



GPS::45::93
YOUR POINT OF OPPORTUNITY.

Broadband Initiative

Promoting Economic Development in
East Central Minnesota

GPS 45::93 Presenters

- Doyle Jelsing –
 - Kanabec County EDA Chair
 - President, Neighborhood Bank
- Robert Musgrove –
 - Pine County Economic Development Coordinator
 - Former President Pine Technical and Community College
- Nancy Hoffman –
 - Executive Director, Chisago County HRA-EDA

Regional Commonalities

- There is more need in Region 7E than in the metro for broadband investment
- High rates of poverty in northern counties
 - Minnesota – 10.2%
 - Pine County – 13.9%
 - Mille Lacs - 12.4%
 - Kanabec – 11.7%
- Workforce education is even more important

Regional Commonalities

- Large number of out-bound commuters
 - Region 7E is a net labor exporter: 59% commute out of the region
 - Telecommuting and job opportunities are needed
- Relatively low property tax base
 - Less capacity to provide match for fiber funding

Regional Commonalities

- High percentages of residents living outside of cable-served cities
 - Means a high percentage of population underserved
- The region is missing spillover development opportunities from MSP, Duluth and St. Cloud
 - Cannot participate without access for Health Care, Education, and Business



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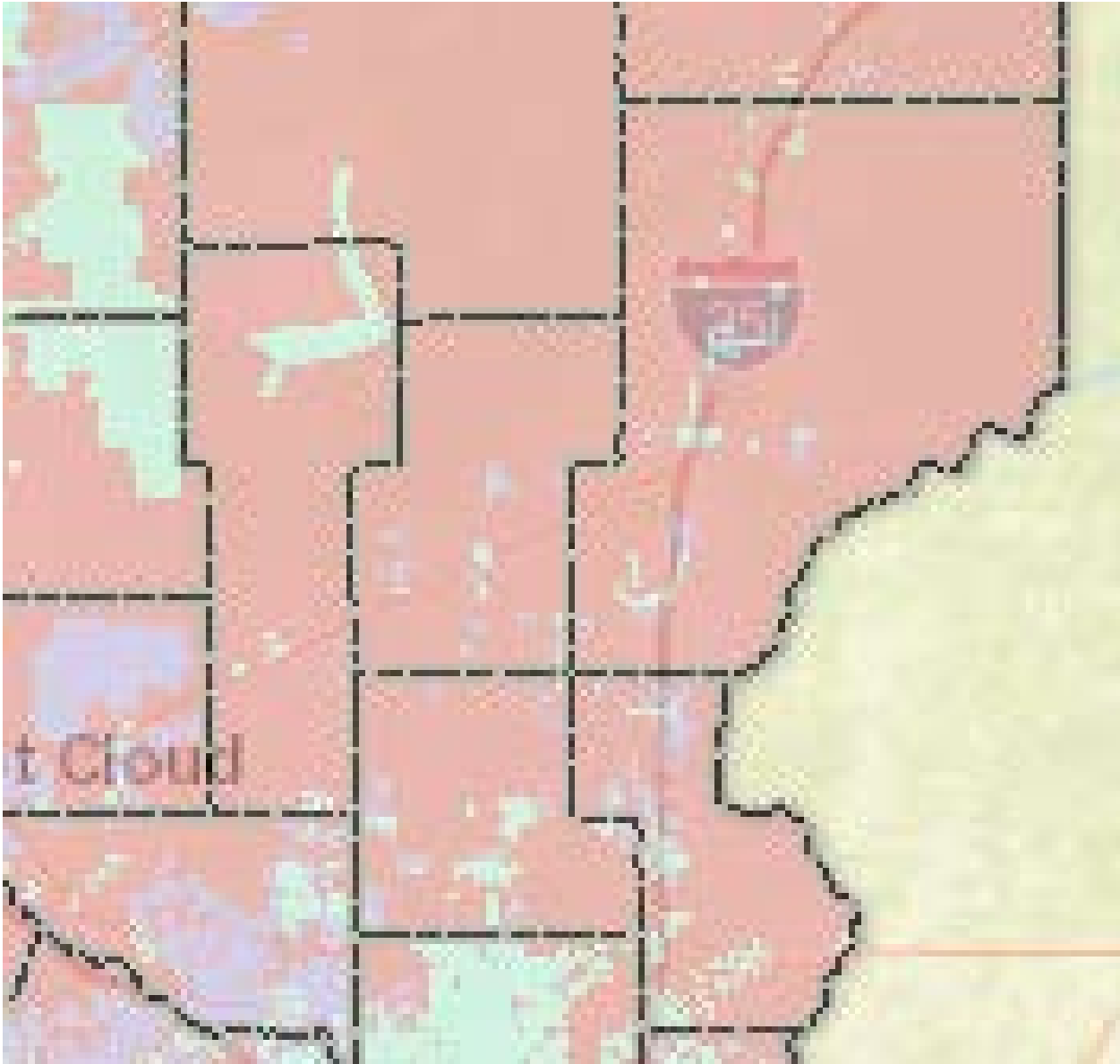
SHARED BROADBAND CHALLENGES

Broadband Availability

Source MNDEED

County Name	Households (2010)	Percent Broadband (1Gbps/1Gbps)	Percent <u>Wireline</u> Broadband (25Mbps/3Mbps)	Percent <u>Wireline</u> Broadband (100Mbps/20Mbps)
Chisago	19,470	0.00	65.15	62.32
Isanti	13,972	0.02	54.33	49.28
Kanabec	6,413	0.00	34.48	26.59
Mille Lacs	10,166	0.00	47.57	47.07
Pine	11,373	0.00	39.70	36.95
Rural MN		14.24	73.06	52.46
Minnesota		16.93	87.94	69.86

