

May 9, 2022

Representative Mike Sundin
Representative Michael Howard
Representative Alice Hausman
Representative Samantha Vang
Representative Tama Theis
Senator Torrey Westrom
Senator Rich Draheim
Senator Gene Dornink
Senator Eric Pratt

Cc:
Governor Tim Walz
Speaker of the House Melissa Hortman
House Majority Leader Ryan Winkler
House Minority Leader Kurt Daudt
Senate Majority Leader Jeremy Miller
Senate Minority Leader Melisa López Franzen
Commissioner Steve Grove

Digital connectivity is vital to Minnesota's current and future economic prosperity. Our citizens, small businesses, and farmers are altogether increasingly reliant on high-speed internet connectivity to compete in today's global economy. The pandemic has accelerated the adoption of digital technologies and the need for fast, reliable broadband service to all homes and businesses is essential to work remotely, participate in distance learning, receive virtual care, get timely global information, or connect with loved ones. As an example, the USDA has identified that broadband in rural communities could create approximately \$47–\$65 billion annually in additional gross benefit for the U.S. economy through improved productivity, workforce re-skilling, environmental sustainability, and new business opportunities. Broadband is the foundational element that is a force multiplier for all other issues. We need it to better address critical challenges and build economic opportunity, competitiveness, and prosperity.

The latest data available shows that there are over 170,000 households with no access to broadband and at least 240,000 households without a broadband connection that meet the 2026 goals of 100 Mbps of download and 20 Mbps of upload speeds. Assuming an average cost of \$5,527 per location¹ to deliver a broadband service, deploying service would require funding of over \$1.3 billion. After applying the various federal funding programs, the Taskforce estimates approximately \$170 million is still needed to complete the job and get Minnesotans connected. As you are aware, Minnesota's construction season is shortened due to weather. In fact, due to several factors, no grants were awarded during the 2021 construction season and a whole year was lost. The gap of \$170 million needs to get funded from the State's general fund to ensure that all Minnesotans get access to broadband, regardless of zip code, and it is critical to get the ball rolling as soon as possible. With prompt approval by the State and Treasury, the Office of Broadband Development can open a grant window and approve projects in time to be built, or at least started, during the 2022 construction season.

Minnesota has been a leader amongst the states with its Border-to-Border Broadband Infrastructure grant program having awarded \$126.2 million to reach approximately 57,000 locations with broadband service between 2014 and 2020. The state has fallen behind in capitalizing on its leadership the last few years. In 2021 alone, Wisconsin invested \$125 million in 141 projects and committed to another \$100 million investment in 2022. Last year, Iowa committed \$300 million to its Empower Rural Iowa Broadband Grant Program. A few other examples include Missouri announcing it will use at least \$400 million for broadband infrastructure; Ohio is using \$250 million to improve high speed internet service;

¹ Taken from the Taskforce's 2022 annual report

Texas allocating \$500 million for broadband infrastructure; and Virginia has plans to use \$700 million to provide universal broadband by 2024.

Minnesota has a nationally recognized broadband office and a grant program that has a track record for success. All that is needed is for the Legislature to direct the available state and federal funding to the Border-to-Border Broadband Infrastructure grant program so that the real work of building out the infrastructure to meet the state's economic goals can be achieved. The time is now to invest in our communities. We believe passing a unified bill during the legislative session that allocates funding to this important infrastructure work is essential for the near-term and long-term competitiveness and well-being of our State. With your help, we remain encouraged that we can make broadband connectivity available to every Minnesotan.

While we are appreciative that the House included a \$25 million investment, we are disappointed that, in this time of a record surplus, it was reduced from its initial \$100 million. Any amount will help to expand broadband access, but Minnesota's broadband expansion efforts will need more than this amount to reach the finish line.

Thank you for your prompt consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Teddy Bekele', with a long horizontal line extending to the right.

Teddy Bekele
Chair, Governor's Broadband Taskforce

Taskforce Members: Yvonne Cariveau, Nolan Cauthen, Steve Fenske, Steve Giorgi, Jason Hollinday, Marc Johnson, Bernadine Joselyn, Brian Krambeer, Micah Myers, Theresa Sunde, Jim Weikum, Paul Weirtz, Dave Wolf; Office of Broadband Development: Diane Wells, Carol Bossuyt

¹. Taken from the Taskforce's 2022 annual report