



May 27, 2020

Re: Sub. HB 13 - Creating the Ohio Residential Broadband Expansion Grant Program

Dear Co-Chairmen Oelslager and Callender and Members of the House Finance Committee:

On behalf of the Ohio Cable Telecommunications Association (OCTA), I strongly urge your support of Substitute House Bill 13, which creates the Ohio Residential Broadband Expansion Grant Program to support last-mile broadband construction into unserved areas of Ohio and adopts much-needed regulatory reforms to minimize significant barriers to broadband expansion.

While the current challenges caused by the COVID-19 pandemic have amplified the important role broadband plays in our daily lives – including supporting distance learning, telehealth, and remote work options for Ohio businesses – the real economic challenges of reaching unserved areas of Ohio remain. Sub. HB 13 addresses this head-on by creating a competitive grant process to help OCTA members and other internet providers construct the expensive and high-risk last-mile infrastructure needed to get broadband service to Ohioans who currently lack reliable, high-speed internet access.

For more than a year, the OCTA has worked with Representatives Carfagna and O'Brien, House Leadership, and the Governor's Office to develop the language currently in Sub. HB 13, which we strongly believe will move the needle to expand last-mile broadband projects into unserved areas of Ohio. For those of us who have been productive partners in the process, the approach has been collaborative and the OCTA has made compromises in an effort to move this bill forward to help Ohioans.

Today, after many months of good work, the OCTA is proud to offer its strong endorsement of Sub. HB 13, which will support broadband expansion by:

- Creating a competitive grant program that will ensure precious taxpayer resources – including the \$20 million allocated for the first round of funding – will only be used to build broadband to unserved areas of Ohio.
- Protecting taxpayers and private-sector broadband providers by creating a transparent grant award and challenge process, and ensuring grants are awarded on a provider-neutral and technology-neutral basis.
- Encouraging even greater investment in Ohio by giving more weight in the application scoring process to broadband providers that demonstrate the experience and ability to build, operate, and manage a complex broadband network.
- Ensuring non-discriminatory access to rural electric cooperative poles, which is especially important as more rural electric cooperatives themselves offer broadband and would have the ability under Sub. HB 13 to apply for broadband expansion grants in competition with other providers.

- Requiring fair access to public rights-of-way that intersect with railroad crossings.
- Clarifying that equipment used in all of the activities performed as part of the provision of internet service should not be taxable under Ohio's existing equipment exemption statute.

Unfortunately, one electric utility is making a late push to add an anticompetitive carve out into Sub. HB 13, which would require electric ratepayers to subsidize middle-mile fiber construction for that electric utility only, all under the guise of a rural broadband solution. The OCTA adamantly opposes this scheme, as it would allow a monopoly to operate in the competitive broadband marketplace, provide the electric utility a zero-risk scenario guaranteeing a return on investment for its middle-mile fiber construction, and it completely fails to address the real challenges to rural broadband expansion: the risk and cost associated with constructing the last-mile infrastructure needed to deliver service.

As you read it today, and after many months of hard work, we're confident Sub. HB 13 will play a significant role in closing the digital divide across Ohio. We appreciate the leadership of Speaker Householder and Reps. Carfagna and O'Brien to help drive this issue forward, and we strongly encourage its swift passage.

Thank you for your consideration of this important legislation.

Sincerely,



Steve Buehrer
Executive Director, OCTA

About the Ohio Cable Telecommunications Association (OCTA)

The OCTA is a trade association representing Ohio's cable television operators, programmers, and suppliers and their more than 8,500 Ohio employees. Through its member companies, the OCTA serves the vast majority of the almost 3 million cable households in the state, providing broadband, video and telephone service, including wireless. Together, Ohio cable operators have an \$11.7 billion impact on Ohio's economy, pay over \$450 million in wages to Ohioans, contribute more than \$200 million annually in taxes and fees, and have invested \$2 billion in technology and equipment upgrades in Ohio over the past two years alone.