

**Statement of the Midcoast Internet Coalition Supporting
L.D. 1432 – An Act To Update the
Municipal gigabit Broadband Network Access Fund**

Members of the Committee on Energy, Utilities and Technology – thank you for allowing us to testify today.

My name is Josh Gerritsen and I'm a Lincolnville Selectman as well as a Lincolnville representative on the Midcoast Internet Coalition. I am delivering remarks by Debra Hall, the Chair of the Rockport Select Board as well as the Chair of the Midcoast Internet Coalition. Her remarks are on behalf of the Coalition.

The Midcoast Internet Coalition is a group of nine Midcoast municipalities working to bring broadband to the Midcoast region through the creation of a regional utility, providing an open-access network with universal coverage, requiring a minimum 100 Mbps symmetrical speed, with all ISPs on the network required to provide 1 Gigabit symmetrical speed to any resident or business who requests it. Our comments today do not necessarily represent the views of any individual town other than our own.

We are here to express the Coalition's support for L.D. 1432. We believe that public taxpayer funding should be used to design, construct and operate municipal or regional owned open access broadband infrastructure.

In the past and under current law and ConnectMe rules, for-profit ISPs are permitted to apply for ConnectME grants to construct and operate broadband infrastructure, typically resulting in those for-profit entities owning the infrastructure and precluding any competing ISPs from delivering services on the network. We believe that when public taxpayer funding is used to build broadband infrastructure, those networks should be owned by the municipalities who can control access to the network. That access should be open to competing ISPs, resulting in the best price and service for our residents and businesses. That's what open access is all about.

We often hear open access dark fiber networks analogized to roads – the government builds roads that businesses can use to deliver services, but we don't own the trucks that deliver those services. Let's take that same analogy and apply it to the current situation – governments hire contractors to build roads, but they don't let those contractors own the roads, or prohibit competitors from using the roads. We don't do it for roads so why do we allow it – and enable it – for broadband?

I would like to use the illustration of what we have seen in several of our towns on the Midcoast. For-profit ISPs received funding from the CARES Act to build fiber networks for students and teachers during the pandemic. This was an important and necessary goal. The ISPs have publicly acknowledged that this funding paid 100% of their expenses: the fiber on the poles, the drops to the homes, the electronics at their central office as well as the electronics on the individual homes. And most importantly, the government paid the ISP's labor to build or expand the network. The ISPs in this instance received a benefit – they were working during the pandemic and the government was paying them to do it. They built a fiber network that they can use and charge for internet services well into the future.

But why did the government let the for-profit ISPs own these networks? They were fully built with our taxpayer funds – public funds – and the ISPs were paid for doing it. They didn't use their own capital, yet we gave them ownership. Not only that, we allowed them then and continue to let them define the rules of engagement. What did they do? They kept the network for themselves, shutting out competitors. They refuse to deliver symmetrical service claiming that residents and businesses don't need high-speed upload. They even require that all fiber subscribers also subscribe to a landline. At least one of these ISPs has been

told by the municipal Selectmen in public meetings that they have the slowest and most expensive fiber in the country. The government has enabled public taxpayer funding to be used to deprive residents and businesses of choice and competition. And to top it off – the existence of this monopolistic ISP means that the town is no longer unserved or underserved, thereby precluding the municipality and its leadership from being able to attract any other ISP or even the Midcoast Internet regional utility, to overbuild with competing fiber. It's simply not financially feasible.

In theory, we helped students and teachers. We say "in theory" because some of those students and teachers are not yet connected today though they were required to be by the end of last year. Had we done it right, they would be because other ISPs would be there competing to get them connected instead of the monopolistic provider who tells them to wait or to pay for the connection to their homes, the connections they were paid to install through the CARES Act. Had we done it right, the municipality would own the network and the current ISP would be providing service, and presumably better service, alongside competitors.

L.D. 1432 is a strong step in addressing these public policy missteps that we believe need to be addressed immediately and changed. As Federal funds are coming our way, we need to ensure that we get it right, that public taxpayer funds are used in the best interests of our municipalities, our residents and our businesses. Those Federal funds should find a home in the Municipal Gigabit Fund. ISPs still benefit by constructing the municipal networks, operating them, and delivering services in return for revenue. But they should not own the networks, be allowed to shut out competition or define the rules of engagement for our municipalities, our residents and our businesses. That's what we were elected to do.