

# Committee Report

**CONSENT CALENDAR**

**April 10, 2018**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on Municipal and County Government to  
which was referred SB 170,**

**AN ACT relative to the authority of towns to issue bonds  
for the expansion of broadband infrastructure. Having  
considered the same, report the same with the  
recommendation that the bill OUGHT TO PASS.**

**Rep. David Meader**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	<b>Municipal and County Government</b>
Bill Number:	<b>SB 170</b>
Title:	<b>relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.</b>
Date:	<b>April 10, 2018</b>
Consent Calendar:	<b>CONSENT</b>
Recommendation:	<b>OUGHT TO PASS</b>

### STATEMENT OF INTENT

This bill, if enacted into law would permit municipalities to issue bonds for the purpose of providing or extending broadband infrastructure to areas presently unserved. Certain conditions must be met before bonds can be issued and the bill contains the provision for public-private partnerships for financing purposes. Public hearing testimony strongly indicated that enactment of this legislation would be a significant catalyst for economic development in many rural areas of New Hampshire.

Vote 16-0.

Rep. David Meader  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## CONSENT CALENDAR

Municipal and County Government

**SB 170**, relative to the authority of towns to issue bonds for the expansion of broadband infrastructure. **OUGHT TO PASS.**

Rep. David Meader for Municipal and County Government. This bill, if enacted into law would permit municipalities to issue bonds for the purpose of providing or extending broadband infrastructure to areas presently unserved. Certain conditions must be met before bonds can be issued and the bill contains the provision for public-private partnerships for financing purposes. Public hearing testimony strongly indicated that enactment of this legislation would be a significant catalyst for economic development in many rural areas of New Hampshire. **Vote 16-0.**

4/11/2018

Gmail - (no subject)

 Gmail

SB 170

Jim Belanger <jim.blng@gmail.com>

(no subject)

MAJORITY  
BLURB

David Meader <meader281@gmail.com>  
To: jim.belanger@leg.state.nh.us

Wed, Apr 11, 2018 at 6:58 AM

Let's try this one. This bill, if enacted into law would permit municipalities to issue bonds for the purpose of providing or extending broadband infrastructure to areas presently unserved. Certain conditions must be met before bonds can be issued and contains the provision for public-private partnerships for financing purposes. Public hearing testimony strongly indicated that enactment of this legislation would be a significant catalyst for economic development in many rural areas of New Hampshire.

OK  


# COMMITTEE REPORT

COMMITTEE: M+CG

BILL NUMBER: SB170

TITLE: Authority of Towns to issue bonds for broadband

DATE: 4/10/13 CONSENT CALENDAR: YES  NO

- OUGHT TO PASS
- OUGHT TO PASS W/ AMENDMENT
- INEXPEDIENT TO LEGISLATE
- INTERIM STUDY (Available only 2<sup>nd</sup> year of biennium)

Amendment No.  
\_\_\_\_\_

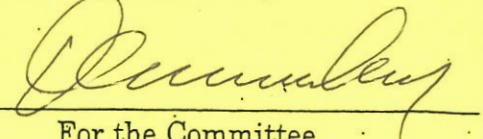
**STATEMENT OF INTENT:**

Many municipalities in the state ~~have~~ lack broadband infrastructure. When a community desires to expand that infrastructure at public cost it may need to raise funds via a bond issue. This bill makes it clear that a municipality is authorized to issue bonds to fund such an enterprise. The provisions for adopting a bond are not changed.

COMMITTEE VOTE: 16-0

RESPECTFULLY SUBMITTED,

- Copy to Committee Bill File
- Use Another Report for Minority Report

Rep.   
For the Committee

# Voting Sheets

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

EXECUTIVE SESSION on SB 170

**BILL TITLE:** relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.

**DATE:** April 10, 2018

**LOB ROOM:** 301

**MOTIONS:** OUGHT TO PASS

Moved by Rep. Meader

Seconded by Rep. F. McCarthy

Vote: 16-0

CONSENT CALENDAR: YES

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,



Rep Mark McLean, Clerk







2018 SESSION

M&C

Bill #: SB170 Title: Authority of towns to issue bonds for broadband

PH Date: 03 127 1 18 Exec Session Date: 04 1 10 1 18

Motion: GTP Amendment #: \_\_\_\_\_

MEMBER

YEAS

NAYS

<u>MEMBER</u>	<u>YEAS</u>	<u>NAYS</u>
Belanger, James P. Chariman	16	
Sterling, Franklin W. Vice Chairman	1	
McCarthy, Frank H.	2	
DeSimone, Debra L.		
<del>Chase, Francis G.</del> <i>Rep Porter Chase</i>	3	
Matthews, Carolyn L.	4	
McLean, Mark Clerk	5	
Gauthier, Francis		
Stone, Brian J.		
Tripp, Richard P.	6	
Migliore, Vincent Paul	7	
<del>Carson, Clyde J.</del> <i>Rep Porter</i>	8	
Tatro, Bruce L.	9	
Beaulieu, Jane E.	10	
Treleaven, Susan GS		
Bordenet, John	11	
Meador, David R.	12	
Gilman, Julie D.	13	
Josephson, Timothy	14	
Rand, Steven	15	
<b>TOTAL VOTE:</b>		

