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Ohio Broadband Trends Executive Summary

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Executive Summary

This report is a retrospective analysis of several research tasks specifically regarding residential broadband Internet adoption and use in Ohio. It is also intended to provide prescriptive guidance for policymakers, as well as public and private investors, in broadband. The formal data collection period under review is 2008 through 2014 inclusive, while recognizing some earlier context and the developments that have continued in the time since.

Overall, the perception of need for residential broadband is increasing, despite the prevalence of smartphones. Availability of broadband services, the definition of which has constantly increased, is a near-universal 95% in Ohio, yet adoption by residential subscribers plateaued beginning in 2013 at 76%. Ohio ranks 42nd among reporting states in terms of broadband adoption at speeds of 25 Mbps downstream or greater; the United States Census Bureau rates Ohio 30th in terms of overall home broadband adoption. Further, survey results indicate that the coverage and quality of services provided in Appalachia Ohio substantially lag behind those in urban areas.

Since 2011, the federal government has declared broadband to be a “universal service.” Broadband is well on the path of replacing basic telephone service as the primary method of communication in the United States. As such, federal subsidies will now flow to both providers and subscribers of broadband service. This paper discusses how Ohio can take advantage of this sea-change in federal policy to better economic and social development.

Beyond broadband access, several aspects of Ohioans’ lives would benefit from the greater adoption and use of broadband-enabled technology. For instance, Ohio does not fare well in comparison to other states in terms of educational attainment, poverty, infant mortality, and cancer incidence. Improvements in outcomes can result from better engagement with appropriate institutions via broadband access.

Telecommunications is a unique industry with a distinct cost structure, endless cross-subsidies, and overlapping regulation. A competitive market will effectively resolve most product

availability and pricing issues, but a competitive market will not automatically address and realize the greater social benefits of increased broadband adoption and use in schools, by government, and among vulnerable, often-disconnected low-income communities. Addressing these social concerns and gaps requires affirmative public policy informed by sound data.

Ohio is fortunate to have a series of surveys conducted by Connect Ohio that reliably report broadband adoption and usage statewide. The results of these surveys at times diverge from respected national surveys such as the Pew Research Center's. Yet, Ohio's system of governance is based on local accountability. As such, federal broadband initiatives do not necessarily align with Ohio's needs, nor have sufficient accountability built-in.

The primary conclusion of this report is that a digital divide persists in Ohio, and although availability (albeit through wireless coverage) is near-universal, there has been a stubborn rate of non-adoption – most recently 24%. Having a lower household income, having less education, having a physical impairment, being older, and residing in Appalachia all correlate with not adopting broadband.

A general conclusion of this research is that broadband policy at the national level has mixed results, especially when compared to the investment made by private enterprise.

There is very little objective policy research, specifically survey work, done at the state level that can inform telecommunications policy. This is one motivation for Connect Ohio to continue its research activities, which include this report. National surveys such as Pew's lack enough samples to be actionable at the state level, which is why one thousand survey responses were needed annually. Authoritative analyses such as the recent Ohio Library Council's "return on investment" and the work products of the Federal Reserve Bank of Cleveland are rare but appreciated.

Connect Ohio's primary role, in addition to filling a "research gap," has been the neutral advocate for broadband adoption across the state. Analysis indicates that state broadband

initiatives that adopted the Connected Nation approach to outreach were more successful than those that focused merely on mapping or those that approached broadband through legislation or regulation. Connect Ohio has nurtured a substantial community of interest which has been useful for sharing information and pursuing projects—starting at the county stakeholder level.

One element of future work is to help providers fill in availability gaps, which may exist despite data sent by providers to the national broadband map project. The FCC recently made several small grants to providers to increase their broadband footprint in rural areas.

The more daunting challenge for Ohio's broadband leaders is adoption, which is arguably a less technical and more social charge than availability. Behind the goal of increased adoption are improvements to Ohio's economy and for Ohio's residents.

[The full report is available here.](#)