LD 1107

An Act To Create Needed Broadband Infrastructure in Rural Maine through the Establishment of a Satellite-based Broadband Grant Program

NFNA



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Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

My name is Barry Hobbins and I am the Public Advocate with the Office of the Public Advocate and I am here today to testify neither for nor against LD 1107 "An Act To Create Needed Broadband Infrastructure in Rural Maine through the Establishment of a Satellite-based Broadband Grant Program."

The Office of the Public Advocate understands it is imperative to expand internet access to rural areas of Maine. However, a \$1,000,000 appropriation to fund grants related to specifically Satellite-based internet providers is a tough sell coming off a very difficult year when state funds are already stretched to their limit, especially when these companies are already being substantially funded by federal grants. Additionally, the OPA is unsure that the Commission has the means to process these applications and distribute funds to individuals.

Another potential drawback to this proposed legislation is the cost of the service. According to a recent piece by the Wall Street Journal (found here: <u>Testing Elon Musk's Starlink: Is It Really a Rural Internet Game Changer? (wsj.com)</u>) explained that beta testers for Starlink, one of the Satellite-based internet services, based in rural Washington State not only required \$500 for the equipment necessary to utilize the service but a monthly cost of almost \$100 for the service itself. It is our understanding that the grant program proposed in this bill would help with these

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costs, but the office is not convinced that this service will be accessible for the majority of low-income Mainers in rural areas who are searching for a solution to their problems accessing affordable and reliable internet. The OPA is unclear if these funds could be applied to monthly leasing fees for satellite providers who spread the cost of their equipment out over the life of the contract rather than as an upfront charge.

The OPA believes the title of the bill is somewhat misleading because there is no infrastructure being funded by these grants. The equipment would be privately owned by residents and the bill explicitly states that "grants be awarded only to individuals applying on behalf of a residential household and that grants may not be awarded to business entities." It is unlikely that this bill would result in large-scale internet access for communities and instead would only provide the services to citizens who could afford it. This bill essentially subsidizes one type of internet over others, even if there are other services and technologies available to the home. It is important to provide education to inform consumer choice, rather than shape that choice for the consumer.

Finally, the Office of the Public Advocate believes that there needs to be a more streamlined approach to addressing the expansion of broadband in the state, especially in rural areas. A more comprehensive bill that incorporates an all-encompassing approach will be the best way to achieve this ambitious project instead of a number of bills that only address one or two issues and create inconsistencies in the process.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1107, and will be present at the work session to assist the Committee in its consideration of this bill.

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Respectfully submitted,

Bang Holding

Barry J. Hobbins Public Advocate