



Maine Municipal
Association

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Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1894 – *An Act To Support Municipal Broadband Infrastructure through Incentives and Competition*

February 3, 2022

Senator Lawrence, Representative Berry and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Neal Goldberg, and I am providing testimony neither for nor against LD 1894 on behalf of Maine Municipal Association.

Municipal officials share the belief that broadband infrastructure needs to be expanded and in order to do so they require financial assistance. The proposed amendment to LD 1894 rightly provides a new pathway for municipalities to secure funding for broadband systems. The creation of a grant matching program to support municipalities fills the missing piece that prevents many networks from being constructed.

However, this legislation presents a few concerns for local officials.

The first is the serious matter of insurability. Currently many municipalities insure their utility delivery systems through MMA's Risk Management Services (RMS). RMS is able to provide market competitive insurance rates because utility delivery is considered an essential government service and the activity is explicitly included in Maine's Tort Claim Act (MTCA). As written, this legislation would likely make the resulting municipal broadband infrastructure ineligible for market-rate insurance coverage. Two potential solutions to resolve this insurability matter are to either amend the MTCA law to state that provision of internet services is a legitimate function of local government or amend this bill to limit the municipal exposure of a pole attachment agreement to the limit in the tort claims act.

A second concern raised by municipal officials is the state's use of public funds for something with no guaranteed public benefit. The basis of this concern is that the expansion of broadband infrastructure does not guarantee the expansion of affordable broadband, which undermines the state's equity goal. This bill provides no assurance that more Mainers will be able to afford broadband.

The proposed amendment also identifies "anchor institutions" and leaves the writing of that definition to ConnectMaine Authority. Depending on how anchor institutions are defined this could make some potential broadband projects unfeasible. For instance, providing service to a qualifying anchor institution on the other side of town, far from the intended service area, could be a barrier to a project getting completed.

Thank you for your time and consideration of this important matter.