



March 18, 2024

Chair Acomb and Members of the House Climate and Energy Finance and Policy Committee:

On behalf of 300,000 union members who live and work in communities across Minnesota, we are writing to urge you to support raising standards for broadband installation, including requiring the use of a skilled, well-trained workforce to ensure worker and public safety, and to protect the integrity of existing public and utility infrastructure. HF 4659/SF 4742 will increase transparency, ensure use of responsible contractors, and incentivize high-road labor practices including requiring payment of living wages and provision of high-quality health and retirement benefits and hands-on training.

Reliable high-speed internet service is essential to Minnesotans well-being and access to education, health care, job opportunities, and other critical services. Over the next several years, the State of Minnesota hopes to receive and re-grant more than \$650 million in Federal funding to broadband providers, in addition to more than \$100 million in state funds, fueling well over \$1 billion in total investment in broadband infrastructure. We strongly support Minnesota’s goal of providing universal high-speed internet connections to families and businesses in every corner of the state, but we need to do it right.

Many broadband installation workers are paid substandard wages, lack health and retirement benefits, and receive no formal training. Inexperience, lack of training and pressure to work quickly contribute to mistakes that jeopardize the safety of workers and members of the public along with the integrity of existing public utility infrastructure. Contractors that install broadband and other data lines are estimated to be responsible for thousands of incidents of third-party damage to public and utility infrastructure annually.

Minnesota’s current broadband grant program lacks meaningful protections for workers and largely fails to consider job quality or investments in workforce development when awarding grants. In evaluating applications and awarding grants, Minnesota should give priority to applicants that commit to implementing industry workforce best practices such as payment of prevailing wages, provision of employer-paid family health insurance and retirement benefits, and skills training including hands-on instruction.

HF 4659/SF 4742 will strengthen safety for broadband workers and infrastructure. As we work to close the digital divide, we urge you to target public investment toward projects that provide family-supporting jobs and built to last.

Sincerely,

Bernie Burnham
President

Brad Lehto
Secretary-Treasurer



March 18, 2024

Re: SF4742 (McEwen) / HF4659 (Berg)

Chair Frenzt and Members of the Energy, Utilities, Environment, and Climate Committee,

The Communications Workers of America strongly supports HF4659 (Berg)/SF 4742 (McEwen), “Safety standards for broadband industry installers required; and Broadband Equity, Access, and Deployment Program implemented.” CWA represents workers across the country in the communications and information industries, and thousands of working families in Minnesota.

With unprecedented federal funding, Minnesota has a once-in-a-generation opportunity to close the digital divide and build high speed broadband to unserved and underserved areas. We need to ensure that this historic investment creates long-lasting future-proof infrastructure, built by a well-trained workforce. Work performed by poorly trained low road players endangers the public and leads to shoddy work that fails to stand the test of time.

SF4742/HF4659 would promote good labor standards in publicly funded broadband work, requiring DEED to prioritize good jobs, family-sustaining benefits, and a well-trained workforce in its publicly funded broadband programs. The bill ensures that DEED can collect the information it needs to evaluate applicants’ workforce plans and hold grantees accountable to their workforce commitments. The bill also introduces safety standards for underground telecommunications work.

We have already seen the effects of unsafe broadband work - explosions, cut utility lines, danger to workers and the public, and poor service quality. Without labor measures, this unprecedented broadband funding will only exacerbate these problems and most importantly, fail to create the lasting network we need to connect unserved Minnesotans. We must ensure that public dollars for broadband promote good jobs, safety, and the well-trained workforce necessary to create a high-quality network that will stand the test of time.

We urge you to support SF4742/HF4659 and are happy to discuss further.

Sincerely,

Misty Robertson
National Broadband Lead



On behalf of the 70,000 skilled construction workers represented by the unions affiliated with the Minnesota Building and Construction Trades Council, I am writing to share our strong support for HF4659/SF4742, which would raise standards and enhance accountability for broadband installers while supporting the development of skilled local workforce and family-supporting construction careers.

Unions affiliated with the Minnesota Building Trades represent men and women who build every part of Minnesota's transportation, water and energy infrastructure — from highways and bridges to underground electric and gas distribution lines. Our members use skills learned on the job and through best-in-class training and apprenticeship programs to build infrastructure is safe and reliable. In return, our contractor partners pay family-supporting wages and benefits necessary for our members to pursue construction as a career, not just a job.

