

March 11, 2024

Chair Samantha Vang
House Agriculture Finance and Policy Committee
120 State Capitol
Saint Paul, Minnesota 55155

RE: HF 4659 – OPPOSE

Dear Chair Vang 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 Minnesota and across the country. At a time when Minnesota 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. Given this impressive track record, Minnesota should not adopt the proposed provisions in HF 4659 as they would hinder the ability of our members to continue delivering affordable high-speed connectivity to consumers and also conflict with existing federal law.

Broadband providers are making huge investments in the network. Universal connectivity is a top priority for USTelecom members. Broadband providers in the United States invested more than \$2.1 trillion in the United States since 1996, including \$102.4 billion in 2022 alone. This year Minnesota’s wireline companies are projecting to spend nearly \$300 million. These investments are improving availability and affordability. A recent Federal Communications Commission (“FCC”) report showed that 95.6% of Americans have access to at least one provider offering a 25 Mbps connection, which is the standard in this legislation. FCC data on broadband deployment also shows that the number of households with access to two or more broadband providers grew fourfold from 2015 to 2019 - there are also 16 times more households with access to three or more providers than in 2015. All of this private investment is on top of all of the recent federal funding programs designed to ensure that all states close the digital divide.

The proposed new requirements add unnecessary obstacles, as well as costs to broadband deployment. The Broadband Equity and Deployment (BEAD) program resulting from the bipartisan federal Infrastructure, Investment and Jobs Act (IIJA) plays a crucial role in ensuring our members can deliver broadband to the state’s highest cost and hardest-to-reach areas and close the digital divide once and for all. Indeed Minnesota received \$652 million in BEAD funds that are intended to be spent specifically on reaching those consumers most in need of connectivity. HF 4659 would hinder the

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.

success of this program by requiring subgrantee applicants to meet additional workforce requirements that were not anticipated as part of the IJA or the BEAD Notice of Funding Opportunity and make those requirements a condition of a provider's ability to participate in the BEAD program. These added costs may harm participation in the BEAD program and those residents in high cost areas to serve, primarily in Greater Minnesota will not receive the benefits intended by the program.

Legislation of this sort distracts from the purpose of the fund which is to get Minnesotans connected. Additionally, the added requirements that are not included in the IJA and is unrelated to the goal of the BEAD program potentially disincentivizes participation in the program. Furthermore, the U.S. telecommunications industry takes the employment and health and safety of our workers very seriously, and we remain committed to that priority. Adding these requirements will only serve to increase the already every rising cost of deployment and will ultimately lead to an inefficient use of public funds by complicating deployment efforts and discouraging participation in the program.

Ultimately the bill would have negative long-term economic implications. High-speed internet access is a key driver of economic development, education, and quality of life. Anything that potentially slows down the expansion or improvement of broadband infrastructure could have wide-ranging negative effects on the community's economic future.

For these reasons, USTelecom urges you to oppose HF 4659.

Sincerely,

/s/ B. Lynn Follansbee

B. Lynn Follansbee
Vice President
USTelecom – The Broadband Association