



State Representative Ryan Smith
District 93

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Joint Sponsor Testimony - House Bill 378
Ohio House Finance Committee
November 28, 2017

Vice Chair Ryan and members of the Finance committee, Representative Cera and I are here today to offer testimony on HB 378. This bipartisan legislation creates a broadband infrastructure funding program to encourage build-out in areas of Ohio that do not have access to broadband internet.

The Federal Communications Commission defines broadband internet as 25 megabits per second for downloads and 3 megabits per second for uploads. Approximately 300,000 rural Ohio households do not currently have access to broadband internet, which has an impact on educational attainment, public safety and economic growth. Ensuring high-speed broadband capability will help our region and the entire state remain competitive nationally and continue to be a desirable place to live, work and visit.

This bill creates the Ohio Broadband Development Grant Program to assist entities in bringing broadband infrastructure to unserved areas of our state. HB 378 appropriates \$50 million each fiscal year through the Third Frontier Research and Development Fund, which receives proceeds from the issuance of general obligation bonds. Each fiscal year, \$1 million of the appropriation will be used to contract with one or more independent organizations to collect and analyze state broadband data. Political subdivisions, businesses, as well as nonprofits and co-ops involved with the provision of telecommunication services are all eligible for grants under the program. Each entity would be able to apply for up to \$5 million in grant funding.

Under this proposal, the Development Services Agency will administer the program and award grants for the construction and installation of broadband infrastructure. The evaluation of the applications will give priority to applicants who meet certain criteria such as offering new

or upgraded service, leveraging additional funding sources or servicing economically distressed areas of the state. It is my hope this legislation will assist local entities throughout the state as they work with providers to expand service and modernize wireless infrastructure.

We believe this legislation can help improve broadband access across the state --- and in turn ----strengthen our communities.

If you live in a metropolitan area, you may not fully realize how rural areas of the state are hurting because of the lack of broadband capability. I am sure you are aware that businesses, government, schools and residents need to use the internet on a daily basis. When there is not access to that technology or that access is limited, many people are left behind. This creates an even deeper divide for many areas of the state, such as mine, that are already struggling to create jobs and economic opportunity. Broadband and other technologies continue to advance, bringing new and better opportunities to many parts of Ohio, while other areas still do not have the most basic services.

We all know that the internet is a vital part of everyday life. As a legislator, I am sure you receive texts and emails throughout the day from your office and from your constituents. Access to the web allows you to stay in touch with the people you represent – literally, at the touch of a button. Now imagine if you were not able to conduct business through your cell phone, your google calendar, your email. There are still communities in Appalachia that have ZERO broadband service. Other counties in eastern Ohio have 40-60% connectivity to broadband. This hurts Ohio as a whole. It stops the advancement of development from coming into a certain region. Most successful businesses are tech savvy. If they are in the business of selling merchandise or a service, they are going to want great internet access in order to maintain high levels of sales through e-commerce.

Job applications, government business such as filing for unemployment or filing your taxes, access to important medical information, utilizing the web for education or just keeping in touch with family, utilizing the web is a vital part of our everyday way of life. House Bill 378 helps direct financial resources for broadband service and can help many of these eastern Ohio areas get some financial assistance in getting broadband in their homes and in their businesses.

Thank you for your time. We are happy to address your questions.