



127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 1185

H.P. 818

House of Representatives, April 1, 2015

An Act To Establish the Municipal Gigabit Broadband Network Access Fund

Reference to the Committee on Energy, Utilities and Technology suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative HIGGINS of Dover-Foxcroft.
Cosponsored by Senator WOODSOME of York and
Representatives: BATTLE of South Portland, FREDETTE of Newport, GROHMAN of
Biddeford, LUCHINI of Ellsworth, O'CONNOR of Berwick, TIPPING-SPITZ of Orono,
Senators: DAVIS of Piscataquis, GRATWICK of Penobscot.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. 35-A MRSA §9217** is enacted to read:

4 **§9217. Municipal Gigabit Broadband Network Access Fund**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
6 following terms have the following meanings.

7 A. "Applicant" means a community, regional partnership or municipality that applies
8 for a grant under this section.

9 B. "Commissioner" means the Commissioner of Economic and Community
10 Development.

11 C. "Community" means a municipality with a population of at least 1,200 people, as
12 determined by the department in accordance with the United States Census data, or a
13 municipality that has received a waiver from this population requirement from the
14 department upon a determination that the municipality is in an unserved or
15 underserved area.

16 D. "Department" means the Department of Economic and Community Development.

17 E. "Fund" means the Municipal Gigabit Broadband Network Access Fund
18 established in this section.

19 F. "Regional partnership" means 2 or more municipalities that do not, on their own,
20 meet the requirements of paragraph C and have joined together with one or more
21 contiguous municipalities in the region to achieve the population requirements of
22 paragraph C.

23 **2. Fund established.** The Municipal Gigabit Broadband Network Access Fund is
24 established as a nonlapsing, revolving fund administered by the department for the
25 purposes of supporting the activities and projects of the department under this section.
26 All money in the fund must be continuously applied by the department to carry out this
27 section. The fund consists of money appropriated to it by the Legislature from the
28 General Fund, as well as any gifts, contributions, grants or bequests received from
29 federal, private or other sources.

30 **3. Purpose of the fund.** The fund is established to address the need in the State for
31 access to ultra high-speed broadband infrastructure that will enhance the State's
32 competitiveness in national and international economies. The fund must be used to
33 provide grants to communities, regional partnerships and municipalities to support
34 public-private partnerships to support a municipal gigabit fiber-optic broadband network
35 in their regions with the following goals:

36 A. Provide high-speed broadband access to attract, create and grow the State's
37 economy and market the products and services of businesses in the State in national
38 and international markets with ultra high-speed symmetric connectivity and address
39 challenges in geography;

1 B. Provide expanded health care services by facilitating access to telemedicine, as
2 defined in Title 24-A, section 4316, subsection 1, and state and local services for
3 senior citizens and persons with disabilities;

4 C. Expand educational opportunities for students across the State through virtual and
5 distance learning;

6 D. Facilitate broader access for the public to services provided by municipal and
7 county governments, including, but not limited to, law enforcement entities, the
8 judicial system and child, youth and family social services; and

9 E. Provide expanded residential services to support employment opportunities.

10 In order to facilitate the achievement of the goals and policies of this section, the
11 department, with assistance from the authority, shall establish and regularly update, after
12 opportunity for public comment and taking into consideration relevant federal policies, a
13 definition of "gigabit fiber-optic broadband network" and "ultra high-speed broadband
14 infrastructure."

15 **4. Implementation grants; maximum awards.** Beginning January 1, 2016, the
16 department is authorized to award implementation grants as follows.

17 A. The department shall award a minimum of 50 implementation grants to achieve
18 the goals described in subsection 3. The department may award additional
19 implementation grants if funding is available.

20 B. An implementation grant to an applicant may not exceed \$200,000 for each
21 eligible project selected for funding.

22 C. The department shall award at least 25 implementation grants to economically
23 disadvantaged communities based on criteria established by the department.

24 D. An implementation grant may be awarded only to an applicant that has
25 demonstrated to the satisfaction of the department that it has participated in a
26 planning grant process as described in subsections 5 and 6.

