



Testimony to the Committee on Appropriations and Financial Affairs
in support of

LD 221, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2021, June 30, 2022 and June 30, 2023 - Sec. AA-1. 35-A MRSA §9211 – Extension of 10-Cent Surcharge for ConnectMaine Fund

24 February 2021
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Senator Breen, Representative Pierce, and Distinguished Members of the Taxation Committee:

My name is Amy Winston and I am the State Policy Director at Coastal Enterprises, Inc (CEI). I reside in Edgecomb and am testifying today on behalf of CEI in support of LD."

CEI is a 43-year-old Community Development Financial Institution (CDFI) with a mission of supporting good jobs, environmentally sustainable enterprises, and shared prosperity in Maine. We provide business advice and financing to approximately 2,000 entrepreneurs in Maine annually (3,000 in 2020), specializing in financing for small businesses, natural resource-based industries, and downtown community revitalization projects. As a founding member of the Maine Broadband Coalition, CEI strongly supports Sec. AA-1. 35-A MRSA §9211 in *LD 221*. *Here's why.*

This bill assures a steady source of funding for the ConnectMaine Authority by extending the surcharge of 10¢ imposed on January 1, 2020, for all communications service providers to collect per month on each line or number they serve. The revenue is dedicated for the ConnectMaine Fund.

All of us have seen the critical importance of broadband since the Covid-19 pandemic hit last year. The opportunity for many of us to function through telework, telehealth, and remote learning has been a lifeline and will likely remain in some form after the pandemic. It is hard to imagine what would have happened without it. And we know many communities and individuals in Maine, especially rural communities, still cannot access to reliable, affordable high-speed broadband because the infrastructure is not there and/or it is unaffordable.

Reliable, affordable broadband will become even more important after the pandemic is over. Our economy, including our public services, is increasingly becoming digitalized, requiring much higher broadband capacity. Broadband is not just desirable; it is an essential utility for all of Maine.

The surcharge is ConnectMaine's current revenue mechanism. ConnectMaine is the state's vehicle for broadband development. It needs a broad base of providers to pay the surcharge on each line or number that they serve in order for ConnectMaine to meet the growing demand for more and better broadband. This is equitable. Most people no longer have land lines and are relying on other types of communication that should pay their fair share for broadband. Much more funding is needed, but the surcharge is what the agency has now



and what it must rely on for core funding. From that base it can work to leverage much more state, federal and private investment to build out robust broadband infrastructure throughout the state.

We encourage the committee to pass LD 221 and fund the budget. A dedicated funding stream for ConnectMaine to invest in broadband, particularly in underserved communities, is essential for all of Maine and for Maine's economy in the 21st century.

Thank you for this opportunity to submit testimony on this important budget item.