# Hearing Minutes

HOUSE COMMITTEE ON MUNICIPAL AND COUNTY GOVERNMENT

PUBLIC HEARING ON SB 170

**BILL TITLE:** relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.

**DATE:** March 27, 2018

**LOB ROOM:** 301 **Time Public Hearing Called to Order:** 2:50 p.m.

**Time Adjourned:** 4:17 p.m.

**Committee Members:** Reps. Sterling, F. McCarthy, DeSimone, Chase, Matthews, Tripp, Migliore, Carson, Tatro, Beaulieu, Treleaven, Bordenet, Meader, Josephson, Rand and J. Belanger

**Bill Sponsors:**

**Sen. Kahn**

**Rep. Bordenet**

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

\***Sen. Kahn**, prime sponsor. Supports bill. Should help small businesses and consumers.

\***Sturdy Rhomas**. Supports bill. Costs o provide customers in Dublin prohibitive. Recent residents have moved away because of lack of service.

\***Tom Strickland**. Supports bill. Broadband is essential today.

\***Tim Wilkerson**, NE Cable & Tele Communications Assn.(NECTA)/Ellen Scarponi, Consolidated Comm./Chris Hodgedon, Comcast. All support bill.

**David Juvet**, BIA. Supports bill.

**Jeanie Dictseh**, Town of Peterborough. Supports bill.

\***Brad Roscoe**, Town of Chesterville. Supports bill.

**Teresa Rosenberger**, NH Telephone Assn. Supports bill.

\***Phil Sutter**, Greater Keene Chamber. Supports bill.

**Cordell Johnston**, NHMA. Supports bill.

**Rep. Higgins**. Supports bill.

Respectfully submitted,



Rep. Mark McLean,  
Clerk



House Committee on Municipal & County Government  
Public Hearing

SB 170 LSR 17-0794	relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.
Sponsor(s)	Sen. Kahn, Dist 10; Rep. Bordenet, Ches. 5

Belanger, Jim	X	Sterling, Frank	X	Bordenet, John	X
Beaulieu, Jane	X	Carson, Clyde	X	Chase, Francis	X
DeSimone, Debra	X	Friel, William		Gauthier, Francis	
Gilman, Julie		Josephson, Timothy	X	Matthews, Carolyn	X
McCarthy, Frank	X	Meader, David	X	Rand, Steven	X
Stone, Brian		Tatro, Bruce	X	Treleaven, Susan	X
Tripp, Richard	X	Migliore, Vincent Paul	X		

LOB Room 301

Date:3/27/2018

Hearing called to order: 2:50 pm

Hearing Adjourned: 4:17 pm

**Testimony**

1. \*Sen. Kahn, sponsor, supports the bill. Should help small businesses and consumers.
2. \*Sturdy Rhomas, supports the bill. Costs to provide customers in Dublin prohibitive. Recent residents have moved away because the lack of service.
3. \*Tom Strickland, supports the bill. Broadband is essential today.
4. \*Tim Wilkerson – EN Cable, Ellen Scarponi – Consid. Comm., Chris Hodgedon – Comcast, all supports the bill.
5. Daid Juvet, BIA, supports the bill.
6. \*Jeanie Dictseh, town of Peterbough, supports the bill.
7. \*Brad Roscoe, town of Chesterville, supports the bill.
8. Teresa Rosenberger, NH Telephone, support the bill.
9. \*Phil Sutter, Greater Keene Chamber, supports the bill.
10. Cordell Johnston, NHMA, supports the bill.
11. Rep. Higgins, supports the bill.

\* indicates written testimony or amendment submitted.

Respectfully Submitted

Representative John Bordenet  
Committee Clerk









STATE OF NEW HAMPSHIRE  
DEPARTMENT OF BUSINESS AND ECONOMIC AFFAIRS  
**OFFICE OF THE COMMISSIONER**  
172 Pembroke Road, Concord, New Hampshire 03301

TAYLOR CASWELL  
Commissioner

TEL: 603-271-2341  
FAX: 603-271-6784

Representative James Belanger, Chair  
Municipal and County Government Committee  
Room 301  
Legislative Office Building  
Concord, NH 03301

**RE: SB 170– Relative to the authority of towns and cities to issue bonds for the expansion of broadband infrastructure**

Dear Chairman Belanger:

The Department of Business and Economic Affairs supports passage of SB 170 – relative to the authority of towns and cities to issue bonds for the expansion of broadband infrastructure.

