

**An Act To Create Needed Broadband Infrastructure in Rural Maine through the
Establishment of a **Satellite-based Residential** Broadband Grant Program**

Amend the bill as follows:

Sec. 1. 35-A MRSA §9219 is enacted to read:

§9219. **Satellite-based Residential broadband grants**

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

A. "Applicant" means an individual that applies for a grant under this section.

B. "Fund" means the **Satellite-based Residential** Broadband Grant Fund established in subsection 2.

~~C. "Satellite-based provider" means a broadband service provider that provides Internet access directly to consumers using satellite technology.~~

C. "Inadequately served area" means an area that has no Internet service available or service less than 25 megabits per second download speed and 3 megabits per second upload speed.

2. Fund established. The **Satellite-based Residential** Broadband Grant Fund is established as a nonlapsing fund administered by the commission to provide grants to applicants in accordance with the purposes in subsection 3. All money in the fund must be continuously applied by the commission to carry out this section. The commission may receive and deposit in the fund funds from the following sources:

A. Federal funds and awards that may be used for the purposes of this section; and

B. Any other funds from public or private sources received in support of the purposes for which the fund is established.

3. Purpose of fund. The fund is established to address the need in the State for access to broadband services, particularly in the **unserved or underserved inadequately served** areas of the State, by providing grants to eligible applicants for installation and other advance costs associated with the acquisition of broadband access from a **satellite-based broadband** provider. To the extent funds are available, the fund must be used to provide grants to applicants meeting the requirements of subsection 4 and in accordance with the award criteria in subsection 5.

4. Grant requirements. An applicant for a grant under this section must submit an application to the commission on a form prepared and made available by the commission. The commission shall establish application requirements for grants under this section, which must include, but are not limited to:

A. A requirement that grants be awarded only to individuals applying on behalf of a residential household and that grants may not be awarded to business entities;

B. A requirement that an applicant may not have previously received a grant under the program;

C. A requirement that an applicant provide information regarding the **location of the residential household to acquire broadband access and the satellite-based broadband provider** from which the applicant intends to acquire broadband access;

D. A requirement that an applicant provide documentation of the installation and other advance costs required by the **satellite-based broadband** provider for the applicant to initially acquire broadband access; **and**

E. A prohibition on the awarding of grants for broadband access costs not described in paragraph D, such as monthly service charges.; **and**

~~F. A prohibition on the awarding of grants for broadband access costs associated with broadband providers that are not satellite-based providers.~~

5. Awarding of grants; additional criteria. To the extent funds are available and in accordance with this subsection, the commission shall award grants to applicants that have provided the required information under subsection 4 and meet any other eligibility criteria established by the commission.

A. The maximum amount of a grant that may be awarded to an applicant is \$500.

B. The commission may not award more than one grant under this section to the same residential household.

C. The commission shall prioritize the awarding of grants to applicants located in **unserved or underserved inadequately served** areas of the State.

6. Collaboration with ConnectMaine Authority; technical assistance. At the request of the commission, the authority shall provide to the commission all information and assistance necessary for the administration of this section. The commission may provide technical assistance to applicants who request assistance with the grant application process under this section.

7. Rules; application procedure. The commission may adopt rules to implement this section, including rules governing the application process for grants under this section. Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC UTILITIES COMMISSION

Satellite-based Residential Broadband Grant Fund N354

Initiative: Provides a one-time appropriation to be used for grants for broadband access costs for **satellite-based residential** broadband services in accordance with the Maine Revised Statutes, Title 35-A, section 9219.

GENERAL FUND	2021-22	2022-23
All Other	\$0	\$1,000,000
GENERAL FUND TOTAL	<u>\$0</u>	<u>\$1,000,000</u>

SUMMARY

This amendment changes the grant program established by the bill. As originally drafted, the bill would provide grants for satellite-based broadband. The amended bill allows for grants for residential broadband access without reference to a specific technology. The grant program is to be developed and administered by the Public Utilities Commission to provide grants of up to \$500 to individuals for installation costs and other advance costs associated with the initial acquisition of broadband access from a broadband provider. Under the program, grant priority is to be given to applicants from inadequately served areas of the State. The amended bill defines an “inadequately served area” for the purposes of the section. This grant program is capitalized under the bill through a one-time General Fund appropriation of \$1,000,000.

OFFICE OF POLICY AND LEGAL ANALYSIS

Date: March 3, 2022
 To: Joint Standing Committee on Energy, Utilities and Technology
 From: Lindsay J. Laxon, Legislative Analyst
 Re: **LD 1107 An Act To Create Needed Broadband Infrastructure in Rural Maine through the Establishment of a Satellite-based Broadband Grant Program**

Public Hearing: April 6, 2021

Summary

This bill establishes a broadband grant program, administered by the Public Utilities Commission, to provide grants of up to \$500 to individuals for installation costs and other advance costs associated with the initial acquisition of broadband access from a satellite-based broadband provider. Under the program, grant priority is given to applicants from unserved or underserved areas of the State. The ConnectMaine Authority is required to assist the PUC by providing information and assistance as needed, and the PUC may adopt routine technical rules to implement the program.

List of People that Submitted Written Testimony and/or Spoke at the Hearing

Proponents: Senator Stewart (sponsor)
Opponents: Andrew Butcher (Maine Broadband Coalition), Benjamin Sanborn (Telecommunications Assn of Maine), Peggy Schaffer (ConnectMaine Authority)
NFNA: Barry Hobbins (Public Advocate)

In support:

- Bill would broaden broadband access for unserved and underserved
- Satellite is less costly than fiber and satellite technology is developing

In opposition:

- Bill does not include means testing and does not prioritize unserved areas
- Satellite based internet providers may not meet "broadband" definition and some technology is still in development/not commercially available

Notes/Issues from Testimony

- Unclear if Public Utilities Commission has the means to process these applications and distribute funds to individuals
- Question whether subsidy would be available for ongoing leasing fees for equipment or just upfront costs

Fiscal Impact

- This grant program is capitalized under the bill through a one-time General Fund appropriation of \$1,000,000.