated funds were carried forward to CMIC 1.5 projects

Continued from CMIC 1.0 Timeline

October 2020

- Application review by the CMIC Steering Committee

November 2020 – January 2021

- Initial award recommendations published
- Comment and objection period (60 day mandate)

February 2021

- Objection vetting process

March 2021

- Final Grant Awards announced

CMIC 1.5 Awards

APPLICANT	PROJECT NAME	PROJECT TOTAL	GRANT REQUEST	LOCATIONS
906 Technologies*	Baraga, Houghton	\$1,783,610	\$1,564,610	3,216
Comcast	Buchanan Township	\$350,257	\$244,243	91
Comcast*	Coloma Township	\$97,784	\$50,667	40
Comcast*	Manchester Township	\$2,449,280	\$2,204,352	196
Lennon Telephone*	Hazelton Broadband Project	\$380,470	\$180,928	204
Mercury Wireless	Calhoun, Kalamazoo	\$680,000	\$510,000	730
Mercury Wireless	St. Joseph	\$600,000	\$450,000	1,042
		\$6,341,401	\$5,204,800	5,519

CMIC 1.5

- Next highest scoring applications selected from CMIC 1.0 applications
- **7** projects totaling **\$5.2M** were selected for initial grant recommendations
- * projects received objections
- **3** projects totaling **\$1.2M** were not contested
- Unobligated funds from CMIC 1.5 carried forward to CMIC 2.0 projects

CMIC 2.0 Timeline

October 2020

- Public Act 166 of 2020 Appropriation

November 2020 – January 2021

- Scoring criteria published (30 day mandate)
- Application window (60 day mandate)

February 2021

- Application review by the CMIC Steering Committee

March – May 2021

- Initial grant recommendations announced
- Comment and objection period (60 day mandate)

May 2021

- Objection vetting process

June 2021

- Final Grant Awards announced (270 day mandate)

- **\$22.5M** in 2019 through the USDA ReConnect program
- **\$13M** in 2020 through the USDA ReConnect program
- **\$363M** over ten years awarded to Michigan companies via FCC Rural Digital Opportunity Fund
- Michigan Economic Development Corporation to establish the **Connecting Michigan Taskforce (CMIT)**

Additional information on the USDA ReConnect program can be found at [USDA.gov/reconnect](https://www.usda.gov/reconnect).

Additional information on the FCC Rural Digital Opportunity Fund can be found at [FCC.gov/rural-digital-opportunity-fund](https://www.fcc.gov/rural-digital-opportunity-fund).

Additional information on CMIT can be found at [MichiganBusiness.org/broadband](https://www.MichiganBusiness.org/broadband).

QUESTIONS?

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