March 28, 2014

Dear Chair Carlson and Members of the House Ways and Means Committee:

We would like to express our unified support for the establishment of and at least $25 million in funding for the Border-to-Border Broadband Grant Development Program and the $450,000 for broadband mapping included in House File 2976 (Mahoney), otherwise known as the Supplemental Jobs and Economic Development Omnibus Finance bill. It’s been said that expansion of broadband internet access is to the 21st century what rural electrification was to the 20th century. Increasing access to high-speed internet service is seen as a crucial way to keep Minnesota competitive, grow jobs and improve our state’s quality of life.

For Minnesota to achieve its legislatively-enacted goals on broadband speed, statewide coverage, and broadband adoption, the State must make it a priority to fund broadband infrastructure development. Unserved and underserved areas demonstrate that providers have not extended services on their own to those locations and communities. This grant program would allow for partnerships with both public and private entities to build out those higher cost connections. Encouraging public-private partnerships and removing barriers to municipal deployment of broadband services are both key steps to achieving statewide goals and promoting economic development across Minnesota.

Local units of government and providers in many cases want to work together but need clarification of the authority or are worried about being sued by other providers. Many private companies have one to two year return-on-investment thresholds for capital build projects. By specifically encouraging partnerships, some costs could be locally bonded for in partial match to state dollars and spread the return-on-investment over a more workable timeframe.

Thank you for your time and the opportunity to submit written testimony on behalf of our organizations.

Association of Minnesota Counties
League of Minnesota Cities
Minnesota Association of Townships
Coalition of Greater Minnesota Cities
Metro Cities