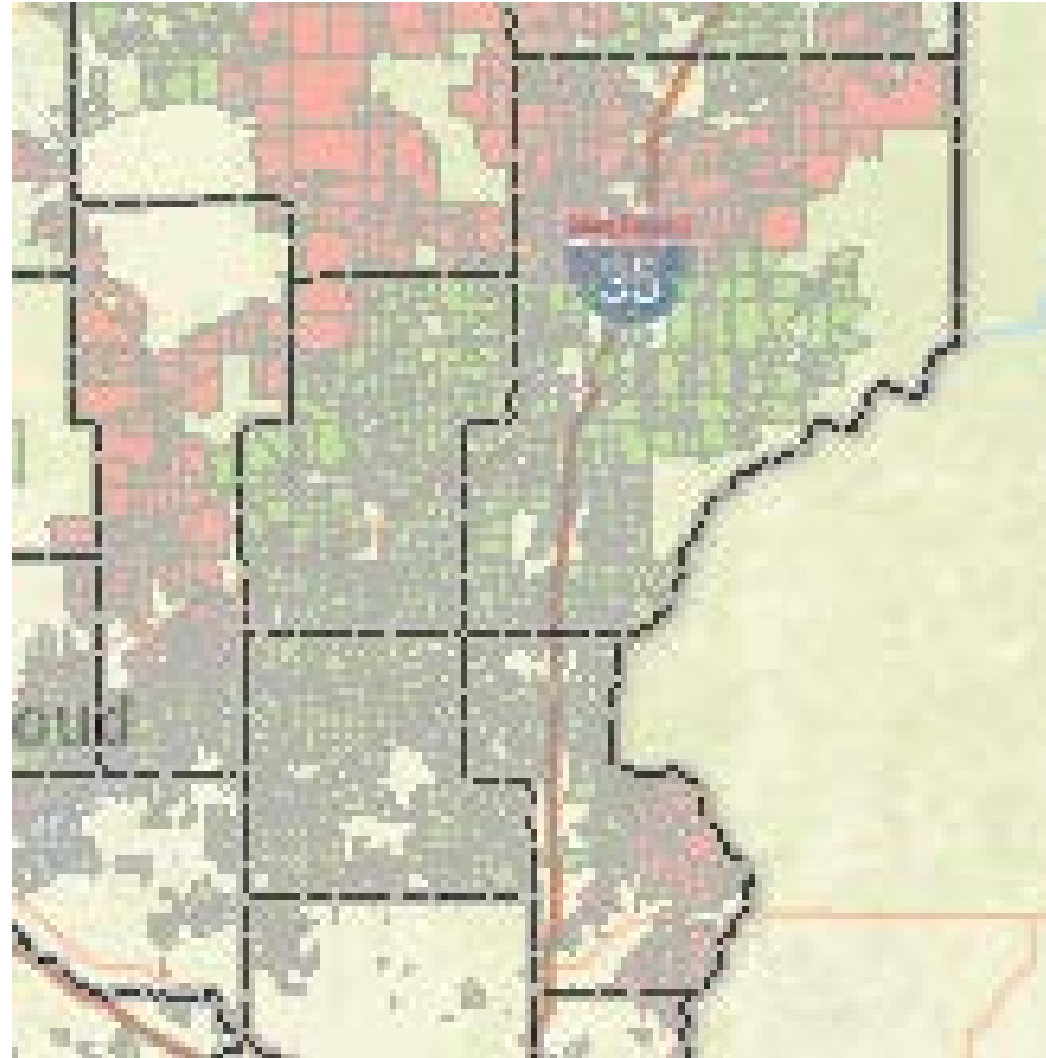
Border to Border Eligible (red)



CAF2 Eligible

☑ CAF Phase 2 Build-Out Commitments**

- CenturyLink
- Consolidated
- Frontier
- Windstream



Our Shared Challenges

- Huge digital divide gap between our towns with cable and the countryside
- CAF2 Uncertainties
 - Old DSL technology on old copper
 - Unknown deployment schedule
 - Not 100% coverage
 - Still leaves region un- and underserved
- Few prospective competitive provider options
- Few prospective partnership options
- Region generally not well-suited for wireless
- Poor access to competitive wholesale fiber

DEED B2B Challenges

- Only one successful B2B grant in three years affecting ½ of one township – Sunrise Twp.
- Communities/counties can't find provider partners
- Low density means 50% grant is not enough for very rural areas
- CAF2 uncertainty diminishes partner interest
- CAF2 locks the region into inferior service

Negative Impacts of Poor Broadband

- Survey data shows that lack of access prevents business startups.
 - download equals consumption, upload equals production
- Attraction and retention of growing companies
 - Sunrise and Braham manufacturer
- Telework opportunities are limited
 - Mora Tech Center

Negative Impacts of Poor Broadband

- Attraction of talented workforce
 - Cambridge hospital
- Access to higher education
 - Pine Tech
- Diminished K12 education
 - Gb at schools, nothing at home

We are getting left behind...

- Other even more rural regions have FTTH provider partners
- B2B, as structured, is not working for us
- Would state bonding with a regional Gb provider partner be a solution for our region and other poorly served regions?



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