



**Testimony of the Island Institute in Support of LD 1432, An Act to Update the Municipal Gigabit Broadband Network Access Fund  
April 27th, 2021**

Senator Lawrence, Representative Berry, and members of the Energy, Utilities, and Technology Committee, my name is Nick Battista, and I am offering this testimony on behalf of the Island Institute in support of LD 1432. The Island Institute is a member of the Maine Broadband Coalition, and I also serve as the Chair of the ConnectMaine Authority.

The Island Institute is a 38-year-old nonprofit organization based in Rockland, Maine. We work to sustain Maine's island and coastal communities and are committed to a just, resilient, and vibrant future for the coast of Maine. We work in partnership with courageous leaders to support resilient communities and confront a changing world. The Island Institute's community development work focuses on: the marine economy, climate and energy pilots, small business, education, and leadership. Broadband is foundational to all of this work, and all Mainers need to have the ability to use high-speed, reliable internet.

The Island Institute fully supports a strong and active statewide broadband authority. A strong Authority and robust funding for broadband infrastructure have been organizational priorities. After working with over 80 communities that are seeking improvements to internet access, we know that different approaches work for different communities. The State needs various tools that effectively deploy different types of funding and support different kinds of projects. One approach or one method of funding will not solve the problem.

More communities in Maine are considering municipally-owned networks or municipal funding to support a private sector partner's network expansion. Moving an idea through to a town vote can take years to come to fruition. Many communities embark on this process in order to secure access to something they view as critical to their future. Sometimes there is a great private sector partner who is ready and willing to work with the community to meet their needs. Sometimes there is a close match, and that often works too. Other times, communities struggle to work with the private sector and find the right partner.

Communities that spend years and significant volunteer capacity to bring a broadband solution to fruition do so because they see it as the only pathway forward that meets their needs. These needs are expressed in different ways, but often include an element of cost and affordability of their existing internet service, a long-term commitment to solving this problem for their community and everyone in the community, and a desire to have control over the solution. While this may come across as the need for a particular speed or kind of technology, they often represent the product of significant community conversation about balancing capital expenses

now, with ongoing costs to residents, with the likelihood of needing to revisit substantial funding for this problem in the next decade.

As the committee is well aware, in many of Maine's smallest towns, seeking funding through the town meeting process can be difficult. Seeking funding for a project on the scale of the annual municipal budget, or even greater, is incredibly challenging. Yet many small Maine towns are taking this leap and financially supporting these projects.

The Municipal Gigabit Fund is an already established structure that recognizes these efforts and the fact that there is value in having the State support them. The Fund exists in ConnectMaine's statute as a policy tool that the Legislature has recognized the need for the State to have but is effectively a non-existent tool. LD 1432 proposes to make the Fund's structure more functional and allow for policy decisions about the allocation of funding to occur in the appropriate venues.

A restructured Gigabit Fund contributes to the set of tools that ConnectMaine has in its "all of the above" approach to broadband solutions. The restructured Fund could allow ConnectMaine to seek alternate sources of funding that are more focused on supporting publicly-owned infrastructure as well as provide the Legislature with the ability to make policy decisions about whether to appropriate or bond for funds to serve this purpose.

A couple of significant changes to the Gigabit Fund make it more implementable:

- Limits the eligible applicants to municipalities or groups of municipalities
- Sets a build-to standard for these public funds of at least 1Gbs
- Allows the Fund to support projects at the scale of the project rather than an arbitrary limit by striking the maximum grant amount
- Limits ConnectMaine funding to no more than 50% of the total project cost

LD 1432 recognizes the tension between the unregulated nature of internet service and the need to avoid policies that result in de facto monopolies. LD 1432 limits funding to only those places where one internet service provider provides a symmetrical connection or to open access networks where competition can occur between multiple providers.

This is a change from current policy that limits State funding to places where no providers meet the minimum service criteria and raises important policy questions about the roles of private and public investment in bridging the digital divide. There may well be places where the number of potential customers is insufficient to support multiple networks. However, because internet infrastructure is placed-based infrastructure, these conversations should occur in the context of specific places, with specific network details, and with an eye towards ensuring a long-term solution to the connectivity challenges in that area, rather than through broad statewide policy.

Finally, LD 1432 helps recognize that there may be significant policy differences inherent in providing a grant to a municipality and a subsidy to a private company. Ensuring the State receives appropriate value or return on its investment may require looking closely at these differences and assessing whether it is sensible to use a similar funding mechanism or if a separate fund is needed.

The Island Institute urges you to give serious consideration to reformatting the Gigabit Fund.