

Letters
and
Testimony for
HF 4659

Tuesday, April 2, 2024.

Re: H.F. 4659 - Requiring Safety Standards for Broadband Industry Installers; Implementing the Broadband Equity, Access, and Deployment Program.

Dear Chair Nelson and Vice Chair Berg:

Unidos Minnesota is a multiracial, state-wide organization building power for Minnesota working families to advance social, racial, and economic justice. We are an organization born out of the immigration justice movement; immigration, education, climate justice, and healthcare are at the core of our work. As such, Unidos MN supports H.F. 4659, a bill outlining an accountability framework to ensure equitable access to broadband across Minnesota as well as training standards for the workers who are deploying this critical infrastructure.

H.F. 4659 will prioritize underserved communities. Access to reliable internet is necessary for all Minnesotans to perform their jobs, go to school, and get healthcare, regardless of zip-code or income level. As an organization with members in Austin, Owatonna, Faribault, Worthington, Mankato, Fairmont, Hastings, Marshall, and beyond, we are well aware of the opportunity gap created by the rural digital divide. According to the Minnesota Office of Broadband Development, in 2022, 180,000 rural households lacked access to a basic internet connection (25/3 Mbps) while the growth of medium-speed internet (100/20 Mbps) was 28% slower than the state average.¹ Unidos MN supports the grant evaluation framework outlined in H.F. 4659, as it will accelerate the deployment of broadband internet to Minnesota's rural communities.

At Unidos MN, our North Star is a healthy multiracial democracy where nobody is left behind. Our constituency is composed of essential workers and frontline communities whose voices are vital to shaping the state's economy. Any truly equitable policy must prioritize these individuals. For instance, the Latino community is severely underrepresented in occupations such as utility work, where Latinos comprise only 1.2% of the workforce.² We therefore enthusiastically support H.F. 4659, as it will build a pathway for workers of color to access and succeed in industries like utility installation where they are significantly underrepresented.

H.F. 4659 presents a historic opportunity to disrupt cycles of occupational segregation by giving the most vulnerable an opportunity to access and succeed in a utility career path. The bill will leverage existing federal and state broadband investments to incentivize workforce best practices. H.F. 4659 will set minimum training standards and require family health coverage, retirement benefits, and partnerships

¹ https://mn.gov/deed/assets/2022-broadband-task-force-report_tcm1045-557268.pdf

² <https://mn.gov/deed/newscenter/publications/trends/december-2015/diversity-industry.jsp>

with organizations that support the inclusion of underrepresented populations in construction jobs. This will create a framework that ensures the success of broadband installers, as well as increasing their job retention. The bill will be transformational for our membership, as it will prioritize the use of a directly employed workforce, instead of subcontractors.

H.F. 4659 represents a conduit for Indigenous and low-income workers of color to access and succeed in industries that have been traditionally out of reach. Moreover, internet access is not a nice commodity but an indispensable service to be successful in a 21st century economy. It is thus imperative that the workers whose labor directly contributes to bridging Minnesota's internet connectivity gap are included and supported throughout the deployment of this fundamental service.

We therefore respectfully request your support and consideration of H.F. 4659.

Should you have any questions, please contact me or our Policy Director, Sara Lopez. Sara can be reached by email at sara@unidos-mn.org or by phone at (507) 581-4211.

Respectfully submitted,

Emilia Gonzales Avalos



Executive Director, Unidos, MN.
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De Malterer, District 4
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**“To effectively provide services for the health,
safety, and general welfare of the public.”**

April 1, 2024

Dear Chair Rep. Michael Nelson and Members of the House Labor and Industry Finance and Policy Committee,
Waseca County received its first Border-to-Border Low Density Broadband Grant on March 5, 2024, as part of the round 9 grants. This grant was submitted by Bevcomm, a local, family-owned, fifth-generation telecommunications company, headquartered in Blue Earth, Minnesota.

