

## ARKANSAS STATE BROADBAND MANAGER'S REPORT

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## HANDOUT 3



# What is Broadband?



Act 947 of 2009- “Broadband” means any service used to provide Internet access at a minimum speed that is the greater of (A) 768 kbps in at least one direction; or (B) The minimum speed for broadband as defined by regulations of the FCC as of January 1, 2009, or as of a later date if adopted by rule of the Arkansas Broadband Advisory Council



As part of its 2015 Broadband Progress Report, the FCC voted to change the definition of broadband by raising the minimum download speeds needed from 4Mbps to 25Mbps, and the minimum upload speed from 1Mbps to 3Mbps.

# Broadband Speeds in Arkansas



Minimum  
download  
speed=25Mbps

Percentage of population with access to download speeds > 25Mbps

Wireline



58.5%

85.3%

Download > 10Mbps	81.4%	92.9%
Download > 6Mbps	85.7%	94.2%
Download > 3Mbps	89.1%	95.4%

# Broadband Speeds in Arkansas

Percentage of population with access to minimum upload speeds = 3Mbps

FC

Minimum upload  
speed = 3Mbps

Wireline



48.9%

86.0%

Upload > 1.5Mbps

67.4%

90.7%

Upload > 768kbps

88.4%

95.1%



# Broadband Speeds in Arkansas



Minimum  
download  
speed=25Mbps

Percentage of population with access to download speeds > 25Mbps

Wireless



0.0%

14.0%

Download > 10Mbps	98.0%	98.2%
Download > 6Mbps	98.0%	98.5%
Download > 3Mbps	99.7%	99.3%

# Broadband Speeds in Arkansas

Percentage of population with access to minimum upload speeds = 3Mbps

FC

Minimum upload  
speed = 3Mbps

Wireless



98.0%

98.3%

Upload > 1.5Mbps

99.7%

99.3%

Upload > 768kbps

99.7%

99.4%



Minimum  
download  
speed=25Mbps

## Download Broadband Speed Test (Mbps)

Location	Cumulative Tests	Median Speed
Home	4,373	4.8Mbps
Schools, libraries, community centers	100	7.6Mbps
Medium/large business	157	10.1Mbps
Small business	312	4.2Mbps
Mobile	16,244	2.0Mbps



## Upload Broadband Speed Test (Mbps)

Minimum upload  
speed =3Mbps

Location	Cumulative Tests	Median Speed
Home	4,373	0.7Mbps
Schools, libraries, community centers	100	7.2Mbps
Medium/large business	157	6.3Mbps
Small business	312	1.0Mbps
Mobile	16,244	0.7Mbps





# Broadband Access Arkansas/Nation

## Arkansans & Americans Without Access to FCC-Defined Broadband



Minimum  
download  
speed=25Mbps

Minimum  
upload speed  
=3Mbps

		
All Areas	59.0%	17.0%
Urban Areas	39.0%	8.0%
Rural Areas	84.0%	53.0%

[https://apps.fcc.gov/edocs\\_public/attachmatch/FCC-15-10A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/FCC-15-10A1.pdf)

# Provider Barriers to Broadband Expansion

	2014 Survey	2013 Survey
Expected Costs Exceed Projected Revenue	44.8%	55.9%
Limited Opportunities to Expand	20.7%	26.5%
State of the Economy	17.2%	23.5%
Regulatory Issues	13.8%	26.5%

Other Reasons Cited: Pole attachment fees

# Provider Reasons for Inability to Provide Broadband Service to Certain Areas

	2014 Survey	2013 Survey
Cost of Infrastructure	69.0%	31.8%
Terrain	56.0%	27.2%
Lack of customer base/potential subscribers	44.0%	15.9%
Access to poles or attachment fees	44.0%	13.6%
Lack of rights of way	19.0%	4.5%

# Provider Suggestions for Broadband Expansion

1. Plow fiber optic cable to a central area, set a broadband loop carrier system, then connect existing copper loops to it
2. Wireless technology
3. Adopt/maintain pro-growth policies that encourage broadband expansion by:
  - Streamlining local govt. approval process that restricts/delays the placement of wireline facilities in the right-of-way as well as building/augmenting wireless facilities
  - Maintain long-standing policy implementing reasonable restrictions on government-owned networks that discourage private investment (ACA 23-17-409)
  - Reform current tax structure which burdens providers and customers with additional property tax, franchise and other taxes/fees not assessed on any other business in Arkansas