27 E. Municipalities selected for funding must be required to provide a 25% cash
28 match.

29 **5. Planning grants; requirements for applicants.** In order to assist applicants with
30 completion of the planning process necessary to achieve the goals of this section, the
31 department may award up to 50 planning grants of up to \$20,000 for community
32 applicants and up to \$25,000 for regional partnerships and municipalities, which require a
33 cash match. The department shall establish application requirements for planning grants
34 for community and regional applicants that require an applicant to demonstrate to the
35 satisfaction of the department participation with public and private institutions and local
36 businesses in the development of the grant process. Municipal applicants must provide
37 the department with the following information:

38 A. An economic development plan that identifies how the municipality will use ultra
39 high-speed broadband access to fulfill the economic goals of the municipality;

40 B. A written commitment to nondiscriminatory open access to the broadband
41 infrastructure by all parties involved in the grant;

1 C. A written summary of public forums used to gather information from the public in
2 establishing the goals for the grant that serve the goals of this section;

3 D. Information gathered from local public and private institutions that identifies how
4 the broadband services will expand access to state and local services identified under
5 subsection 3; and

6 E. A summary of input received from the business community to identify the
7 services that will be used in planning the implementation grant application.

8 **6. Cash match for planning grants; restrictions.** The cash match required from
9 the applicant for a planning grant under subsection 5 may consist of municipal
10 appropriations, private funds, funding from economic development entities and funding
11 from nonprofit entities. The cash match for planning grants may not consist of funds
12 provided by a vendor or private business that proposes to build, operate or provide retail
13 services using the gigabit fiber-optic broadband network.

14 **7. Technical assistance; contract for services.** The department shall provide
15 technical assistance to applicants that request assistance with the grant application
16 process. The department may contract for services to assist in the administration,
17 management and evaluation of the fund.

18 **8. Rules; application procedure.** The department shall adopt rules to implement
19 this section, including rules governing the application process for the fund. Rules
20 adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375,
21 subchapter 2-A.

22 **9. Report.** Beginning December 15, 2016, the authority shall provide an annual
23 report to the joint standing committee of the Legislature having jurisdiction over energy
24 and utility matters on the grants distributed from the fund and an analysis of the fund's
25 activities that have addressed the need for expansion of ultra high-speed broadband
26 access in the State.

27 **Sec. A-2. Department of Economic and Community Development to**
28 **establish timeline and standards for grants under the Municipal Gigabit**
29 **Broadband Network Access Fund.** By November 1, 2015, the Department of
30 Economic and Community Development shall establish standards for implementation of
31 the Municipal Gigabit Broadband Network Access Fund established in the Maine
32 Revised Statutes, Title 35-A, section 9217, including a process to identify how awards for
33 certification as a broadband-ready community can be made under the fund, a process for
34 providing technical assistance to applicants that are interested in applying for grants
35 under the fund, a process for providing for the installation of the broadband network, a
36 process for providing workshops in 6 regions of the State to assist applicants with the
37 certification and application process under the fund and a process for providing applicants
38 with assistance in the selection of a consultant, when necessary, to achieve the goals of
39 the fund and for requesting proposals for management of the broadband network once a
40 grant from the fund has been made.

41 **Sec. A-3. Public Utilities Commission directed to eliminate barriers to**
42 **implementation and expansion of ultra high-speed broadband infrastructure.**

1 By November 1, 2015, the Public Utilities Commission shall revise its utility pole
2 attachment rules in a manner that will support the goals of the Municipal Gigabit
3 Broadband Network Access Fund established in the Maine Revised Statutes, Title 35-A,
4 section 9217. The Public Utilities Commission shall review Title 35-A, chapter 7 and
5 determine if any statutory changes are necessary to ensure equitable access to utility poles
6 for all broadband providers in accordance with the goals of the Municipal Gigabit
7 Broadband Network Access Fund. The Public Utilities Commission shall provide a
8 report on its recommendations under this section to the Joint Standing Committee on
9 Energy, Utilities and Technology by February 15, 2016.