This legislation will enable communities to access private financing to enhance broadband availability in areas where the private sector cannot profitably provide service.

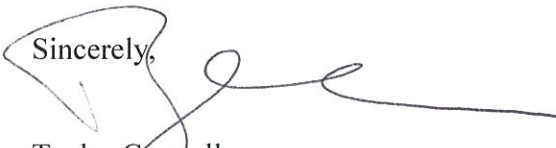
SB 170 is:

- technology neutral;
- focuses on unserved and underserved last mile deployments in the residential markets; and
- limits expansion efforts to only those areas that do not meet the Federal Communications Commission's definition of broadband (25Mbps/3Mbps).

When measured at 25Mbps/3Mbps, 37 percent of the state does not meet the FCC definition of basic broadband, and 50,000 households in New Hampshire have little or no broadband service. This is the case as we see the number of telecommuters increasing to what is now about 50% of the state's workforce requiring daily or weekly broadband service to do their jobs.

Here in New Hampshire, the evolution of broadband has largely been a function of the free market, with limited participation by the state. There are no rules to force providers to serve residential customers and their actions are largely driven by the return on investment. While I do not disagree with a free market approach to such growth, SB 170 will let NH communities access to a tool which will allow them to intervene where there are gaps, if they so choose. As my Department works to advance our state's economy in the 21<sup>st</sup> century, getting as close to universal internet access as we can is vital to our long term success.

Sincerely,



Taylor Caswell  
Commissioner



March 27, 2018

House Municipal and County Government Committee  
State of New Hampshire House of Representatives  
107 North Main Street  
Concord, NH 03301

Dear Chairman Belanger and Committee Members:

As the President/CEO of the Greater Keene Chamber of Commerce, I am in frequent contact with our members – nearly 500 organizations in more than 40 communities – and others in what we loosely refer to as “the business community.”

Aside from workforce, an issue that continues to come up frequently is the inadequacy of broadband connectivity in Keene, the Monadnock Region, and throughout rural New Hampshire. For many years, bills to permit municipal and/or county bonding for broadband infrastructure improvements have died in the legislature.

This year, I am encouraged by the prospect that SB-170 may be successful. It is notable that, in its current form, SB-170 represents many months of discussion between legislators, representatives of the telecommunications industry, and other stakeholders.

While no one is under the illusion that the ability for local communities to bond for broadband infrastructure improvements is a silver bullet that will “solve” the problem once and for all, it is important that municipalities have every tool and option possible as they continue to grapple with a range of possible solutions. What any given community chooses to do with the tool is, of course, up to that community – SB-170 doesn’t *require* any bonding by any community.

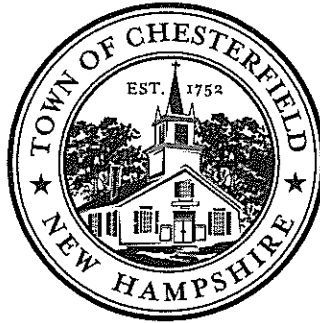
This issue is not solely about the ability of a business to connect to the internet at high speeds. The broadband issue is also about the employees of our businesses (e.g. the ability to work remotely); the children of employees of our businesses (e.g. the ability to succeed in school); and the parents of employees of our businesses (e.g. to be served by telemedicine). In short, it’s about quality of life in the 21<sup>st</sup> century.

Thank you for the opportunity to share some of what I hear in our part of the state.

Sincerely,

Philip N. Suter  
President/CEO

PO Box 175  
Chesterfield, NH 03443



603-363-4624  
www.nhchesterfield.com

March 22, 2018

**Subject:** SB-170

**To:** Whom It May Concern:

The Board of Selectmen of the Town of Chesterfield, NH have asked me to represent the Town to show support for SB-170, for allowing municipalities to Bond for improvements to Broadband.

Chesterfield is located in the southwestern part of the state and has a population of around 3500. It is a rural community with over 140 businesses, many of which are small businesses run out of resident's houses. As you know, small businesses are the backbone of the American economy and the key to local Economic Development. Lack of an adequate broadband infrastructure in town is a significant deterrent to the starting and/or relocation of business. Homes without access to adequate broadband do not sell well, and when they do sell, they sell at a significantly reduced price. Since property assessments are supposed to reflect the actual selling price of properties, there is a real threat to the tax base of local communities from residents filing for abatements on their property due to the lack of adequate Broadband.

