

March 8, 2024

The Honorable Tim Nangle, Co-Chair
The Honorable Holly Stover, Co-Chair
Joint Standing Committee on State and Local Government
Cross Building, Room 214
100 State House Station
Augusta, ME 04333

RE: LD 1983 – OPPOSE

Dear Co-Chair Nangle, Co-Chair Stover, and Members of the Committee:

USTelecom – The Broadband Association (“USTelecom”)¹ USTelecom is the leading association of communications providers, technology innovators, and suppliers who deliver affordable, reliable, and secure 21st century broadband internet service to urban and rural communities in Maine and across the country. At a time when Maine consumers are relying on broadband networks for everything from remote work and distance learning to telemedicine and precision agriculture, USTelecom members are working every day to invest in new technologies and networks throughout the state to deliver faster speeds at competitive prices. And progress is being made every day as new deployments are turned up. The once-in-a-generation funding from the American Rescue Plan and NTIA’s Broadband Equity Access and Deployment (BEAD) Program will only accelerate this progress.

USTelecom and its members support the goal of increasing American manufacturing to bolster supply chain security and create jobs. At the same time, we recognize the urgency of, and strongly support, the goal of 100 percent broadband connectivity. LD 1983 would be a step in the wrong direction. As an initial matter, it proposes a higher threshold, 65%, for the cost of components of manufactured goods to determine compliance than the Build America, Buy America Act (BABA) in the federal Infrastructure Act, which is 55%.² Preemption issues aside, a higher threshold will make it much more difficult for broadband providers to deploy in Maine as they will need to source equipment, if it is even available, specifically for their Maine deployments.

¹ USTelecom is the premier trade association representing service providers and suppliers for the communications industry. USTelecom members provide a full array of services, including broadband, voice, data, and video over wireline and wireless networks. Its diverse membership ranges from international publicly traded corporations to local and regional companies and cooperatives, serving consumers and businesses in every corner of the country.

² Infrastructure Act § 70912(6)(B)

Moreover, as evidenced by NTIA’s recent waiver of the BABA rules for the BEAD Program, there is no network equipment (other than fiber) which is “manufactured in the United States” and “the cost of the product’s components mined, produced or manufactured in the United States exceeds 55 percent of the total cost of the product’s components.”³ As evidenced by NTIA’s waiver, fiber is the only piece of broadband network equipment that satisfies the BABA requirements on their face. All other network equipment, like most electronics and all passive optical equipment, were waived entirely, or the BABA standards were relaxed to allow those materials to be considered compliant, such as for certain active optical equipment and enclosures.

Thus, to the extent that Maine wishes to advance BABA rules for broadband deployed with state funds, Maine should follow the standards laid out in the BABA Waiver to determine what equipment is compliant. At the same time, Maine must recognize that while there have been laudable onshoring efforts for certain equipment, such as active optical equipment, Maine will need to work with industry to ensure that such equipment is available in sufficient quantities and on realistic timelines so that deployments can proceed as planned and are not delayed.

While we and our members stand ready to support onshoring manufacturing, this goal must be carefully balanced with the imperative to close the digital divide as quickly as possible. And providers need the flexibility to select the best equipment to build next-generation networks and are dependent on the market that exists today to do that. For these reasons, USTelecom urges you to oppose LD 1983.

Sincerely,

/s/ B. Lynn Follansbee

B. Lynn Follansbee
Vice President
USTelecom – The Broadband Association

/s/ Diana Eisner

Diana Eisner
Vice President
USTelecom – The Broadband Association

³ See generally, <https://www.commerce.gov/sites/default/files/2024-02/BABA%20Waiver%20Signed%202.pdf> (“BABA Waiver”).