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Testimony of Nancy Smith, Executive Director of GrowSmart Maine

in support of LD 173, “An Act to promote Economic Development and Critical Communications for Family farms, Businesses and Residences by Strategic Public Investment in High-speed Internet”

February 5, 2019

Senator Lawrence, Representative Berry and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Nancy Smith and I am the Executive Director of GrowSmart Maine. We are a statewide non-partisan organization working to create lasting prosperity without sacrificing the quality of life that defines Maine.

We support policies, programs and projects that define and protect the value of our unique built and natural places while supporting long term economic opportunity.

As a part of the Maine Broadband Coalition, GrowSmart Maine strongly supports the central proposal of LD 173 to increase funding to the ConnectME Authority. We note that according to the financial statements generated by that agency, that ConnectME had total revenues of \$1,650,146 in FY 18 and expended a total of \$1,252,212 during that same time period. This fee is steadily decreasing with the lessening use of landlines, is estimated to be at \$800,000 for FY19.

Given the multiple statutory duties of ConnectME which include promoting the use of broadband service, supporting local and regional broadband planning, supporting broadband investment and facilitating the state support of deployment of broadband infrastructure, it is clear to us that in order to successfully accomplish these various responsibilities, that ConnectME needs significantly more funds on an ongoing basis.

The concept draft of LD 173 specifies an increase in funding to \$5 million dollars for the purpose of expanding broadband services to rural areas. GrowSmart Maine supports this amount of increased funding on an annual basis. We suggest that the increase in funding be accomplished either through their assessment mechanism or through annual appropriations from the General Fund. Given the constant demand for finite General Fund resources and the possibility that an annual General Fund appropriation is subject to change, we recommend that the assessment mechanism for ConnectME be increased so as to generate annual income of \$5 million.

This ConnectME fee on intrastate landlines is currently 0.25%. Bringing this to 1% would bring us near the figure sited in this bill. Another option is to include cell phones in this fee, which makes sense because cell phone coverage requires broadband to function.

We applaud the intention of LD 173 to provide badly needed funds to expand high speed internet and broadband services to underserved rural areas of the state. The further economic development of rural Maine is absolutely dependent on the provision of adequate internet and broadband service and we endorse any move to significantly increase funding for ConnectME on an ongoing basis.