

TESTIMONY OF JUSTIN FORDE

**VICE PRESIDENT OF GOVERNMENT RELATIONS
MIDCONTINENT COMMUNICATIONS**

HB 1021

SENATE APPROPRIATIONS – HUMAN RESOURCES DIVISION

Chairman Dever and members of the committee thank you the opportunity here to discuss Midco's experience with broadband funding programs. My name is Justin Forde and I am the Vice President of Government Relations for Midcontinent Communications.

Section 8 of the bill allows carryover authority for NDI for the \$45 million that the legislature appropriated for broadband infrastructure grants during the special session last year. The Department has solicited proposals and should soon award funding of those grants. As a private sector company, we have invested millions of dollars of our own capital to expand broadband service. We are eager to see how those funds are awarded and hope that the program really serves the purpose of expanding service to those that are truly underserved and does not use federal grant funds to overbuild areas that are already served.

The bill before you also includes an additional \$148 million for the Broadband equity, access and deployment program. As the state looks to invest those additional federal dollars, we would encourage the legislature to ensure that these funds are put to good use and not duplicated by efforts already done by the private sector. We would offer five suggestions for ways to ensure

that this next round of funding is best deployed for the good of our state and our people.

1. It is critical that the programs be technology-neutral, encourage the broadest participation of qualified broadband providers, and be as flexible as possible.

If broadband support programs are flexible, allowing providers to experiment and innovate with different ways of getting broadband service to hard-to-reach places, more Americans will get broadband service. It is not possible or practical to build a fiber network to every location in the country.

2. Award funds through open competitive bidding

Using a “reverse auction” competitive bidding process, as the FCC has done with its CAF II and RDOF programs, will connect the most unserved homes, for the least per-home subsidy, at the highest speed possible in the area – given all of the variables. This gives the country the best bang for the buck.

3. Stay focused on unserved areas

Broadband programs should target funding to truly unserved areas, where private investment is not going to occur without government assistance but consumers need to be connected. In the past, some government broadband programs have allowed funding to be used in places that already have broadband service.

4. Continue to improve agency coordination and enact guardrails to ensure funds are wisely spent

With several federal agencies and a growing number of states dedicating funding to broadband deployment, it is increasingly important to ensure that all relevant agencies and to the extent possible, state programs that are awarding grants for buildout, are coordinating with each other. Close coordination is necessary to ensure that government support is being used to help solve the problem of the unserved and to help achieve the goal of universal connectivity.

5. Remove barriers to entry and deployment

Eliminating regulatory barriers to deployment (such as permitting delays and the imposition of excessive pole attachment rates by municipalities and co-ops), and encouraging equitable “dig once” policies, will help accelerate and lower the cost of broadband infrastructure buildout. Every dollar paid in excessive fees and taxes is a dollar that cannot be invested in broadband, making the rollout and upgrade of rural broadband slower and less ubiquitous.

Thank you again, for the opportunity to testify today. I look forward to working with you on these important issues.