This grant will cover 234 miles to portions of 7 Townships in the southwestern corner of Waseca County, which is the least populated and the least served part of our county. 492 fiber-to-the-premises connections are planned with the grant. These are 492 families and businesses that, up until this point, have had very few options for internet service and the options available have been unreliable and slow.

This project will bring service to farmers, the lifeblood of our small rural county economy, but also school children in 4 districts, and many small businesses. And everyone will be able to use telehealth to more quickly, easily, and cost effectively connect with their health care provider.

The total project budget is \$5.85M, comprised of almost \$4.39M of state grant funding and \$1.46M of local matching funds. Waseca County is providing \$675,000 from American Rescue Plan Act funds and Bevcomm will cover the rest of the local match. This will include a few additional connections close to the granting area and any overages in construction costs. The average cost per connection is \$11,888 and nearly \$24,000 per mile.

The construction of these projects are not money generators for the internet service providers. In fact, they are very costly, but with the help of grant support this network can be built and have enough subscribers to cover the cost of long-term maintenance.

The implementation of prevailing wage standards included in HF 4659 would drive up costs and shatter the slim margins these rural broadband projects operate on. Without the prevailing wage exemption—which Minnesota has had in statute for a decade—these projects would not get built and our rural residents will remain unconnected.

For these reasons, we oppose HF 4659 and ask that you reconsider including prevailing wage standards in this bill.

Sincerely,

De Malterer
Waseca County Board of Commissioners, District 4



April 2, 2024

Re: SF4742 (McEwen) / HF4659 (Berg)

Chair Nelson and members of the Labor and Industry Finance and Policy 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



April 2, 2024

Re: HF 4659/HF 4626

Dear House Labor and Industry Finance and Policy Chair, Rep. Michael Nelson and Committee Members:

The Association of Minnesota Counties (AMC) has been a leading advocate of our state's Border-to-Border Broadband Grant Program for more than a decade. We have asked this Legislature on many occasions to fund the grant program and you have graciously obliged because you believe, as we do, that this is one of the most consequential investments the state can make.

Broadband infrastructure grant programs are based on the premise that the remaining unserved homes and businesses would never receive broadband service because the cost to connect them is too high for an ISP build the project on its own. Our grant program has had a prevailing wage exemption in statute for nearly 10 years. The reason for this is to lower project costs and make them financially viable. Our grant program has been used by states across the country and even some federal programs. It is the gold standard, often referred to as the Minnesota Model.

HF 4659 would apply prevailing wage to the \$650 million in federal BEAD funding coming to Minnesota over the next few years. **HF 4626** would repeal the existing prevailing wage exemption for broadband projects in the Border-to-Border Broadband Grant Program. **AMC opposes these bills for a several reasons.**

First, Minnesota's portion of the BEAD funding is finite. As part of the agreement with the NTIA and U.S. Department of Commerce, Minnesota is obligated to serve every home and business with high-speed broadband using these dollars. Prevailing wage will drive up project costs, especially in the hardest to serve areas in rural counties. If prevailing wage standards were required, we are not sure how the state could possibly meet its 100% connectivity obligation without additional funds, which the federal government will not supply.

Second, counties regularly contribute thousands of dollars to these projects in partnership with ISPs. We have heard directly from large and small ISPs and rural cooperatives that they will not participate in these voluntary grant programs if prevailing wage standards are required. In many counties in rural Minnesota, there is only one ISP. If they do not apply for these grants, no one will, and our residents will be left behind as they have been for the last quarter century.

Lastly, HF 4659 would award additional points on a grant application if an ISP conforms to prevailing wage standards. AMC believes this would put Minnesota out of compliance with federal program guidelines and result in funds being further delayed or, worse, withheld by NTIA and the U.S. Department of Commerce.

Thank you for the opportunity to share our thoughts on the bills with you today.

Sincerely,

Nathan Zacharias, Technology Policy Analyst
Association of Minnesota Counties



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