

Testimony of the Institute for Local Self-Reliance in Support of LD 1432, An Act To Update the Municipal Gigabit Broadband Network Access Fund, from the Institute for Local Self-Reliance

April 27th, 2021

Dear Senator Lawrence, Representative Berry, and members of the Energy, Utilities, and Technology Committee:

The Institute for Local Self-Reliance is a national research and advocacy organization that partners with allies across the country to build an American economy driven by local priorities and accountable to people and the planet. We believe that democracy can only thrive when economic and political power is widely dispersed, and work to achieve this vision through initiatives that center local communities and give citizens the authority, capacity, and responsibility to exercise power over their lives.

These comments are in support of LD1432, An Act To Update the Municipal Gigabit Broadband Network Access Fund.

Prioritizing publicly owned infrastructure, symmetrical Internet access speeds of at least 100 Megabits per second (Mbps), and carrier-neutral networks would send a strong message that the state of Maine is ready to take the future of its information infrastructure into its own hands.

Prioritizing publicly owned, gigabit-capable information infrastructure isn't about creating competition for the sake of it. It's about supporting cities and towns that pursue the variety of network models at their disposal (including partnering with private companies). It's about encouraging the fast deployment of future-proof connectivity in accordance with local conditions. It's about making sure the networks which allow us to work, access healthcare, attend school, and visit one another are responsive to the needs of the communities those networks tie together.

The state of Maine has experienced the challenges brought by deep and persistent digital divide more strongly than most, as it has rarely been prioritized for infrastructure expansion or upgrades by national Internet Service Providers over the last two decades. This leaves Mainers lagging behind, putting its students, businesses, and residents at a disadvantage.

Municipal networks have a long history of fueling economic development. There are plenty of examples one could point to, but a recent one is particularly instructive. Bento Lobo, Ph.D., Chair of the Department of Finance and Economics at the Rollins College of Business at the University of Tennessee at Chattanooga, [released a study in August 2020](#) which shows that the city of Chattanooga's municipal broadband utility, EPB Fiber, has returned almost \$2.7 billion on an original investment of \$220 million over the last ten years. This includes directly supporting the creation of 9,500 jobs in Hamilton County (accounting for 40% of all jobs created during the

period), cutting annual outage minutes for the electric grid in half (saving almost \$27 million each year), and supporting the generation of almost \$250 million in funds raised for business startups.

Opponents have time and again trotted out a small collection of “failed” municipal networks as evidence that there are no viable public options to expand or improve Internet access. These efforts demonstrate a lack of understanding not only with respect to context, but reveal a disingenuousness with respect to how monopoly providers have used their lobbying power to encourage states to preempt local choice.

Burlington, Vermont serves as one common example, though its challenges resulted from well-documented mismanagement at the city level which had an adverse effect on its broadband system. In Provo, Utah, it was the cable lobby itself that pushed through a state law that was [not only anti-competitive but forced a riskier wholesale model onto the network](#), causing the financial instability that led to its struggle. Mooresville and Davidson, North Carolina are two others. They were forced to contend with higher-than-expected costs left behind by a bankrupt private cable system which had seen little investment in decades, and yet [still managed to bring faster speeds and more savings](#) to residents by offering fair service tiers that forced competitors to lower prices.

And yet, ultimately, residents in all of these communities still benefit from municipal efforts to improve residents’ connectivity by providing an option other than the monopoly provider.

Even so, the early struggles of the above networks are the exception rather than the rule. EPB Fiber in Chattanooga is just one among a long list of municipal networks which have brought value and local accountability to the information infrastructure in cities and towns around the country. Wilson, North Carolina, Fairlawn, Ohio, UTOPIA Fiber in Utah, Westfield, Massachusetts, and hundreds of other communities have today and will for decades to come enjoy the benefits of publicly owned high-speed Internet access at an affordable rate.

LD1432 would empower cities large and small across the state of Maine to expand and improve future-proof telecommunications infrastructure in significant ways. The Institute for Local Self-Reliance urges the committee to support it.