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September 8, 2020

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Representative Michele Hoytenga, Chair of the Communications and Technology
Committee
Anderson House Office Building
S-1386 House Office Building
Lansing, MI 48933

Re: HB 4288 – Appreciation and Opposition

Dear Representative Hoytenga, Chair of the House Communications & Technology
Committee

This letter is written on behalf of my client PROTEC <https://www.protec-mi.org/>, a
consortium of over 100 Michigan local community governments which addresses
telecommunications, energy, pipelines and other utility issues facing local community
governments. PROTEC provides educational services on matters involving these issues

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and offers the following comments on HB 4288. I am a frequent lecturer on the topic of BB and have taught aspects of the subject in various academic settings.

At the outset, we wish to express our appreciation for the concept of State government offering to provide at least some nominal funding for the improvement of the state of internet access in Michigan (aka Broadband, or BB). The sentiment is certainly timely in light of what COVID-19 has taught us about the actual versus industry advertised state of our BB internet access system in Michigan and across the rest of the country.

However, there are issues of concern with the current draft of the Bill. These include but not limited to the following key concerns:

1. **\$5 Million is not nearly enough:** The amount of the proposed fund, \$5 Million dollars, though a large sum and a good start perhaps, pales in comparison to the amounts actually needed to bring state of the art internet access to all Michiganders, young and...not so young alike. For instance, we refer to the Minnesota funding levels in its BB program (**\$20 Million**), from which our prior Governor borrowed many of the concepts for his BB Plan, and the most recently announced **\$400 Million** dollar Illinois BB project. See <https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx>
2. **Why eliminate Municipal BB as a Market Force?** Lack of competition is one of the key problems our current BB system suffers from. The exclusion of Municipal BB projects from such funding eligibility in the current Bill eliminates a significant source of competition that could spur BB growth and innovation that a free and open market place should provide. And this elimination is particularly repugnant as it is the tax dollars from the resident tax payers of the very communities being eliminated from eligibility that will suffer from whatever uncompetitive BB product is ultimately offered.
3. **No Ascertainable Requirements on Recipients:** In return for this taxpayer giveaway, exclusively to a wildly profitable industry, the Bill fails to require any verifiable BB standards such as rates, service standards, data cap regulation etc. Where is the ascertainable benefit and consideration to taxpayers for this give away? Over-priced and poorly serviced BB is not "available" BB.
4. **The original Bill definition of BB Speeds at 10mbps/1mbps is far too slow:** Even the FCC's five year old standard of 25mbps/3mbps is due for a significant upgrade and any revised definition in this Bill should allow for increases to at least the FCC definition at a given time. The original 10/1 speed is little more than dial up of the last century. It will not provide anything of value to anyone anywhere, let alone the taxpayers paying for it.
5. **Unserved as well as underserved areas should be eligible:** Limiting consideration to "unserved", at the expense of vast areas that are underserved,

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is unnecessarily restrictive and wrongfully perpetuates the monopolies in this business which have led us to the conundrum we now face.

6. **Use of industry advertised “Census Blocks” passed or available is untenable:** even the FCC acknowledges this. The use of these terms should be eliminated.

Our criticisms are intended to spur further conversation and improvement of a Bill which at its core, is a good concept for Michigan; Not as an attempt to terminate efforts on the subject.

Thank you for the opportunity to present these thoughts on HB 4288 Madam Chair.

We are available to offer whatever assistance the Committee might be interested in for the purpose of aiding in a thoughtful discussion of these issues.

On behalf of PROTEC,

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MJW: