



# 2018 Michigan Broadband Roadmap

The **Michigan Consortium of Advanced Networks (MCAN)** was created under Executive Order 2018-2 to develop a broadband roadmap for the state. The purpose of which was to identify gaps in service coverage and capacity, current efforts underway to address connectivity issues, and key strategies and recommendations for the public and private sector to pursue over the coming years to achieve ubiquitous connectivity.

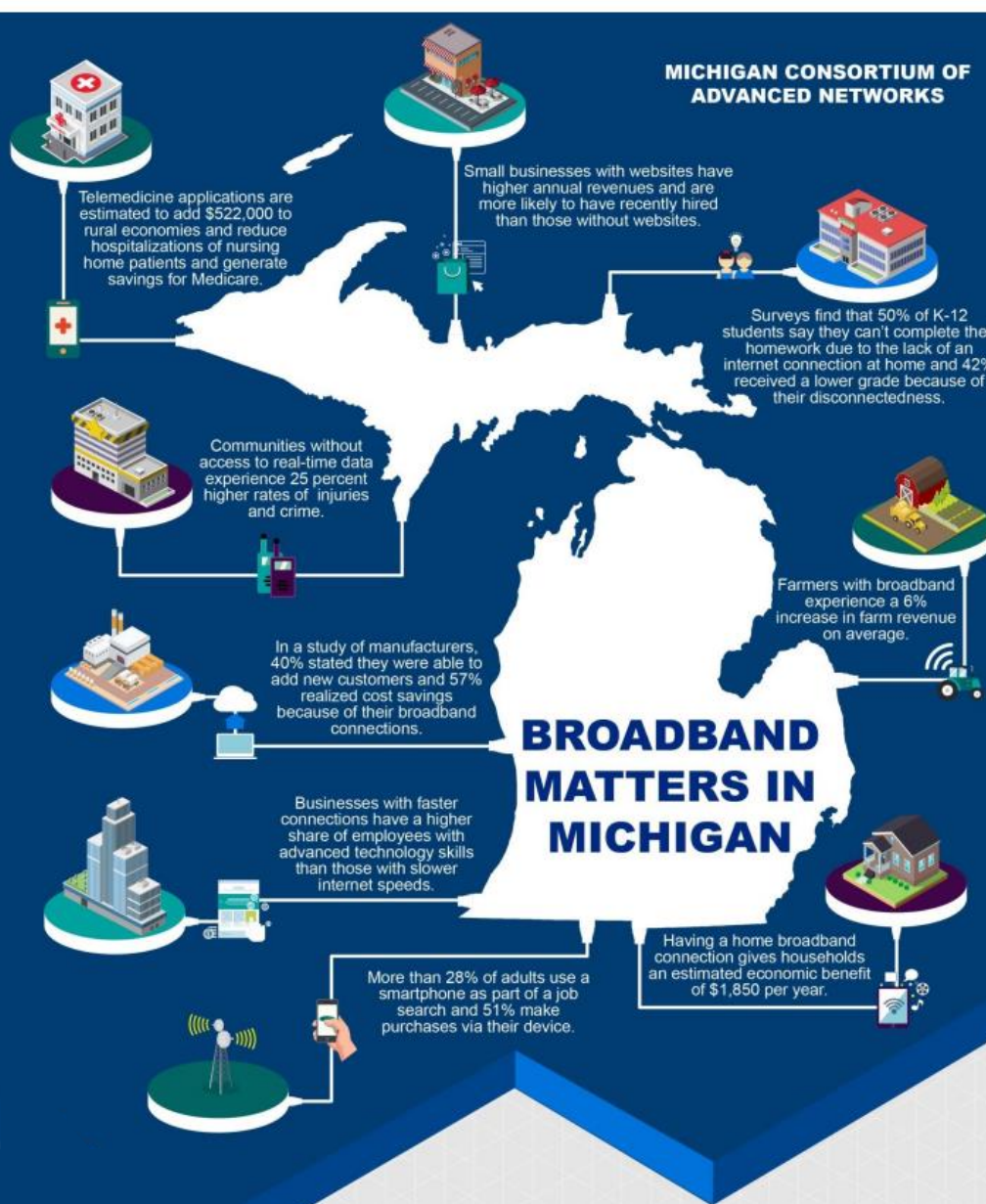
- In 2018 Michigan ranked **30<sup>th</sup>** for broadband availability<sup>(1)</sup>
- An estimated **368,000** rural Michigan households do not have access to broadband<sup>(1)</sup>
- **2M** households (**48%**) have access to only one fixed terrestrial provider<sup>(2)</sup>
- **\$2.5B** in potential economic benefits are unrealized among disconnected households<sup>(3)</sup>

