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CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

Memorandum

DATE July 31, 2023
TO T.C. Broadnax
City Manager
SUBJECT **ARPA Broadband Initiative**

DALLAS DIGITAL DIVIDE

Even before COVID-19, the Dallas city council expressed a strong desire to address the Dallas digital divide. Councilmembers recognized some residents live without internet services or rely on spotty coverage using wi-fi or wi-fi hot spots to stay connected digitally. Life-changing technology that allows for email access, delivered groceries, online bill payments, shopping, as well as digital socialization for people who find it difficult to leave their home was missing for some. The pandemic brought an urgency that highlighted additional access needs like online education, virtual medical appointments, and remote work.

As part of the federal government's COVID-19 response, the City of Dallas received an extraordinary ARPA allocation of \$355 million. Of that, \$43 million was proposed by the City Manager to address the issue of the digital divide. Since then, the city council has learned the City of Dallas is one of the most digitally connected cities in Texas. The Texas Broadband Development Map shows nearly full coverage within the City of Dallas. According to their map, there are no residents who are unserved (defined as access to a connection with less than 25 download/3 upload Mbps) by a broadband provider within the city. However, a low adoption rate of accessing the internet persists in areas of poverty and in apartment complexes with exclusive agreements to specific providers.

LACK OF ADOPTION OF INTERNET ACCESS

Multiple reports have shown City of Dallas residents have not uniformly adopted internet access. The five main issues appear to be:

1. **Cost of monthly internet access.** Typical plans can vary based on speed, usage, and type of service, but generally cost \$25-\$85 per month. Discount plans are available through a list of partners associated with the FCC's Affordable Connectivity Program that provide internet service plans at \$0/month or \$5/month, depending on the plan and income of the resident. The plans are based on a federal voucher for \$30/month to subsidize plans. Many of the plans offer no upfront fees, no set up charges, no annual contract, no equipment charges, and no data caps. However, many residents are unaware of these programs, unable to complete the enrollment process, or unwilling to participate.
2. **Lack of computer hardware.** Residents may not have the financial capability to purchase needed hardware, may not prioritize spending for computer hardware due to a lack of familiarity or comfort with computers, or may perceive the combination of computer and internet access as too great of a financial burden to pursue.
3. **Lack of education and training using computers.** Segments of the population, especially seniors, have had limited exposure to how internet access can improve their life and little or no training in how to use a computer.
4. **Skepticism of computers and technology.** Reports of data breaches and online scams have scared some residents who were already reluctant to get connected. Providing

information to help residents address concerns about data protection and online safety are important.

5. **Exclusive internet service provider agreements at apartment complexes.** Federal law allows apartment owners to enter into an exclusive agreement with an internet service provider. These agreements may mean service is not priced competitively or the provider does not participate in the Affordable Connectivity Program for reduced cost programs.

ARPA FUNDS AND CITY STAFF PLANS

City staff has briefed the council twice on plans to utilize the ARPA \$43 million to build a middle mile network that is duplicative of fiber networks that already exist in the city. The city council has repeatedly questioned this use for once-in-a-lifetime funding and questioned staff's desire to proceed with this project as outlined. Concerns for the staff plan have centered around these key items:

1. The wisdom of building a redundant middle mile fiber network when it already exists.
2. A middle mile network will not connect any new residents to the internet.
3. City IT staff qualifications and workload capacity to maintain a fiber network.
4. Annual costs associated with maintenance and upgrades.
5. Wasting the opportunity to utilize the funds for other ARPA-approved activities.

It appears the staff goal is to build the proposed middle mile fiber network as a way to reduce future data costs for the city. It does not meet the city council's stated goal of helping residents gain digital access and proficiency. Representatives of the largest internet service providers in Dallas have repeatedly said they would work with the city to develop a competitive and favorable pricing system for municipal data usage of their fiber network as part of their corporate citizenship.

REDIRECTION

City staff should change course and stop pursuing a middle mile fiber network. A detailed accounting of dollars spent from the original \$43 million allocated to address the digital divide should be shared with councilmembers. Staff should meet with councilmembers to understand their ideas on how to address digital equity and participation, as well as proposed uses for excess funds. After input from the council, staff should propose a new plan and budget to connect residents by addressing the lack of adoption and potential uses of excess funding as allowed by ARPA guidelines.



Cara Mendelsohn
Council Member – District 12



Tennell Atkins
Mayor Pro Tem – District 8

c: Tammy Palomino, Interim City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
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Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

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