

Broadband Position Statement

Relevant Public Policy principles:

- *MHTA supports state investment in initiatives that foster start-up and growth of the high tech industry as well as policies that promote private investment.*
- *MHTA supports the creation of a comprehensive statewide technology plan for economic development that lays out a framework for building upon our state's technology strengths.*

Summary/Issue

Ubiquitous and affordable broadband access throughout Minnesota is essential to ensure a high quality of life and a globally competitive future for our citizens, businesses, and communities. Economic development is increasingly dependent on the availability of broadband. Expanding the availability and use of broadband technology will grow new markets for business, enhance educational access, strengthen the quality and reduce the cost of health care, increase the potential to attract and retain high paying jobs, improve quality of life, and provide Minnesota citizens and businesses with the capabilities necessary to compete in today's dynamic global marketplace.

However, the state currently lacks the policy framework necessary for the development of a robust broadband infrastructure. Minnesota needs to implement such a policy framework to become a world leader in the universal deployment and use of broadband.

Impact on MHTA Members

MHTA members operate in a global economy. Access to world-class broadband, as measured by speed, connectivity and use, is a competitive advantage. MHTA member companies are also at the forefront of manufacturing the components, building the infrastructure, and providing the value-add services that are necessary for the realization of broadband's full potential. For these reasons, MHTA has an interest in ensuring that state policies promote the deployment of broadband technologies and services.

MHTA Position

As a guiding principle, MHTA believes in letting market competition choose winners and losers, and that the Legislature should not encourage or mandate one technology, product, software or service over another. MHTA also believes that it is a proper role for state government to lead economic development policies that make Minnesota more competitive in the global marketplace. To these ends, MHTA believes that the state can and should encourage the deployment and use of statewide high speed broadband.

To make this happen, MHTA recommends that a policy framework be defined and adopted. This policy framework should include the following elements:

- Promotion of a regulatory and competitive environment that will have a positive effect on private industry's incentive to invest in the deployment of broadband technologies;

- Removal of barriers that may prevent service providers from offering high speed information services to homes and businesses;
- Encouragement of the state to monitor the rollout of broadband services and to help ensure technology-neutral competition; and
- Private industry solutions should be utilized if available. Government investment should be an option only when private sector solutions are not viable.

Broadband Deployment Principles

1. State and local governments should adopt broadband deployment goals and policies that:
 - simplify rights-of-way requirements
 - promote private investment in new networks
 - bring broadband to all areas, including those historically underserved
 - encourage private sector competition among services
2. State and local governments should establish transparent and competitively neutral rules to reach broadband goals.
3. The state should adopt regulatory policies that reduce barriers to entry, encourage investment in the necessary infrastructure and promote competition in the bundle of services that can be delivered over a broadband network.
4. State and local governments should encourage the use of broadband services by avoiding new taxes or fees on broadband services.
5. To the extent subsidies are necessary for the construction of broadband, they should not be funded from fees or taxes targeted at broadband services. They should, instead, be obtained from broader, non-discriminatory general revenue sources.
6. Municipalities that determine there is an unmet need for broadband deployment should be encouraged to establish transparent and competitively neutral rules for setting up local networks.
 - I. With public input, they should first assess unmet demand, underserved areas, and future requirements.
 - II. They should use an open, competitive bid process to determine the best-suited technology and service provider;
 - III. Private sector new entrants, established firms with existing facilities, and out-of region established firms should be encouraged to bid on the network deployment, service provision and network operational requirements; and
 - IV. Municipal efforts should not get preferred access to rights of way, cross-subsidization, or other favored treatment.