1) As defined by the FCC: <https://docs.fcc.gov/attachments/DOC-348770A2.pdf>

2) Connect Michigan, Broadband Data Collection, September 2017, <https://connectednation.org/Michigan/planning>

3) 1,363,000 Michigan households do not subscribe to broadband service. "Connecting the Dots of Ohio's Broadband Policy," estimates that subscribing households experience an annual economic benefit of \$1,850.  $1,363,000 \times \$1,850 = \$2.521$  billion.

**MICHIGAN CONSORTIUM OF  
ADVANCED NETWORKS**



"Use of Telemedicine Can Reduce Hospitalizations of Nursing Home Residents and Generate Savings for Medicare," Health Affairs, 2014  
 "Why Does Broadband Matter," NTIA, 2018  
 "Broadband Technology in Manufacturing," Commonwealth of Pennsylvania and the NTIA, 2014.  
 "The Benefits of Expanded Broadband for Missouri Farms and Agribusiness," University of Missouri, 2011.  
 "Ten Facts About Smartphones as the iPhone Turns 10," Pew Research Center, 2017  
 "Doing Social on Small Business Saturday," Connected Nation, 2016  
 "Connected the Dots of Ohio's Broadband Policy," Swank Program in Rural-Urban Policy, 2017  
 "The Homework Gap: The 'Cruellest Part of the Digital Divide,'" National Education Association Today, 2016

# CONNECTED COMMUNITY ECOSYSTEM



Having broadband provides households with an estimated \$1,850 annual economic benefit.<sup>2</sup>

Thirty percent of tourism transactions in the US are made online.<sup>8</sup>

Small businesses using social media are 3X more likely to have recently hired than those that do not.<sup>1</sup>

It is estimated that one percentage point increase in broadband access could create or save about 12,000 jobs statewide.<sup>7</sup>

On average, farmers getting connected see a 6% increase in revenue.<sup>4</sup>

Michiganders earn \$467 million annually through home-based businesses and online sales.<sup>6</sup>

Statewide, teleworkers save \$363 million in car maintenance and fuel annually.<sup>3</sup>

Telemedicine adds an estimated \$522,000 to rural economies and reduces hospitalizations.<sup>5</sup>

Small businesses with websites have higher annual revenues than those that do not.<sup>1</sup>

Broadband access can increase home values by an average of 3.1%.<sup>9</sup>

1. "Going Social on Small Business Saturday," Connected Nation Connected Community Engagement Program  
2. "Connected the Dots of Ohio's Broadband Policy," Rember, Feng, and Partridge, Swank Program in Rural-Urban Policy, Ohio State University  
3. "Broadband's Economic Impact in Michigan," Connect Michigan  
4. "The Benefits of Expanded Broadband for Missouri Farms and Agribusiness," Johnson, Gautam, Mishra, and Halhcoat, University of Missouri  
5. "Use of Telemedicine Can Reduce Hospitalizations of Nursing Home Residents and Generate Savings for Medicare," Health Affairs, Vol. 33, 2  
6. "Technology Use among Home-Based Businesses: Michigan Entrepreneurs Use Technology to Thrive," Connect Michigan  
7. "The Effects of Broadband Deployment on Output and Employment: A Cross-sectional Analysis of US Data," Brookings Institute  
8. "Usages of the Internet and e-Tourism, Towards a New Economy of Tourism," Longhi, Christian  
9. "Why Does Broadband Matter," National Telecommunications and Information Administration

# CLOSING MICHIGAN'S HOMEWORK GAP

For students to have equitable access to a world-class education, they must have access to the internet. Students without broadband service at home are at a distinct disadvantage as they must seek out other means of access that may be located at places not conducive to learning, not conveniently available, or only allow computer use for a short period of time.