# Provider Suggestions for Broadband Expansion

4. Pole attachments at a reasonable rates allowing the creation of smaller cells to reach difficult to serve households.
5. Ensure that government funding is not used to allow overbuild of existing networks
6. Fiber to tower to customer
7. Allow access to city water department towers to mount equipment in exchange for free broadband access to the city
8. Use existing Arkansas Extension of Facilities fund for broadband
9. Government grants to expand into rural areas of service footprint

## 10. State should focus upon:

- High cost areas where it is economically unfeasible for a broadband provider to offer robust services at reasonable rates
- Inability of end users to purchase available broadband due to affordability concerns
- Rights-of-way fees/restrictions that inhibit broadband deployment

## Suddenlink to Invest \$29M in Arkansas This Year

March 2014

Suddenlink Communications expects to make approximately \$232 million in capital investments this year in **Arkansas**, Louisiana, North Carolina and Texas. Suddenlink will invest \$29 million in Arkansas this year, for a total of \$200 million since 2006. Suddenlink said the company wasn't providing any additional details on how the investments in the four states would be used.

# Broadband Investments in Arkansas

July 2014

Windstream had three broadband initiatives underway.

1. The company network improvement initiative that enhanced broadband services in 26 Arkansas communities.
2. Network upgrades partly financed by U.S. Agriculture's Rural Utility Service Grants to expand broadband access in 13 rural Arkansas communities.
3. Projects financed by the Federal Communication Commission's Connect America Fund (CAF-I R2). As of this report, Windstream expects the current slate of CAF-I R2 projects to impact over 39 exchanges.



## **\*\*USDA Announces Funding for Rural Broadband and Telecommunications Infrastructure**

WASHINGTON, Oct. 22, 2014 – Agriculture Secretary Tom Vilsack today announced \$190.5 million in grants and loans to make broadband and other advanced communications infrastructure improvements in rural areas.

### **USDA Telecommunications Loans – October 22, 2014**

<b>Telecommunications Infrastructure Loans</b>			
<b>State</b>	<b>Recipient</b>	<b>Amount</b>	<b>Purpose</b>
AR	Arkwest Communications, Inc.	\$24,015,000	To establish a fiber-to-the-home network that will provide nearly 4,000 customers with voice, broadband and internet television services, and make other system improvements.

## **Pinnacle pushes Arkansas' only broad 1 gigabit Internet service**

October 2014

Through what have been more than \$6.55 million in investments that began in 2006, Pinnacle Communications is now offering one gigabit Internet service to its about 1,000 customers in and around Lavaca. It's the only exchange in Arkansas to offer the speed to all customers.



December 2014

As part of its continuing network investment and ongoing 4G LTE rollout, AT&T has recently activated new mobile Internet cell sites in Hot Springs Village, El Dorado, Pine Bluff, Helena – West Helena, Mayflower / Maumelle area, and Batesville.

## Comcast Increases Internet Speeds

July 2015

Comcast Corp. announced:

- An increase in the speed of its Blast! tier to 75 Mbps in central Arkansas
- It will also introduce the new Extreme 150 Mbps speed tier to support the increasing number of Internet connected devices in the home
- The company is also testing DOCSIS 3.1, what it calls a scalable, national, next-generation 1 Gbps technology solution, and expects to begin rolling it out in early 2016



## AT&T, CenturyLink Receive Federal Funding To Expand Arkansas Broadband Networks

September 2015

The Federal Communications Commission (FCC) recently announced that telecom carriers in Arkansas will receive more than \$54 million from the Connect America Fund to provide broadband services in rural and remote areas of the state with little or no high-speed Internet access.

## Arkansas Public School Computer Network

\$13 million annual investment by the state/ADE for the upgraded APSCN

22 telecommunications providers awarded bids

Bandwidth will be 200 Kbps per user/all fiber infrastructure

Upgrade will impact 274 public schools, charter schools and education service cooperatives

Establishes state as anchor tenant in more rural areas. Can help facilitate further expansion into local business community & private residences

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