Minnesota Building Trades and our contractor partners are all too aware of the growing crisis in broadband installation. After all, it is union tradesmen and tradeswomen who build the underground gas, electric and other municipal infrastructure that is vulnerable to unsafe broadband installation practices, and who must repair the infrastructure after it has been damaged.

Minnesota maintains high standards in every other area of infrastructure construction — both for the quality of the work and the quality of the resulting jobs. Minnesota's public infrastructure is built with prevailing wage protections that provide a level playing field and encourage contractors to invest in a skilled workforce rather than participate in a race-to-the-bottom. Meanwhile, Minnesota's private energy infrastructure is closely regulated, and both investor-owned and cooperative utilities have similar incentives to invest in high-quality workforce and work.

Unfortunately, the cable and broadband industry is the exception. While they rightly seek recognition for broadband as critical infrastructure just like our transportation, water and energy systems, broadband providers resist being held to basic standards that apply to other types of critical infrastructure. For example, while public investments in every other type of construction — from roads to multifamily housing to environmental restoration — carry prevailing wage protections, the broadband industry is demanding three-quarters of a billion dollars in public subsidy with no job quality strings attached or even a commitment that jobs will go to Minnesota workers.

Similarly, while contractors who install gas and water lines are required to meet minimum workforce qualifications, an industry whose contractors operate drills around — and sometimes straight through — those lines rejects proposed minimum qualifications designed to prevent a catastrophic incident. Finally, while the private utilities that operate electric and gas systems can be held accountable by the Public Utilities Commission if their contractors hit data lines, telecommunications companies oppose any oversight over the threat their contracting practices pose to electric and gas infrastructure.

The model that Minnesota successfully applies to building and maintaining transportation, water and energy systems delivers safe and reliable infrastructure, family-supporting jobs and a skilled workforce second to none. There is no reason we should not put our increasingly vital broadband infrastructure on a similar path by establishing minimum training standards, holding broadband providers accountable for their contracting practices, and leveraging public dollars to incentivize best practices.

The fact that the industry has not been held to a higher standard is no excuse for failing to take action, especially when broadband providers are facing admitted challenges securing capable contractors and skilled workforce, which is forcing increasing reliance on our-of-state contractors. We also take issue with claims that the current lack of prevailing wage protections was a deliberate choice made by the legislature.

Minnesota Building Trades participated in the negotiations that resulted in coverage of “middle mile” and exclusion of “last mile” projects. Our understanding at the time, which was shared by others, was that only the last leg from the road to a home or business would be excluded, so that the majority of workers and work would be protected. In practice, however, the law has been interpreted in a manner that deprives the vast majority of broadband installers of wage protections.

Rather than establish a level playing field, today Minnesota’s program risks fueling a race to the bottom among contractors and workers, with predictable results that include high rates of turnover among workers who may earn less than half the wages and benefits of peers doing similar work for electric and gas contractors. Minnesota Building Trades affiliates work with many contractors that could help meet our broadband goals. However, most are unwilling to bid broadband projects because they would have to cut too many corners to remain competitive. Even responsible contractors working today in Minnesota’s broadband industry – union and nonunion – say that they struggle to compete in the face of pressure from contractors that pay their workers even less.

It is time for Minnesota to treat broadband as critical infrastructure, not only by investing in deployment of fiber to every home and business in the state, but also by holding the industry accountable to the same standards as other infrastructure operators and recipients of public funds. We urge legislators to adopt HF4659/SF4742 which takes an important step in that direction.

Thank you,

Tom Dicklich
Executive Director



March 19, 2024

Chair Patty Acomb
Minnesota House of Representatives, Climate and Energy Finance and Policy
Minnesota Senate Building, Room 200
100 Dr. MLK Jr. Blvd
St. Paul, MN 55155

Re: House File 4659 – Broadband Equity Access and Deployment Program Regulations

Dear Chair Acomb and Members of the Climate, Energy Finance and Policy Committee,

The Minnesota Cable Communications Association (MCCA) represents cable companies who are proud to serve residents of Minnesota in every corner of the state, from Sjoberg’s in Thief River Falls, SCI in Hinckley and Midco in Fairmont. This year OBD will celebrate the 10th anniversary of its creation by the Legislature. And for 10 years, MCCA members have worked in strong partnership with OBD to create what is known nationally as the Minnesota Model. Through that model we’ve brought our state to the threshold of universal broadband service. The BEAD program provides a once in a generation opportunity to cross that threshold.

