

April 2, 2025

Neither For Nor Against

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities, and Technology,

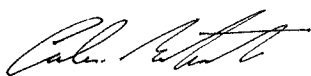
My name is Andrew Butcher, and I serve as President of the Maine Connectivity Authority (MCA), Maine's agency to plan, develop, invest in, and sustain Maine's connectivity efforts. Today, I testify neither for nor against LD 1096, An Act to Allow Municipalities That Have Financed Fiber Optic Broadband Infrastructure to Use Loans or Grants to Repay Associated Debt. My goal is to provide clarity on several issues addressed by this bill to further inform consideration of this measure and the mechanism of the The Municipal Gigabit Broadband Network Access Fund (the Fund).

As proposed, LD 1096 would provide an option to municipalities that have taken out debt for the construction of broadband networks owned by municipal entities. These communities are not able to use the substantial amounts of federal funding currently being invested in broadband infrastructure in Maine to cover this debt service, as that is not an allowable use of either the Capital Projects Fund or Bipartisan Infrastructure Law funding that MCA administers on behalf of the State of Maine. Further, our primary mandate for these funds has been to ensure that those without access to infrastructure and services are able to get them.

As outlined in Statute, the Fund is a revolving fund designed to support public-private partnerships for municipal gigabit networks. It aims to enhance high-speed broadband access, expand telehealth, improve educational opportunities, facilitate access to government services, and provide grant matching for municipalities. MCA can receive federal funds, bond proceeds, and private donations for use in the Fund. To date the Fund has not been capitalized and there is no identified sustainable funding source. Existing Federal and state funds cannot be utilized for these purposes due to specific requirements of those sources. Without designation of an eligible source of funding it is not possible to meet the goals of LD 1096 as the bill is written.

The bill also proposes the use of funds for the repayment of debt incurred by a municipal entity when administering a grant or award for the development or construction of municipally owned broadband infrastructure. MCA has no prohibition on using funding in this way if the original funding source allows it. When or if funding is available in the Fund, MCA would consider this identified need in program development in the broader context of the State's connectivity needs and statutory objectives.

Thank you for your consideration and attention to this issue. The Maine Connectivity Authority will be available for the work session.



Andrew Butcher
President, Maine Connectivity Authority