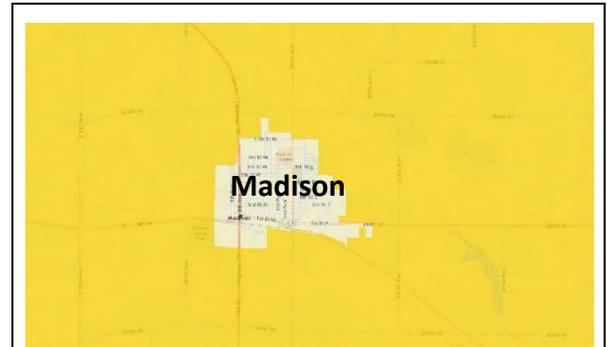




Greater MN Communities Need Increased Broadband Grant Funding and More Focus on Economic Development

- **Broadband grant program was designed for economic development:** The Office of Broadband Development was designed to promote economic development in underserved areas (Minn. Stat. 116J.39, subd. 2).
- **Economic development is good for business:** It is important to incentivize providers to expand into markets that incumbents do not adequately serve. Poor broadband puts rural Minnesota economies at a competitive disadvantage nationally and internationally.
- **Encouraging competition spurs future upgrades:** Many rural communities are poorly served by only one provider – often based out of state. Grants should strengthen Minnesota’s cooperatives, utilities, and companies, so competition between providers can spur the future upgrades needed by rural Minnesota businesses and residents.
- **Only upgrading sparsely-populated areas puts rural MN at a disadvantage:** Grants should target areas with *both* poor and no service (see above). At least half of state broadband funds should be used to upgrade poor service that inhibits economic growth.
- **Policymakers shouldn’t protect big providers at the expense of Greater MN communities:** In 2016, big providers secured protections from competition in communities that are eligible for grants. These sorts of protections put the future of Greater Minnesota communities in the hands of big providers.
- **Policymakers need to adequately fund the broadband program:** With a \$3 billion statewide need, policymakers need to make a serious investment in broadband.



Providers frequently seek to exclude cities from receiving grants, which creates a “donut hole effect” where a city has poorer service than surrounding rural areas. The bright yellow area above shows that all areas outside the city of Madison in Lac qui Parle County have access to world-class broadband due to federal funding – as opposed to the city of Madison itself, which did not qualify.

The DEED broadband program should serve the economic development needs of businesses and residents.