As will be elaborated in the testimony of our general counsel, Tony Mendoza, in the hearing today, HF 4659 puts OBD in the proverbial “Catch 22” position. If prevailing wage is required on BEAD projects, the State will fail to meet its federal universal service mandate for \$652 million allocated by the federal government as part of the Broadband Deployment Equity and Deployment (BEAD) program administered by the National Telecommunications and Information Administration (NTIA). In addition, OBD will fail to meet the state’s 2026 universal broadband service goal set forth in statute. Whether or not you support prevailing wage as a policy matter is beside the point. It’s simply a question of math.

If the Legislature decides that paying prevailing wage on broadband projects is more important than achieving federal and state broadband universal service goals, MCCA has a number of specific questions about the bill which we would like to discuss with the authors and other affected stakeholders.

1. Are the references to “state” and “department” (DEED) funded projects in describing federal BEAD grant funding intentional? See Page 3, Line 15; Page 4, Line 28. Is this an implicit acknowledgement that the State may not lawfully impose prevailing wage requirements on BEAD because Congress did not do so, and because state law limits the application of prevailing wage requirements to state

funded projects? See Minn. Stat. §177.41 et seq. If so, which BEAD projects (if any) would the Bill apply to?

2. Is it the intent of the bill to require any BEAD grant applicant to commit to the list of “workforce best practices” prospectively, even on 100% privately funded future broadband projects? See Page 4, Lines 1 and 2.
3. How will existing prevailing wage job classifications, which were not designed with the broadband in mind, apply to broadband workers? Will DOLI modify or expand the list of job classifications based on this Bill, if it is enacted into law?
4. Would the Bill *require* that all facilities within 10 feet of an existing underground utility must be located by hand, hydro excavation, or another accepted method? Such a requirement would be a dramatic departure from current law, and dramatically increase broadband construction costs. No such requirement applies to any other public utility under the current Gopher State One Call (GSOC) law. See Minn. Stat. Ch. 216D.
5. Currently, underground construction damage incidents are under the jurisdiction of the Minnesota Office of Pipeline Safety (MN-OPS). What is the thinking behind shifting regulatory jurisdiction over underground damage incidents to the Public Utilities Commission (PUC)? Why just for telecommunications and telephone providers, and not all public utilities? Why does the Bill seek to take this small slice of regulatory jurisdiction over underground construction safety away from MN-OPS?

Sincerely,

Melissa Wolf

Executive Director, Minnesota Cable Communications Association



Tuesday, March 19, 2024

Chair Acomb & Members of the House Climate & Energy Committee –

On behalf of the Associated Builders and Contractors of Minnesota, a statewide trade association made up of 340 merit shop construction industry members and their 20,000+ employees, we appreciate the opportunity to provide comment on HF 4659. Our local contractor members, and the men and women that they employ, are part of the 75% of workers in the Minnesota construction industry that choose to be merit shop craft professionals. Our members are located throughout Minnesota and build our schools, multi-family housing, retail and commercial spaces, medical facilities, energy, and other critical infrastructure, and much more.

ABC promotes free enterprise and fair and open competition in the construction industry, in which anyone can succeed based on merit. We oppose violence, coercion, intimidation, and the denial of the rights of both employees and management. We also believe that work opportunities should be made available for all people, and that laws should be applied fairly, regardless of labor affiliation. Our members are committed to safety, and participate in partnerships with MNOSHA, industry-leading safety programs, and provide customized, in-house safety programs, craft training, and more. They take pride in their work and, even more so, their safety record for each and every employee.

ABC has concerns with various aspects of HF 4659 which imposes particular requirements on broadband industry installers and underground telecommunications installers. Among other things, this bill allocates certain percentages of border-to-border broadband grant funds to applicants who commit to implementing certain specified workforce practices. We are concerned that some of these requirements will create an allocation system in which certain segments of the industry will be favored at the expense of others.