One study found that 50% of K-12 students surveyed said they couldn't complete their homework due to the lack of an internet connection, and 42% received a lower grade because of their disconnectedness.<sup>1</sup>

*"My ability to interact with my students is diminished due to the lack of available internet."*

- K-12 Educator, Gogebic County

The homework gap refers to the difficulty students experience completing homework when they lack internet access at home, compared to those who do.<sup>2</sup>

An estimated 462,000 of Michigan's 1,712,086 K-12 students do not have internet access at home.<sup>3</sup>



1. 2016 American Community Survey's 5-year estimate. 1,712,086 students are currently enrolled in schools in Michigan. Connect Michigan's 2014 Residential Technology Assessment: 73% of households with school age children subscribe to broadband. Leaving 462,000, without broadband at home.  
2. <http://neatoday.org/2016/04/20/the-homework-gap/>  
3. "The Homework Gap: The 'Cruellest Part of the Digital Divide'," National Education Association Today, April 2016

# Legislative Highlights

**Public Act 618 of 2018, Section 806, established a \$20 million, one-time appropriation to award grants for projects that extend broadband service into unserved areas in Michigan and for DTMB to administer the grant program**

- **“Broadband Service”** is defined as a retail terrestrial service capable of delivering high-speed internet access at speeds of at least 10Mbps downstream / 1Mbps upstream
- **“Unserved Area”** is defined as either a census block without at least one provider providing broadband service within the census block, or a delineated area within a census block without at least one provider providing broadband service
- Award of funds must be issued pursuant to a competitive grant process
- Maximum award of **\$5 million** to any one project
- Eligible applicants for the CMIC Grant include internet service providers as defined in the legislation
- **60-day** period following the announcement of the provisional grant awards for submission of comments and objections to the awards
- All projects must be completed by **September 30, 2023**

# CMIC Steering Committee

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

Programmatic support was provided under contract by Connected Nation - Michigan

# Timeline – Activity to Date

January 2019

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

February – June 2019

- Public comment period (mandate)
- Scoring Criteria published on the CMIC Grant webpage (mandate)
- Development of grant documentation
- Sample application and instructions published to provide additional time for applicants to prepare prior to the formal application window

July - August 2019

- 60-day application window (mandate)

September – December 2019

- Application review by the CMIC Steering Committee
- Two rounds of supplemental documentation requests were required

January – February 2020

- Initial grant recommendations drafted by the Steering Committee
- Executive review and approval

March 2020

- Confidential notification sent to grant award recipients
- Provisional grant award announcement scheduled for March 30<sup>th</sup>

April – May 2020

- Program on hold due to COVID-19 emergency response

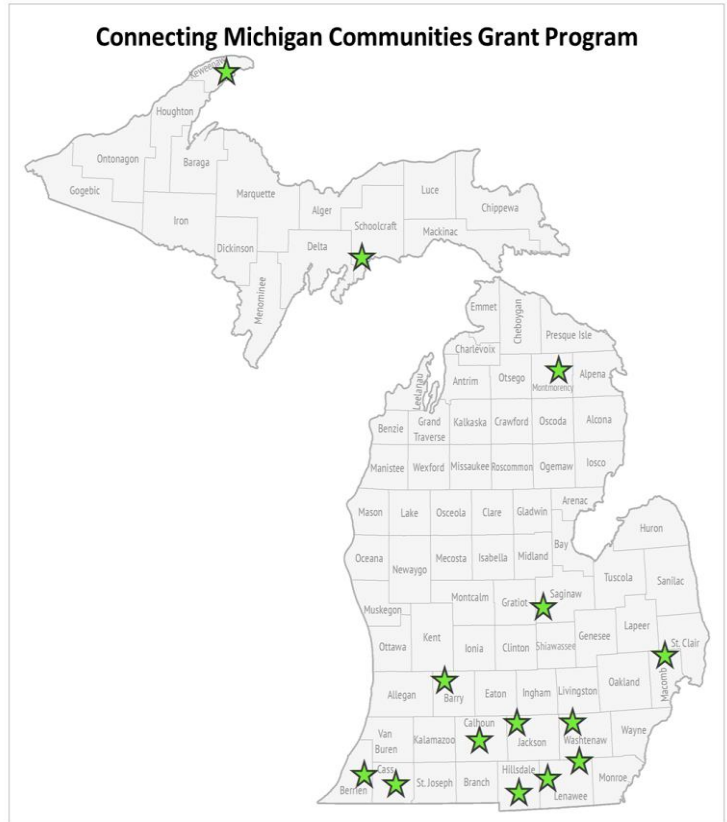


# CMIC Fast Facts

- **38** applications amounting to **\$60M** in total project costs and **\$45.6M** in grant funding requests were submitted
- **14** applications from **7** different companies were selected
- More than **15,100** locations are estimated to be connected by the recommended projects
- The recommended projects are estimated to generate between **\$22-\$33M** in annual economic benefits to consumers