In the spring of 2016, a survey was performed on Broadband coverage and needs in the Town of Chesterfield. About 13% of the 1600 resident households and businesses responded to this survey. Here are some interesting findings from those people responding to the survey:

- 99% of them use the internet on a daily basis.
- 18% of them use the internet for a full-time or home-based business.
- 51% telecommute from home at least once a week.
- 24% telecommute from home at least 4 times per week.
- 35% of the respondents were 60 years of age or older, with another 34% being in their 50's.

The above information supports the fact that the changing American Workplace is evolving into a model where more and more people work out of their homes. The fact that 24% of the respondents telecommute 4 times a week or more from their home begs the questions, "How many would telecommute if the town had adequate broadband?" and "How many more jobs would that create?"

In 2015, the FCC established their benchmark broadband speed to 25/3 (25 Mbps download/ 3 Mbps upload) from their previous 4/1 benchmark set in 2010. This was to address the growing demand and dependence on the broadband infrastructure and to take into account future needs and uses. The fact that several Federal Grant programs set a requirement that funding will only be available where service is below 10 Mbps has helped to confuse this point with many. The proposed SB-170 will allow bonding to the FCC benchmark. The Town is in agreement with this approach. Why spend money to roll out an inferior broadband infrastructure, and then have to spend money again later to upgrade it? The fiscally responsible approach is to allow Bonding for a good system that will last into the future, not a mediocre one that does not address the future needs.

In 2016, significant effort was made to evaluate the level of broadband service available to each individual residence and business in the Town of Chesterfield. This data was obtained thru a dialog with the local Providers (FairPoint, Argent, and Comcast) and is shown in the attached Figure. In this Figure, the small Green dots are locations that could receive 25 Mbps service, Orange is 10Mbps or better, and Red and Pink are less than 10 Mbps. Of the Red and Pink points, most of these have service of less than 5 Mbps or not at all. Using the FCC guideline of 25 Mbps for adequate coverage, 18% of Town residents are without this level of service. This is solely due to the low population density of the area and the associated cost with providing coverage. One should note, this plot shows what is available for service, and not necessarily what the residents chose to subscribe to.

Now, why allow bonding by Towns for Broadband? The first thing that must be realized is that Providers have no desire to invest money in rural areas. The population density is too low for their business models to work. In 2016, Chesterfield worked closely with the existing and potentially new Providers to see what might be done to improve coverage in Town. One existing Provider said they had no interest, even if the Town paid for it all. Another Provider said they could work with the Town, if the Town picked up 50% of the cost, but they had no way of addressing more than a small part of the Town. Three other Providers said they could do it, if the Town picked up 100% of the cost. Basically, Providers are focused on where they can make more money and rural areas are not the place. That is why their money goes to large population centers.

For rural areas to improve Broadband, there needs to be a source of money. Existing Federal grants and loans come with “strings” that do not make them workable for areas that already have some infrastructure. State programs do not exist in New Hampshire. This leaves the only source of funds to the Towns themselves and currently the Town only has one option, raise the money from up-front taxes. Allowing the Towns to Bond money for Broadband infrastructure will give them another alternative that can be used to address the problem. As for the Town of Chesterfield, the Town has not decided that this would be the path they would take, but we would like to have this option as we try to find a way forward. Therefore, the Town of Chesterfield fully supports SB-170 with its provisions for Bonding projects up to the FCC benchmarked data rates.

Today, Broadband access is just as important to the rural areas infrastructure as Electricity was in the 1930's. In the 1930's, the “New Deal” supported the construction and electrification of rural

areas in the United States and this was a major factor in the modernization and economic development of the United States. We are at a similar point in history where Broadband access is extremely important to the economic development of rural areas. The rural areas of New Hampshire should not be left behind.

Finally, in the Town of Chesterfield, we do not have a Town water or sewer system and we have a volunteer Fire Department. We have no need for that type of infrastructure. However, the Town residents do want access to an adequate Broadband infrastructure. We cannot count on the Providers to give this to us on their own. The State needs to give Towns the ability to take charge of their Future so that the required Broadband infrastructure is present for our economic development.

Respectively Submitted,

A handwritten signature in black ink, appearing to read "Brad Roscoe", written in a cursive style.

Brad Roscoe  
For the Town of Chesterfield, NH



Chesterfield Broadband Coverage (Best Estimate) 12/17/2016





TOWN OF  
PETERBOROUGH

SELECT BOARD

1 Grove Street  
Peterborough, NH 03458  
Office: (603) 924-8000 x.101  
Fax: (603) 924-8001  
Web: [www.townofpeterborough.com](http://www.townofpeterborough.com)

March 23, 2018

**Re: Support for SB 170 – Relative to the authority of towns to issue bonds for the expansion of broadband infrastructure**

Dear Members of the House Municipal and County Government Committee,

We write to you today in support of SB 170.