10 **Sec. A-4. ConnectME Authority to review its regulations to provide**
11 **support of broadband access.** The ConnectME Authority shall review all relevant
12 laws, rules and regulations related to high-speed broadband access in order to identify any
13 barriers that may impede the State's ability to effectively access any available federal,
14 state and private funding that supports the goals of expanded broadband access under the
15 Municipal Gigabit Broadband Network Access Fund established in the Maine Revised
16 Statutes, Title 35-A, section 9217. The ConnectME Authority shall report its findings
17 and recommendations to the Joint Standing Committee on Energy, Utilities and
18 Technology by January 15, 2016.

19 **Sec. A-5. Department of Economic and Community Development to**
20 **perform an evaluation of the Municipal Gigabit Broadband Network Access**
21 **Fund.** By January 1, 2017, the Department of Economic and Community Development
22 shall perform an evaluation of the effectiveness of the Municipal Gigabit Broadband
23 Network Access Fund established in the Maine Revised Statutes, Title 35-A, section
24 9217, using the following indicators: the effect the fund has had on the state and local
25 economy; the best practices and models for broadband expansion that have been
26 identified by the department; the effect of economic development activities on the
27 competitiveness of industry sectors in the State; any barriers to effective implementation
28 of potential federal and private funds to expand the network and identify any barriers to
29 implementation of the goals of the fund; the economic effect of each grant; and the
30 cumulative economic effect of the grants from the fund. The department may enter into a
31 contract with an independent entity to assist with the evaluation of the Municipal Gigabit
32 Broadband Network Access Fund under this section.

33 **PART B**

34 **Sec. B-1. Appropriations and allocations.** The following appropriations and
35 allocations are made.

36 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**

37 **Municipal Gigabit Broadband Network Access Fund N185**

38 Initiative: Provides one-time funds for Municipal Gigabit Broadband Network Access
39 Fund project administration.

1	GENERAL FUND	2015-16	2016-17
2	All Other	\$250,000	\$0
3			
4	GENERAL FUND TOTAL	<u>\$250,000</u>	<u>\$0</u>

5 **Municipal Gigabit Broadband Network Access Fund N185**

6 Initiative: Provides one-time funds for outside consultant services.

7	GENERAL FUND	2015-16	2016-17
8	All Other	\$750,000	\$0
9			
10	GENERAL FUND TOTAL	<u>\$750,000</u>	<u>\$0</u>

11 **Municipal Gigabit Broadband Network Access Fund N185**

12 Initiative: Provides one-time funds for planning and implementation grants to
 13 communities and municipalities to support public-private partnerships to establish a
 14 municipal gigabit fiber-optic broadband network in their regions.

15	GENERAL FUND	2015-16	2016-17
16	All Other	\$11,000,000	\$0
17			
18	GENERAL FUND TOTAL	<u>\$11,000,000</u>	<u>\$0</u>

19 **Municipal Gigabit Broadband Network Access Fund N185**

20 Initiative: Provides one-time funds for the evaluation of the fund.

21	GENERAL FUND	2015-16	2016-17
22	All Other	\$500,000	\$0
23			
24	GENERAL FUND TOTAL	<u>\$500,000</u>	<u>\$0</u>

25 **ECONOMIC AND COMMUNITY**
 26 **DEVELOPMENT, DEPARTMENT OF**
 27 **DEPARTMENT TOTALS**

28		2015-16	2016-17
29	GENERAL FUND	\$12,500,000	\$0
30			
31	DEPARTMENT TOTAL - ALL FUNDS	<u>\$12,500,000</u>	<u>\$0</u>

1
2
3
4
5
6
7
8

SUMMARY

This bill establishes the Municipal Gigabit Broadband Network Access Fund within the Department of Economic and Community Development to increase access across the State to ultra high-speed broadband infrastructure that will enhance the State's competitiveness in national and international economies. The bill establishes funding for the department to award planning and implementation grants to communities and municipalities in order to support public-private partnerships that will establish a municipal gigabit fiber-optic broadband network in their regions.