

Maine Broadband Coalition

Testimony in Support of LD 1096: An Act To Allow Municipalities That Have Financed Fiber-Optic Broadband Infrastructure To Use Loans Or Grants To Repay Associated Debt

April 2, 2025

Senator Lawrence, Representative Sachs, and members of the Committee on Energy, Utilities and Technology, my name is Joe Oliva, and I offer this testimony on behalf of the Maine Broadband Coalition in support of LD 1096, An Act To Allow Municipalities That Have Financed Fiber-Optic Broadband Infrastructure To Use Loans Or Grants To Repay Associated Debt.

The Maine Broadband Coalition represents a wide range of perspectives in Maine's broadband landscape but is fundamentally concerned with giving voice to internet users across the state to secure universal, affordable, and equitable access to broadband connectivity that serves both current and future needs.

As such, our support of LD 1096 is predicated on our support for municipally-owned broadband infrastructure projects. For context, municipally-owned projects emerged in rural communities around the state as a response to the failures of a market-based approach for building broadband networks. These networks exist in towns like Calais and Baileyville because rural communities understood that their only chance at having high-speed internet was to take responsibility into their own hands.

When these early municipal projects were being planned and constructed they did not have the resources that are available today. Federal funding programs like BEAD, the \$270+ million federal program that will connect tens of thousands of un-served and underserved households, was a far-off dream. As a result of a successful ballot initiative, state funding through the ConnectMaine Authority was some of the only public funding available at that time, and it was in high demand.

The Municipal Gigabit Fund was established as a mechanism to help municipalities build networks. Broadening its capability to support communities burdened by debts incurred from construction and maintenance of these networks is an affirmation of earlier efforts to close the digital divide in places that were left behind by the market-based approach to providing service.

However, it's worth noting that most federal funding – including BEAD – is not permitted to be used in this manner. While this bill would allow for allocation of this type of funding, it's unclear where the funding itself would come from. When the Gigabit Fund was created it was done so without a sustainable source of funding and hasn't yet been used.

The Coalition applauds efforts to help communities who were proactive about bringing world class broadband connections to their towns. One critical next step would be to determine how the Municipal Gigabit Fund would be activated. We are willing to assist the committee in any way that is helpful.