In Peterborough we have both unserved and underserved populations.

like many small, rural towns, Peterborough does have some broadband infrastructure, but we are unable to work meaningfully with broadband providers to expand that service to cover the entire town.

And, while the core of the town has access to high-speed broadband internet, many neighborhoods are underserved. As a result, residents in these areas do not have the ability to work from home, are unable to create new businesses or access tools for their education.

In addition, we are aware that prospective homebuyers have avoided buying homes in these neighborhoods specifically because they did not have access to high-speed broadband internet.

To put it simply, without the ability to build out broadband infrastructure, rural towns in New Hampshire, like Peterborough, are not able to attract or retain the families and entrepreneurs that keep our communities vibrant.

If there is any one significant step that the State could take for economic development, it would be giving municipalities the ability to work with providers to build out and connect our students, entrepreneurs and businesses to the world. Passage of SB 170 gives towns like ours a powerful tool with which we can negotiate advantageous public/private contracts and provide the broadband infrastructure our residents need and deserve.

Sincerely,

Tyler Ward, Chair

Ed Juengst

Barbara Miller





New England Cable & Telecommunications Association, Inc.

**New England Cable & Telecommunications  
Association, Inc.**  
**Ten Forbes Road • Suite 440W •**  
**Braintree, MA 02184**

**TEL: 781.843.3418 •**  
**FAX 781.849.6267**

**Testimony of Timothy O. Wilkerson**

**Vice President & Policy Counsel, New England Cable and  
Telecommunications Association, Inc.**

**March 27, 2018**

**SB 170, Relative to the authority of towns to issue bonds for the expansion of  
broadband infrastructure**

**House Municipal and County Government Committee**

Good Afternoon, members of the committee, my name is Tim Wilkerson and I am Vice President and Policy Counsel of the New England Cable and Telecommunications Association (NECTA). NECTA is the regional trade association representing substantially all cable companies in New Hampshire and other New England states. Our members include Charter Communications, Comcast and Atlantic Broadband who collectively serve in excess of 450,000 New Hampshire homes and businesses with their broadband products. NECTA respectfully submits testimony in **support** of Senate Bill 170 as amended by the Senate.

**NECTA supports SB 170 as amended** for three important reasons:

- 1) It enables municipalities to use municipal bonding to finance Broadband deployment through public private partnerships in unserved locations.
- 2) It clarifies the law to recognize that specific locations within a municipality are **unserved** if broadband of 25 Mbps / 3 (the current benchmark for broadband speeds set by the FCC) is not available.
- 3) It outlines a process by which municipalities can select and partner with a private sector organization so that local decision makers may determine and select the most appropriate provider and solution to meet the needs of the unserved.



NECTA thanks Senators Kahn and Gray for their leadership in creating and facilitating the stakeholder process which resulted in SB 170 as amended. SB 170 takes an enormous step forward to support the needs of rural, unserved areas. It encourages economic development and technological innovation in New Hampshire by leveraging both municipal and private investment while at the same time maintaining local control.

If passed, this legislation may allow homes and businesses to access the communications tools, educational resources, and content they need to fully participate in the digital economy. Further, we believe that through the collaborative approach envisioned in SB 170 as amended, private sector internet providers will be able to deliver reliable, sustainable and affordable broadband solutions to previously unserved areas.

In conclusion, SB 170 is sound public policy. It solves for perceived ambiguities under current law and creates a viable path forward to spur investment in New Hampshire. New Hampshire has long led other states in terms of the availability and quality of its broadband offerings and with this additional tool the public and private sector can work together to bring broadband to the approximately 5% of the state currently without access to the broadband speeds envisioned in this Bill.

We thank you for your attention and urge you to **recommend SB 170 ought to pass as amended.**

**Respectfully Submitted,**

---

Timothy O. Wilkerson  
Vice President & Policy Counsel  
New England Cable & Telecommunications Assn. Inc.  
(NECTA)  
Ten Forbes Road Suite 440W  
Braintree, MA 02184  
[twilkerson@necta.info](mailto:twilkerson@necta.info) Phone:  
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## BROADBAND FUNDING

March 27, 2018

To introduce myself, I am Chair of the Dublin Select Board, Chair of the Dublin Broadband Committee, a self-employed contractor and, finally, a retired Police Captain from the City of Keene.

As I look towards the future of my community, the Monadnock Region and the State of New Hampshire, I see the Internet and access thereto as one of the defining factors for future growth. There is a great similarity of where we are now and where things were before the interstate system we now depend on and enjoy for life's necessities. It is my opinion that our ability to utilize the internet for business, education and recreation will have a profound effect on future quality of life in our communities.