# Provisional Grant Awards

APPLICANT	PROJECT NAME	PROJECT COST	GRANT REQUEST	GRANT AWARD
ACD	Barry County FiberNet	\$ 7,800,000	\$ 4,950,000	\$ 4,950,000
Baraga Telephone Company	Southern Keweenaw Project	\$ 4,778,983	\$ 4,253,295	\$ 149,393 <sup>1</sup>
LakeNet	Brant Fiber Project	\$ 1,372,537	\$ 959,873	\$ 959,873
Comcast	Comcast Armada Twp	\$ 3,394,420	\$ 3,034,206	\$ 3,034,206
Marq6 Broadband	Delta and Schoolcraft County Broadband	\$ 1,217,823	\$ 1,082,823	\$ 1,082,823
Mercury Wireless	Mercury Connects Hillsdale Lenawee	\$ 1,280,000	\$ 960,000	\$ 960,000
Mercury Wireless	Mercury Connects Lenawee, Monroe, and Washtenaw	\$ 1,400,000	\$ 1,050,000	\$ 1,050,000
Mercury Wireless	Mercury Connects Berrien and Cass	\$ 600,000	\$ 450,000	\$ 450,000
Mercury Wireless	Mercury Connects Calhoun	\$ 400,000	\$ 300,000	\$ 300,000
Mercury Wireless	Mercury Connects Calhoun, Eaton, Ingham, and Jackson	\$ 1,120,000	\$ 840,000	\$ 840,000
Mercury Wireless	Mercury Connects Cass and St Joseph	\$ 640,000	\$ 480,000	\$ 480,000
Mercury Wireless	Mercury Connects Hillsdale	\$ 440,000	\$ 330,000	\$ 330,000
Barger Creek Wireless	Connecting Communities in Montmorency and Oscoda Counties	\$ 4,401,301	\$ 3,233,618	\$ 1,499,500 <sup>2</sup>
Comcast	Comcast Dexter Twp	\$ 4,730,000	\$ 4,127,233	\$ 1,914,205 <sup>2</sup>
		<b>\$33,575,064</b>	<b>\$26,051,048</b>	<b>\$18,000,000</b>



<sup>[1]</sup> A significant portion of the application represents an area that has received CAF funds and the recommended grant award was adjusted proportionate to the number of household in the proposed service area.

<sup>[2]</sup> Applicants received identical total scores. A partial grant award is recommended based on an equal proration of the balance of available funding. Additional funding, up to the full grant request, is recommended if funding is released through the Comment and Objection process.

# Next Steps - Comment and Objection Process

- **60-day** period following the announcement of the provisional grant awards **May 27<sup>th</sup> – July 27<sup>th</sup>, 2020**
- Anyone can file a comment or objection
- Narrative comments can be filed in opposition to or in support of a particular grant recommendation
- Comments and objections will be thoroughly vetted before final grant awards are approved

# Next Steps - Comment and Objection Process

- Objections can be submitted for the following reasons:
  - The proposed project includes an area that is already being served by at least one internet service provider offering service at 10/1
  - The proposed grant project includes an area where the construction of a network to provide broadband service is to be completed no later than three years after the date of an application
  - The grant project includes an area that has been selected to receive, provisionally or otherwise, Connect America funds from the Federal Communications Commission
- Instructions, submission form, and FAQs are published on the CMIC webpage: [www.Michigan.gov/CMICGrant](http://www.Michigan.gov/CMICGrant)

# Timeline – Moving Forward

May – July 2020

- Provisional grant awards published May 27th
- 60-day comment and objection period (mandate)

August 2020

- Validate comment and objection submissions
- Final grant award recommendations drafted by the Steering Committee

September 2020

- Executive review and approval
- Announcement of grant awards

September 2023

- Final date for completion of grant funded projects (mandate)

September 2028

- Five-year semi-annual reporting completed (mandate)

Please Direct Questions To:

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