First, we are concerned with the subjectiveness of the requirement in Section 1 that there be “credible evidence of support for the application and the applicant’s workforce needs on the project...from one or more labor, labor-management, or other workforce organizations.” We are concerned that this requirement could be used to favor certain segments of the industry over others. For example, ABC is a trade association that provides our members and their employees with numerous benefits and resources, including skills and safety training. Will credible evidence from a trade association like ABC be considered sufficient

when considering whether an applicants meet the requirements? Are there specific criteria or benchmarks that will be used to specify whether the recommending organization has a sufficient “track record?” In short, we are concerned that, in practice, this will result in a requirement that an applicant receive approval from a trades union or other labor organization before being approved for a grant. While we hope that this is not the case, the current language can be intereptrted to require as much.

Second, it is unclear as to why a contractor can opt to either (1) pay prevailing wage or (2) provide 80 hours of skills training annually, employer-paid family health insurance coverage, and employer-paid retirement benefit payments to satisfy the requirements under Section 1. If this bill is about safety and quality of training, it doesn’t make sense that a contractor could opt to pay prevailing wage rather than provide the requisite 80 hours of annual skills training that the bill imposes. The payment of prevailing wage is not synonymous with quality or safety, nor does it guarantee that an employee receives health insurance or retirement benefits. For the purposes of receiving priority for a grant, it appears as though this provision provides a carveout from safety and training requirements for a certain segment of the construction industry, while imposing an additional mandate on the remainder of the industry.

We appreciate the opportunity to submit comments on HF 4659, and we are hopeful that the Committee will take our comments into consideration.

In closing, we recommend a **NO** vote on HF 4659.

Sincerely,



Jon Boesche
Director of Government & Public Affairs
Associated Builders and Contractors MN/ND Chapter



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18 March 2024

Chair Patty Acomb
Minnesota House, Climate and Energy Finance and Policy Committee
593 State Office Building
St. Paul, MN 55155

Re: House File 4659– Broadband Equity Access and Deployment Program Regulations

Dear Chair Acomb and Members of the Climate and Energy Finance and Policy Committee

The Minnesota Telecom Alliance (MTA) is an association of cooperatives, family-owned, privately held and publicly traded Broadband providers throughout Minnesota . While MTA members have many different corporate structures, one thing we have in common is our commitment to serving Minnesota. Last year, members invested just under \$360 million in private capital and this year they are planning to invest nearly \$300 million to expand broadband in Minnesota.

MTA opposes HF 4659 for a variety of technical and policy reasons, but most importantly because it does not comply with the Notice of Funding Opportunity issued by the National Telecommunications and Information Agency (NTIA) for the Broadband Equity, Access, and Deployment Program or BEAD. It also does not conform to the volume two plan filed by the Office of Broadband Development last December.

This legislation puts at risk the loss of \$652 million in Federal BEAD dollars earmarked for Minnesota in two ways. First, it does not comply with the BEAD program rules and obligations. Second, after polling all 41 of MTA’s rural Broadband provider members, not one of them said they would apply for Federal BEAD dollars if this bill passes. The reporting obligations and regulatory burden are too onerous and not worth their matching private investment.

If providers walk away from the Federal BEAD funds, MTA members will continue to serve existing customers but will not expand coverage because without the Federal dollars that expansion will be cost prohibitive. If it doesn’t get built, then the State of Minnesota will default on its obligation to NTIA.

I am proud to say that MTA has operated a telecom specific safety program for over 40 years. MTA currently trains over 3,300 employees from 65 companies across 6 states. I do have the data to prove that we are one of the safest industries.

OSHA has established specific mathematical calculations that enable any company to report their recordable incident rates, lost time rates and severity rates, so that they are comparable across any industry or group. This is known as the OSHA Recordable Incident Rate. Incident rate data is collected on their form 300 reports, which are required to be filed each year. We collect OSHA form 300s for every company we serve every year. The lower the incident rate the safer you are. A good incident rate per OSHA is 3.4. Our current rate for all employees that we serve is 2, far better than what OSHA considers good.

Finally, this bill is unnecessary because the Legislature established a process long ago to address broadband deployment issues. For more than 15 years the Governor's Broadband Task Force has worked to address issues related to broadband deployment. Each year the task force is required to file a report with recommendations to the Governor and Legislature. This has worked well for 15 years and this bill does an end run on the very process this body put in place.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Christensen", with a long horizontal flourish extending to the right.

Brent Christensen
President and CEO
Minnesota Telecom Alliance