If we are to maintain our current quality of life and attract those who will support it, we must have reasonable access to information throughout the world. The internet and the ease, speed and quality in which we can access it will either attract or detract from those who desire to work, educate and play in our State. It is through Broadband we will remain competitive for the future.

Dublin commissioned a feasibility study to bring Broadband to our community. We looked at the various methods (fiber, wi-fi, cable, satellite and cell) of providing affordable feasible access and potential the expansion and growth in the future. We believe that the federal definition of Broadband (25 mbps download and 3 mbps upload) is the very base or minimum and for many businesses does not meet their current needs, much less future needs. We reached the conclusion that fiber optics is the most reliable, cost efficient method to provide for our community and will allow for future growth and speed of symmetrical gigabyte service. Which brings us to the cost and how to fund it as community.

Dublin is a community of 1,642 residents with approximately 815 residences. We have a number of schools and businesses in the community. The Town is 28 square miles with 58 miles of road. Our goal is to provide every residence, business and school with affordable internet access at the current definition by the Federal Government of Broadband. We are a small town in the heart of the Monadnock Region wishing to maintain our rural character.

Upon completion of our study it is believed that to provide fiber drops to 500 (just 61%) of our residences is in the neighborhood of 3 million dollars (\$3,000,000). These 500 residences are the most easily accessed and cost effective. This number is for field surveys, engineering design and permitting, construction and management and customer drops. This system would then be run and maintained by a third party entity.

Without the ability to publicly fund such an undertaking how would a community be able to move forward? Dublin is a town with a density that without Town involvement would not attract private enterprise to provide Broadband services. We have DSL from the Phone Company, satellite or Wi-fi as affordable access.

We currently have a claimed 25 mbps download and 2 mbps upload available. In reality only a small portion of the Town has access to these claimed speeds. As I write this I have only 14.8 mbps download and 1.91 upload, in spite of the claim – for which I pay – of having 25 mbps download and 2 mbps upload.

It must be noted that the lack of high-speed access to the internet has a direct bearing on attracting families, businesses and lowers the property values. I would like to relate three recent experiences.

The home across the street has sold twice in the past few years directly due to the lack of high-speed internet. The first was a publisher who worked from home, the second was a programmer who also worked from home. Neither was able to efficiently get high-speed internet for their home business.

A young professional (31 years old) recently purchased a business in Peterborough. This fellow wanted to move his family to Dublin or Harrisville, but when he learned he would not have access to the internet at speeds sufficient to game (his recreation) he bought elsewhere.

A money manager wanted to purchase a home on Main Street in Dublin. He researched the internet access and found it to not be fast enough for him perform his business and bought elsewhere.

In summation in order to attract younger residents, allow residents to work from home and/or recreate at home high speed internet access is a necessity. We as a community and State need to provide the tools so that communities can build this infrastructure for our future. This bill is the first step in doing just that.

Peter Sturdy Thomas  
PO Box 176  
Dublin, NH 03444-0176  
(603) 313-4996



**Statement of**

Tom S. Strickland, III

President and Co-Owner of Sequoia Technologies Group, LLC

**Before the**

House Municipal and County Government Committee

New Hampshire House of Representatives

**Regarding**

Senate Bill 170 – Authority of towns to issue bonds for broadband expansion

**Committee Hearing, Concord, NH**

**March 27, 2018**

Chairman Belanger and members of the Committee, thank you for this opportunity to testify in support of Senate Bill 170 to grant towns the authority to issue bonds for broadband expansion. I want to share my experiences as a technology provider working with businesses in New Hampshire to procure the broadband Internet services needed to support and grow their businesses.

I am Tom Strickland, President and Co-owner of Sequoia Technologies Group in Peterborough, NH. I have been in the technology industry since 1978 in roles ranging from software development to infrastructure management and consulting. I studied electrical engineering at the University of Oklahoma and received a BS in Computer Science from Franklin Pierce University.

From 2011 to 2015 I also served on the board of New Hampshire FastRoads, which built a fiber optic open network to provide middle-mile and last-mile service in rural areas of western New Hampshire.

Sequoia was formed in 2002 and provides comprehensive technology services to businesses headquartered in northern New England and to their regional offices throughout the country. For the majority of our clients, we manage every aspect of their technology, including on premises infrastructure, helpdesk, and management of 3<sup>rd</sup> party technology vendors. In this role, we are directly involved in recommending and procuring broadband services for our clients so we are intimately familiar with the challenges of obtaining these services in rural New Hampshire.

