

April 5<sup>th</sup>, 2021

Senator Ellsworth  
President Pro Tempore  
PO Box 200500  
Helena, MT 59620-0500

RE: SB 297

Dear Senator Ellsworth and Members of the Montana Senate

The Montana Economic Developers Association (MEDA) developed the “MEDA Nextgen Broadband Committee” in July of 2020 as a means to address findings within the MONTANA NEXT GENERATION ANALYSIS COMMUNITY AND ECONOMIC DEVELOPMENT TOOLS **document** (can be downloaded here <https://www.medamembers.org/mt-next-generation-of-tools>). The Committee has been hard at work formulating a series of key themes and concepts that could help the State of Montana move forward with Broadband Deployment, Access, and Adoption. Attached are the themes as developed by the broadband committee and approved by the MEDA Board.

We thank you, Senator, for the opportunity to provide our insight into the SB 297 process and potentially into the HB 632 **ARP Act** dollars. Overall, the MEDA broadband committee supports the conceptual layout as presented by the Department of Commerce Director Scott Osterman on March 17<sup>th</sup>, 2021. We want to stress Director Osterman’s points as follows:

- “No one size fits all technology can be deployed for ubiquitous, reliable and efficacious services”- We must find a means to utilize multiple options with a focus of building a sustainable and future broadband network that allows for rural and urban areas to grow.
- “Previous programs have been cumbersome to administer” – As economic developers, we understand the need to report and plan. Still, we urge that ease in applying and administration is considered when formulating new programs for Montana.
- “Some providers have invested heavily to build higher-end services and incurred significant debt prior to COVID, CARES and **ARP**”- Though we believe in the power of competition, unfair advantages of grant funds to overbuild or undermine current investments, especially in the 26% of rural Montana that is covered by the Cooperatives is a serious concern. We need to make sure that there are no unfair advantages that will result in the closure of providers damaging local communities. As long as the provider is showing good faith to address broadband deployment to their service regions and can show true investment and maintaining of broadband in their communities.
- “Current expertise rates of 100/100 mbps as a minimum performance goal”- We must invest in a “future proof” system that will not require new investment in 3 years. Our universal goal is to **strive** for a 1 gig (or 1Gps) **performance**, but recognize that some areas do not even meet current standards of 25/3. Though the argument could be made for “unserved” areas without any service **at all** 25/3 is a solution, we ask that if a program is developed that allows for lower standards that it be given fewer

priority points than one proposing to serve an unserved community with 100/20 as a bare minimum. We feel that new dollars through ARP should focus on building a future for Montana that does not maintain the status quo.

- “Montana Broadband Deployment Task Force 2021-2025”- Director Osterman laid out a proposed plan to manage the deployment of these broadband dollars. We support the overall concept of creating a broadband coordination office with staffing to assist. The fact of the matter is that there are numerous efforts to address broadband. We must find a means to create an accurate mapping, define language and goals, and develop an office with no agenda to support one provider or one sector over the other. Creating a stand-alone office (within or outside of the Dept. of Commerce), the State will create a path forward to coordinate, leverage, and build a sustainable network moving Montana out of the broadband desert.

Overall, MEDA supports the efforts of putting fiber into the ground, but we also believe there is room to expand the solutions with the technology of satellite, WISPs, line of sight, and more. As we move Montana out of 50<sup>th</sup> in the nation for broadband, we need to have the flexibility to utilize technology that makes sense on the ground- one size does not fit all.

We also ask that in SB 297, consideration is given to create a program for the last mile through a business loan/grant combo. The concept we want to propose is to develop a program where businesses may apply for funds through a loan program that, upon completion, an amount could be forgiven for the creation or retention of jobs or company growth. We have language drafted on what this program could look like; if there is any interest, please let us know.

Finally, we want to be at the table. MEDA represents over 225 economic development professionals across the State, and we have 55 traditional economic development organizations serving all communities. We would like to see members of our broadband committee as a recommended task force or advisory members with our knowledge of communities being accepted as expertise on the local level. Many of our members know the frustrations of not having broadband capacity in the communities they serve- let us help in bringing projects forward and supporting the effort of the work the State is doing.

And in closing, both of us, as the MEDA President and the Chair of the MEDA Broadband Committee, is willing to meet and have further discussions with any member or Committee of the State Legislation. Our contact information follows.

Thank you for your time and consideration,

Brian Obert  
MEDA Board Chair  
406-465-0619  
[borbert@mbac.biz](mailto:borbert@mbac.biz)

Tracy McIntyre  
MEDA Broadband Committee Chair  
406-868-0757  
[tracy@mcdc.coop](mailto:tracy@mcdc.coop)

## **MEDA NEXTGEN BROADBAND COMMITTEE KEY THEMES TO ADDRESS WITH LEGISLATION**

The COVID-19 pandemic has highlighted the critical importance of ubiquitous access to optimized high-performance broadband. Ensuring broadband connectivity is a lead role for economic development. Key MEDA priorities for 2021 therefore are to encourage investment in high-performance broadband infrastructure and to eliminate or reduce barriers to broadband deployment. In this regard, MEDA recommends the following public policy initiatives:

### ⇒ **Mapping Coordination and Integration**

Work with existing mapping efforts at the Federal and State level, such as the Federal Communications Commission's Digital Opportunity Data Collection, National Broadband Availability Map, Montana State Library, and the Broadband DATA Act, to ensure that Montana can accurately identify unserved and underserved locations and focus efforts where broadband is most needed.

### ⇒ **Defining Sufficient Level of Connectivity**

The definition of "broadband" is evolving. Broadband infrastructure should be scalable to meet current and future demand for upload and download capacity, latency, reliability and other factors as defined by the customer, regardless of the technology used with the goal of universal access of 1 gigabit.

Not only should broadband facilities and infrastructure be *available* to consumers, it also should be *accessible*. In cases where broadband is available, but not adopted by consumers, factors such as age, income, education and relevance play a role in low adoption.

When developing broadband investment policies, MEDA supports efforts to close both availability and accessibility gaps in Montana.

### ⇒ **Encourage investment in high-performance broadband by providers in unserved and underserved locations with consideration of the following policy elements:**

- a. Reduce the cost of capital expenditure needed by private entities to deploy broadband infrastructure in unserved and underserved areas
  - i. See for example Wyoming's broadband services grant program, enacted in 2018 (SF0100)
- b. Promote broadband adoption (affordability, education, etc.) programs to expand economic opportunity while increasing demand (and return on investment) for broadband products and services
- c. Remove tax disincentives and other barriers to deployment, such as excessive fees, permitting processes, access to right of way, regulatory or administrative delays, etc.
- d. Consider public-private partnerships and government collaboration where appropriate as well as other collaborative relationships among broadband stakeholders to encourage broadband investment in unserved and underserved areas.
- e. Utilize Board of Investments (i.e., greater flexibility with Infrastructure Loan Program) and other funding sources to support broadband investment in unserved and underserved areas.
- f. Explore the role of competition in the marketplace and its impact on broadband in Montana.

### ⇒ **Focus on Closing Montana's Digital Divide**

- a. Create a source of leadership dedicated to establishing and executing broadband strategies for Montana.
- b. Encourage innovative local grass roots efforts to seek solutions to connectivity.