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September 15, 2020

Re: Comments on HB 4288

The Michigan Broadband Cooperative applauds the effort to solidify a broadband grant program for Michigan as HB 4288 would accomplish. Now more than ever, broadband is essential for the citizens of Michigan to participate in modern society. However, the Michigan Broadband Cooperative has some concerns with the details of this bill.

- **Broadband service must be defined as “fixed”.** Without this specificity, the availability of cellular service could exclude an area from eligibility. Cellular service is not a replacement for fixed broadband due to restrictions on data usage (“data caps”) even on so-called “unlimited” cellular plans. (Section 2(b))
- **Municipalities should be allowed to participate.** No rural municipality is going to “compete” with commercial ISPs – rural townships with no full-time staff have no interest in becoming service providers. However, the inclusion of municipalities in the grant program opens up many more possibilities for public-private-partnerships and funding aggregation. Several sections of the bill would need to be modified to enable this: (Sections 2(e), 4(2), 4(4), 5(2))
- **Connect America Fund (CAF) areas should not be excluded.** Connect America funds have been accepted for many areas of Michigan. Some of these areas may never receive upgrades, given the subsequent bankruptcy of some recipients. Other areas have seen providers using data-capped cellular service to fulfill their CAF obligations. In most areas CAF funds target upgrades to reach 10Mb download and 1Mb upload speeds, which do not meet the 25Mb download and 3Mb upload threshold of this bill. It is reasonable to exclude Connect America Auction 903 funds only, as these areas will receive 25Mb or greater service. (Sections 7(4)(d), 8(c))
- **The challenge process should ensure only true challenges.** The process as written would allow any incumbent provider to block a grant proposal with a “plan”. The only penalty for such an action as outlined is to “reimburse the department for the cost of verifying the status of the provider's construction” which provides very little disincentive for this type of block. (Section 7(4)(c), 7(4)(d))
- **Accountability is needed.** The bill outlines a detailed reporting process but has no consequences should a provider fail to achieve the level of service and deployment proposed in their grant application. Failure to deploy the promised level of service to the committed service areas within a reasonable time period should result in a proportional forfeiture of grant funding. (Section 10)

These concerns are not meant to stall any efforts on this important grant program – on the contrary, the Michigan Broadband Cooperative views a broadband grant program in Michigan as a critical priority. It is our goal to ensure that this program is as strong as possible so that it is well positioned to help the citizens of Michigan get the broadband access that they sorely need.

Sincerely,

A handwritten signature in black ink that reads "Benjamin J. Fineman".

Ben Fineman
President, Michigan Broadband Cooperative