Quality, high-speed broadband has become as essential to business growth today as rivers were in the 18<sup>th</sup> and 19<sup>th</sup> centuries and as interstate highways were in the 20<sup>th</sup>. Some of the largest and most successful businesses in the United States don't sell any physical products. Virtually everything that Google, Netflix, and many others sell



is delivered over the Internet. These businesses could be located anywhere that people want to live and work and where quality broadband is available. And, while it is true that these established businesses have the resources to build high speed Internet virtually anywhere they choose, the next Google or Netflix will only locate where high speed Internet already exists. My own business would not exist without the Internet communications infrastructure that connects my office to each of my clients. Even more traditional businesses that ship physical products depend on the Internet to connect with their customers, their suppliers, and the advanced cloud technologies that can give them a competitive advantage.

Over the last 30 years, the Internet has evolved from a science network used only by geeks to a utility service that businesses depend on. Unfortunately, that rapid evolution of technology has outpaced the regulatory frameworks needed to keep it running efficiently and ensure that all businesses compete on equal footing.

There have been specific instances where the lack of broadband regulation has caused significant problems in obtaining service.

Lack of universal service for broadband has resulted in balkanization of the market. For example, one of my employees lives in Rindge, NH, in an area with about 100 homes. This particular area is separated from most of Rindge by a lake so there is no land route from Rindge proper to his area. However, he is ½ mile from the town line with Jaffrey, NH. Rindge has a franchise agreement with Argent Communications. Jaffrey is served by Comcast. My employee won't be served by either of them because Argent can't cross into Jaffrey and Comcast can't cross into Rindge. As a result, he is limited to DSL service at the distance limit of that technology and, at best, gets 1.5Mbps service.

Lack of transparency makes it difficult to determine which carriers can serve a particular location and delays procurement of service. Most carriers consider their network maps to be intellectual property and do not share them. Thus, we must inquire of each carrier and wait for field surveys to be completed. One of our clients is a power plant in the center of Berlin, NH. When the plant came online in 2013 we had to wait several months for an Internet line to be extended to serve them. During that time, the plant was forced to rely on cellular Internet service that was expensive and slow.

The opening of my own new office in 2012 was almost delayed due to lack of Internet service. The carrier that had surveyed our location and assured us of service months in advance, neglected to tell us that the actual delivery of their service would take 6 months rather than the 2 weeks that is typical.

This same lack of transparency impacts the cost of construction when infrastructure must be extended. I've received quotes of over \$50,000 to extend consumer-grade cable Internet for ¼ mile along a state highway and offers to build similar extensions at no charge and for comparable services. These quotes were from the same carrier in locations 2 miles apart. Last fall we received a quote of \$6700 to extend cable service 200 yards to one of our clients. A few months later, and without further prompting, the provider offered to complete the construction for free. This apparent randomness for construction costs makes it difficult or impossible for businesses to plan.

Kimball Physics was started 40 years ago by a group of physicists from MIT in Wilton, NH. They manufacture ultra-high vacuum electron optics that are used on the International Space Station and around the world. When they started the business, Internet service wasn't necessary. Today, it is essential and, as a result, they spent \$100,000 to extend fiber optic service to their location. An established business can afford to do that and might choose to do so to stay here and keep the quality of life they value. New businesses will look elsewhere.

In my role with New Hampshire FastRoads, we frequently encountered sluggish responses to our pole access permit requests when those poles were owned by competing services. Delays were not excessive when the poles were owned by non-competing entities, such as power companies. Regulations to prevent this type of obstruction would encourage network growth and competition.

Businesses need high quality, low latency connections with service level guarantees and symmetric bandwidth delivery. A consumer connection that provides 25Mbps down and 5Mbps up with 80ms latency and 99% uptime is fine for watching Netflix at home, but it is not sufficient for a business that needs to upload large files or access cloud hosted servers. Mission critical applications and bandwidth-sensitive services like VOIP don't work reliably on consumer-grade Internet service. Unfortunately, most businesses in rural areas have no choice other than a consumer-grade service at business-grade prices. And, while DSL is still considered broadband, our experience is that DSL technology rarely, if ever, delivers the kind of service businesses need today. The lack of business-grade Internet services means that businesses in our region cannot make use of the cloud services their competitors in other areas take for granted.

In the State of New Hampshire, towns are prohibited from bonding to build broadband infrastructure. A community that wishes to solve the broadband problem for itself, cannot reasonably do so. If towns could not issue bonds to build roads or water lines, we would find that unacceptable. These prohibitions on bonding leave the people and businesses of New Hampshire at an unfair disadvantage when competing with the rest of the nation.

In conclusion, I encourage the committee to recommend passage of SB 170 so that towns have the option to build broadband infrastructure where commercial providers have not. Our businesses need these services to flourish and compete with the rest of the world.

March 27, 2018

House Committee on Municipal and County Government

Senator Jay Kahn – District 10

Senate Bill 170, authority of towns to issue bonds for the expansion of broadband infrastructure.

