



THE BUCKEYE INSTITUTE

Ensuring Ohio's Success by Expanding of Broadband

Interested Party Testimony
Ohio Senate Financial Institutions and Technology Committee
House Bill 2

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As Submitted

Chair Wilson, Vice Chair Hottinger, and Ranking Member Maharath, thank you for the opportunity to submit written testimony regarding House Bill 2.

My name is Greg R. Lawson, I am the research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

It has become increasingly clear that access to high-speed broadband is an essential of daily life in America. The response to the COVID-19 pandemic highlights the critical need for high-speed broadband access as millions of Ohioans study, work, and shop from home. Expanded use of telehealth, online learning, internet commerce, and telework all depend on consumer access to reliable broadband service. And although many communities and households have multiple broadband providers offering service, there are still many across Ohio—particularly in rural areas—that do not. The economic gap between those communities with broadband access and those without will likely continue to widen, especially with the advent of 5G service, forecast to drive **economic growth** and create millions of jobs.

Broadband’s availability is particularly important for education during the pandemic. Many Ohio students, especially in urban areas, have been and continue attending school remotely from home. Broadband access makes such remote learning possible. Rural school districts, by contrast, continue **struggling** to ensure that students can connect to the internet to complete their assignments. Even as COVID-19 vaccines become available to school personnel, remote learning looks to play a significant role in education for the foreseeable future.

Without adequate plans to deliver broadband service throughout the state, Ohio risks leaving many communities and families behind as other parts of the country speed ahead on the information superhighway.

Fortunately, the Federal Communications Commission has renewed efforts to develop better **broadband maps** to more clearly define areas that remain underserved by broadband providers. Better mapping will improve resource allocation. In addition to related **federal resources** for rural broadband expansion, Governor DeWine’s recent budget blueprint includes a one-time increase in broadband access, and House Bill 2 takes critical and prudent steps to leverage those resources to greater advantage.

House Bill 2 is consistent with The Buckeye Institute’s earlier recommendations for expanding broadband access. As we explained in ***Policy Solutions for the Pandemic: Expanding Broadband to Underserved Areas***, Ohio needs a limited, targeted grant program that supports private-sector broadband expansion by closing the gap between what commercial service providers can afford to develop a network and the full cost of providing the service to underserved communities. House Bill 2 does this through a transparent process open to multiple providers using different technologies.

The bill rightly recognizes that government bodies should not be competing with private-sector actors by creating government-owned networks or GONs, which continue to risk tax-payer money

for poor quality service that is difficult to upgrade. The Buckeye Institute argued in ***Broadband “GON” Wrong: Remembering Why Government-Owned Broadband Networks Are Bad for Taxpayers***, GONs are known to provide poor quality service at high costs to taxpayers—costs that Ohio and its taxpayers can ill-afford in the wake of the pandemic. House Bill 2 avoids this misstep.

House Bill 2 also wisely guarantees broadband providers nondiscriminatory access to electric cooperative utility poles. This guarantee includes a dispute-resolution mechanism in the courts of common pleas and facilitates more broadband deployment in Ohio’s underserved areas that rely on electric cooperatives.

Expanding broadband access is vital, but it must be achieved without permanently increasing government spending. Although current tax revenues are better than expected, Ohio cannot afford to disregard legitimate concerns over taxpayer resources and the threat of a sustained economic slowdown. Accordingly, House Bill 2 should be paid for by reducing state spending in other areas, as Buckeye has **recommended**. Ohio families have had to make tough financial choices during the pandemic. Policymakers must do likewise.

Thank you for the opportunity to submit written testimony on this important issue.



About The Buckeye Institute

Founded in 1989, The Buckeye Institute is an independent research and educational institution – a think tank – whose mission is to advance free-market public policy in the states.

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