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Office of the Public Advocate Testimony in SUPPORT of LD 826 “An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet”

Chairman Dion, Chairman Woodsome and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate testifies in support of LD 826, An Act to Promote Maine’s Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-Speed Internet. Though it is only a concept draft, we believe that the bill correctly identifies the need for additional public investment in broadband infrastructure, and we believe that the ConnectME Authority is the appropriate entity to disburse those funds.

Since being appointed Public Advocate, I’ve done a lot of thinking and talking about Maine’s broadband needs. In part, this is personal—I’ve lived in parts of Maine where dialup was the only broadband option—but it’s also driven by the calls we receive from consumers. Until the FairPoint strike, most of the call our office received regarding telecommunications issues were from residents and small business owners who were unable to obtain broadband service that met their needs.

The ConnectME Authority is the entity charged with solving this problem, but the level of funding is woefully inadequate to the task.

- ConnectME estimates that approximately 7% of Maine homes, roughly 40,000 locations, do not have access to the previous state definition of broadband of 1.5 Mbps down.
- The current ConnectME surcharge of 0.25% of communications service providers' in-state revenues currently generates about \$1.1 million per year.
- For ConnectME's most recent grant round, the average grant request per location served was about \$750, but the average for those grant requests that didn't receive funding was about \$1500 per location.

Thus in rough numbers, at current funding levels, the ConnectME Authority would achieve its goal of making "broadband service . . . universally available in this state" in about 55 years. This to deliver a level of broadband service that the Authority recently concluded was outdated.

Since this is a concept draft, I want to identify some issues we would recommend the Committee think about as it considers this bill.

Equity. As the Committee thinks about increasing funding for ConnectME, I assume it will also give some consideration to where this funding will come from. The current surcharge applies to all "communications providers" in the state of Maine, with the notable exception of wireless providers. While the burden imposed by the ConnectME Fund is minimal (25 cents on a \$100 customer bill) we believe it should be borne equally by all communications customers, regardless of the technology they use to obtain service. Moreover, the exclusion of wireless providers has contributed to a decline in the annual revenue to the ConnectME Fund, as more and more customers move from fixed to mobile services.

Connecting Farms vs. Connecting Communities. One of the benefits of the ConnectME Authority's new definition of broadband is that it accurately describes Maine's broadband problem: it is not just a few streets that have been left behind, but whole communities, even whole counties. Our urban centers and some other isolated patches of the state (some the recipient of ConnectME grants) have access to broadband that meets modern needs, but the state's rural communities do not. I would urge this committee to think about how to encourage solutions that provide high speed connectivity not to a single street or one type of business, but to whole communities.

Strategic Public Investments. The bill's title references strategic public investments in high speed internet access, but as a concept draft, does not provide further definition. I would encourage the Committee to think about how we can make our public investments in broadband truly strategic. This probably involves using these public funds to take advantage of and leverage additional private investment, and spending them in service of a well-defined plan to build critical infrastructure that will last.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Timothy R. Schneider", written in a cursive style.

Timothy R. Schneider
Public Advocate