

# MAINE STATE LEGISLATURE

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L.D. 1399

Date: 6/7/2017

Majority

(Filing No. S-223)

**ENERGY, UTILITIES AND TECHNOLOGY**

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE**

**SENATE**

**128TH LEGISLATURE**

**FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 477, L.D. 1399, Bill, "An Act To Encourage Broadband Coverage in Rural Maine"

Amend the bill by striking out all of section 5.

Amend the bill in section 6 in the first paragraph in the 7th line from the end (page 2, line 3 in L.D.) by inserting after the following: "an employee of the" the following: 'Office of Information Technology assigned to the'

Amend the bill in section 9 in §9301 in subsection 4 in paragraph B in the first line (page 3, line 5 in L.D.) by inserting after the following: "service" the following: 'that voluntarily chooses to be assessed by the initiative pursuant to section 9311'

Amend the bill in section 9 in §9301 in subsection 7 in the 3rd line (page 3, line 15 in L.D.) by striking out the following: "25" and inserting the following: '10'

Amend the bill in section 9 in §9302 by striking out all of subsection 1 (page 3, lines 18 to 24 in L.D.) and inserting the following:

'1. Goals. The goals of the State related to high-speed broadband are to ensure the availability of competitive, secure, universal high-speed broadband services to promote economic development, education, delivery of cost-effective health care and public safety and to allow residents and businesses to compete in the national and global economy.'

Amend the bill in section 9 in §9302 in subsection 2 in paragraph A in the last line (page 3, line 28 in L.D.) by inserting after the following: "State;" the following: 'and'

Amend the bill in section 9 in §9302 in subsection 2 by striking out all of paragraphs B and C (page 3, lines 29 to 37 in L.D.) and inserting the following:

'B. Support and facilitate the construction of advanced communications technology infrastructure and access to high-speed broadband service through financial and other incentives when partnerships and collaborations are not adequate to achieve the goal of providing high-speed broadband access and service to all areas and households, or when some areas of the State fall behind significantly in providing services

**COMMITTEE AMENDMENT**

1 equivalent to the variety and quality of services readily available elsewhere in the  
2 State.'

3 Amend the bill in section 9 in §9303 by striking out all of subsection 3 (page 4, lines  
4 11 to 37 in L.D.) and inserting the following:

5 '3. **Maine Broadband Initiative director.** The Governor shall, using a full and  
6 competitive search process, appoint a full-time Maine Broadband Initiative director,  
7 referred to in this section as "the director," who meets the qualifications in paragraph A.  
8 The appointee is subject to review by the joint standing committee of the Legislature  
9 having jurisdiction over public utilities and technology matters and to confirmation by the  
10 Legislature.

11 A. The director must have demonstrable experience in the management of  
12 organizations that maximize partnerships and collaborations to expand the  
13 availability and deployment of high-speed broadband to unserved areas of the State.

14 B. The director serves as the president of the board. The director shall manage the  
15 initiative's programs, services and employees and shall perform any other duties the  
16 board considers appropriate. The director shall report to the Commissioner of  
17 Economic and Community Development in the execution of the director's  
18 responsibilities.

19 4. **Board of Directors of the Maine Broadband Initiative.** The initiative is  
20 governed and all of its powers exercised by a board of directors established in Title 5,  
21 section 12004-G, subsection 33-G. The board consists of 10 voting directors and 1  
22 nonvoting director.

23 A. The Governor shall appoint 6 voting directors. In making appointments, the  
24 Governor shall give consideration to citizens of the State having knowledge of  
25 telecommunications technology, telecommunications regulatory law, transportation  
26 rights-of-way infrastructure, financing, federal funding or economic development. At  
27 least 4 of the appointees must come from areas of the State where high-speed  
28 broadband is not available.

29 B. The Commissioner of Economic and Community Development, or the  
30 commissioner's designee, is an ex officio voting director.

31 C. The Chancellor of the University of Maine System, or the chancellor's designee, is  
32 an ex officio voting director.

33 D. The chair of the Public Utilities Commission, or the chair's designee, is an ex  
34 officio voting director.

35 E. The Public Advocate, or the Public Advocate's designee, is an ex officio voting  
36 director.

37 F. The director of the initiative described under subsection 3 is a nonvoting director  
38 and serves as president of the board.'

39 Amend the bill in section 9 in §9303 in subsection 4 in the first 2 lines (page 4, lines  
40 38 and 39 in L.D.) by striking out the following: ", the Speaker of the House of  
41 Representatives and the President of the Senate"

1 Amend the bill in section 9 in §9303 by striking out all of subsection 9 (page 5, lines  
2 16 to 19 in L.D.) and inserting the following:

3 '9. Biennial report. By December 15th of every odd-numbered year, the initiative  
4 shall provide a report, with audited financial reports, on its activities to the joint standing  
5 committee of the Legislature having jurisdiction over public utilities and technology  
6 matters.'

7 Amend the bill in section 9 in §9303 by renumbering the subsections to read  
8 consecutively.

9 Amend the bill in section 9 in §9304 in subsection 9 in the 4th line (page 6, line 26 in  
10 L.D.) by inserting after the following: "loans" the following: ', contracts for services'

11 Amend the bill in section 9 in §9305 in subsection 1 in the 9th line (page 7, line 11 in  
12 L.D.) by striking out the following: "July" and inserting the following: 'September'

13 Amend the bill in section 9 in §9311 by inserting after subsection 4 the following:

14 '5. Limitation; administrative costs. The initiative may not spend more than 10%  
15 of the funds received annually from the fund on administrative costs.'

16 Amend the bill in section 10 in §457 in paragraph E in the 2nd line (page 11, line 27  
17 in L.D.) by striking out the following: "July" and inserting the following: 'September'

18 Amend the bill in section 11 in subsection 2 in the first 2 lines (page 11, lines 34 and  
19 35 in L.D.) by striking out the following: ", Speaker of the House of Representatives and  
20 President of the Senate"

21 Amend the bill in section 11 by striking out all of subsection 3 (page 12, lines 1 to 11  
22 in L.D.) and inserting the following:

23 '3. Staggered terms. Notwithstanding Title 35-A, section 9303, subsection 4, in  
24 making the initial appointments of members to the Board of Directors of the Maine  
25 Broadband Initiative, the Governor shall appoint 2 members to serve an initial term of  
26 one year, 2 members to serve an initial term of 2 years and 2 members to serve an initial  
27 term of 3 years. Members appointed pursuant to this subsection may serve no more than  
28 2 consecutive terms.'

29 Amend the bill in section 11 in subsection 4 in the first line (page 12, line 12 in L.D.)  
30 by striking out the following: "ConnectME Authority" and inserting the following:  
31 'Office of Information Technology'

32 Amend the bill in section 11 in subsection 4 in the first line (page 12, line 12 in L.D.)  
33 by inserting after the following: "Employees of the" the following: 'Office of  
34 Information Technology assigned to the'

35 Amend the bill by inserting after section 11 the following:

36 'Sec. 12. Appropriations and allocations. The following appropriations and  
37 allocations are made.

38 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**  
39 **Office of Broadband Development Z245**

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COMMITTEE AMENDMENT "A" to S.P. 477, L.D. 1399

1 Initiative: Provides funds for one Public Service Executive II position to serve as  
2 President of the Maine Broadband Initiative effective January 1, 2018.

3	<b>GENERAL FUND</b>	<b>2017-18</b>	<b>2018-19</b>
4	POSITIONS - LEGISLATIVE COUNT	1,000	1,000
5	Personal Services	\$66,040	\$136,094
6			
7	GENERAL FUND TOTAL	<u>\$66,040</u>	<u>\$136,094</u>
8			

9 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
10 section number to read consecutively.

11 **SUMMARY**

12 This amendment makes the following changes to the bill:

13 1. It clarifies the process for the appointment and confirmation of the Maine  
14 Broadband Initiative director by requiring that the Governor appoint a person who has  
15 experience in the management of organizations that maximize partnerships and  
16 collaborations. The amendment also provides that the appointee is subject to review by  
17 the joint standing committee of the Legislature having jurisdiction over public utilities  
18 and technology matters rather than telecommunications and broadband matters and must  
19 be confirmed by the Legislature rather than the Board of Directors of the Maine  
20 Broadband Initiative;

21 2. It changes the definition of "unserved area" to mean an area within the State that  
22 has an actual broadband speed that is slower than 10 megabits per second, rather than 25  
23 megabits as in the bill;

24 3. It removes a policy and goal of the Maine Broadband Initiative from the bill;

25 4. It changes the criteria that the Governor must consider when making an  
26 appointment to the Board of Directors of the Maine Broadband Initiative;

27 5. It removes the provision in the bill that allows appointment of directors of the  
28 Board of Directors of the Maine Broadband Initiative by the Speaker of the House of  
29 Representatives and the President of the Senate;

30 6. It further changes the composition of the membership of the Board of Directors of  
31 the Maine Broadband Initiative;

32 7. It limits administrative costs of the Maine Broadband Initiative to no more than  
33 10% of the annual funds received from the Maine Broadband Initiative Fund;

34 8. It changes the date from July 1st to September 1st as it relates to the crediting of  
35 the tax assessment by the State Tax Assessor to the Maine Broadband Initiative Fund; and

36 9. The amendment also adds an appropriations and allocations section.

37 **FISCAL NOTE REQUIRED**

38 (See attached)

**COMMITTEE AMENDMENT**



# 128th MAINE LEGISLATURE

LD 1399

LR 1305(02)

## An Act To Encourage Broadband Coverage in Rural Maine

Fiscal Note for Bill as Amended by Committee Amendment "A"  
Committee: Energy, Utilities and Technology  
Fiscal Note Required: Yes

(S-223)

### Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
<b>Net Cost (Savings)</b>				
General Fund	\$66,040	\$6,386,094	\$6,389,632	\$6,393,263
<b>Appropriations/Allocations</b>				
General Fund	\$66,040	\$136,094	\$139,632	\$143,263
<b>Revenue</b>				
General Fund	\$0	(\$6,250,000)	(\$6,250,000)	(\$6,250,000)

#### Fiscal Detail and Notes

This bill includes ongoing General Fund appropriations of \$66,040 in fiscal year 2017-18 and \$136,094 in fiscal year 2018-19 to a newly established Office of Broadband Development within the Department of Economic and Community Development for one Public Service Executive II position to serve as President of the Maine Broadband Initiative beginning January 1, 2018.

The bill replaces the ConnectME Authority with the Maine Broadband Initiative. Revenue generated from the telecommunications excise tax will now be credited to the Maine Broadband Initiative Fund instead of the General Fund. This is estimated to reduce General Fund revenue by \$6,250,000 annually beginning in fiscal year 2018-19. The Maine Broadband Initiative is authorized to issue bonds for the purpose of construction of advanced communications technology infrastructure and for the fulfillment of other undertakings it may assume. These bonds do not constitute a debt of the State or of any agency or political subdivision of the State but are payable solely from the revenue of the initiative, and neither the faith nor the credit nor taxing power of the State or any political subdivision of the State is pledged to payment of the bonds.

Additional costs to the University of Maine System and the Department of Economic and Community Development to serve on the Board of Directors of the Maine Broadband Initiative can be absorbed within existing budgeted resources.