Dear Committee Representatives,

Over the course of the past year, Broadband providers and town representatives have been working to meet the broadband services needs of NH residents and businesses. If ultimately adopted by the legislature and signed by the Governor, this would be the first significant change to the municipal finance and broadband acts in the past twelve years.

Currently, municipalities and towns can bond for unserved areas, but can't construct broadband infrastructure if part of the same area is served by an existing broadband carrier. There is what a recent bond review called a nullity, which means one provision cancels out the other. SB 170-amended addresses bonding and broadband definitions and navigates the bonding straits.

In short, SB 170 as amended envisions that municipal financing would be a catalyst for public-private partnerships and leverage investment that otherwise hasn't happened across rural New Hampshire. For the Monadnock region this is our highway plan for economic development. We enjoy our rural landscape. But to sustain economic viability and to remain attractive to people relocating to our beautiful part of New Hampshire, we need better Internet access to the world. Countless people have relocated their businesses and families because of the lack of broadband infrastructure. We can survive 2-lane highways, but we can't survive economic isolation.

This legislation accomplishes 4 things:

- Defines a location as a parcel, property or address, previously defined as a census tract;
- Defines unserved as a location lacking FCC minimum transmission rates: currently rates of 25 megabytes download and 3 megabytes upload;
- Allows municipal bonding for public-private partnerships for broadband infrastructure; and
- Establishes a procurement process where the town can set selection criteria for meeting unserved locations, which can include transmission rates that exceeds the FCC minimum.

These are tools in the towns economic development toolbox, mostly for residential and small business customers, including those that are self-employed and for school independent study.

SB 170-amended has been endorsed by both the NH Municipal Association and the Business and Industry Association of NH. This is indicative of the work both towns and commercial providers have put into this amended bill.

Please support the passage of Senate Bill 170-amended.

Sincerely,

Jay Kahn, Senate District 10

Bill as  
Introduced



SB 170 - AS AMENDED BY THE SENATE

01/03/2018 2497s

2017 SESSION

17-0794  
06/01

SENATE BILL **170**

AN ACT relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.

SPONSORS: Sen. Kahn, Dist 10; Rep. Bordenet, Ches. 5

COMMITTEE: Public and Municipal Affairs

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ANALYSIS

This bill permits municipalities to issue bonds for the purpose of providing or expanding broadband infrastructure.

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Explanation: Matter added to current law appears in *bold italics*.  
Matter removed from current law appears [~~in brackets and struckthrough~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT relative to the authority of towns to issue bonds for the expansion of broadband infrastructure.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Municipal Finance Act; Definitions; Location. Amend RSA 33:1, III to read as follows:

2 III. "Net indebtedness," all outstanding and authorized indebtedness, heretofore or  
3 hereafter incurred by a municipality, exclusive of the following: unmatured tax anticipation notes  
4 issued according to law; or notes issued in anticipation of grants of federal or state aid or both; debts  
5 incurred for supplying the inhabitants with water or for the construction, enlargement,  
6 improvement or maintenance of water works; debts incurred to finance the cost of sewerage systems  
7 or enlargements or improvements thereof, or sewage or waste disposal works when the cost thereof  
8 is to be financed by sewer rents or sewer assessment; debt incurred pursuant to RSA 31:10; debts  
9 incurred to finance energy production projects, the reconstruction or enlargement of a municipally  
10 owned utility, or the manufacture or furnishing of light, heat, power or water for the public, or the  
11 generation, transmission or sale of energy ultimately sold to the public; debts incurred to finance  
12 small scale power facilities under RSA 374-D; debts incurred outside the statutory debt limit of the  
13 municipality under any general law or special act heretofore or hereafter enacted (unless otherwise  
14 provided in such legislation); and sinking funds and cash applicable solely to the payment of the  
15 principal of debts incurred within the debt limit[-];

16 IV. "*Location, property, parcel or address where broadband could be purchased*  
17 *by a customer.*

18 2 Municipal Finance Act; Purpose of Issue of Bonds. Amend RSA 33:3 to read as follows:

19 33:3 Purpose of Issue of Bonds or Notes. A municipality or county may issue its bonds or notes  
20 for the acquisition of land, *for economic development*, for planning relative to public facilities, for  
21 the construction, reconstruction, alteration, and enlargement or purchase of public buildings, for  
22 other public works or improvements, *or for the financing of improvements*, of a permanent  
23 nature including broadband infrastructure as defined in RSA 38:38, I(e), [~~to be purchased or~~  
24 ~~constructed in areas not served by an existing broadband carrier or provider,~~] *to serve any*  
25 *location within a municipality unserved by broadband as defined in RSA 38:38, I(c)* for the  
26 purchase of departmental equipment of a lasting character, *and* for the payment of judgments[~~and~~  
27 ~~for purposes of economic development which~~]. *The issuance of such bonds or notes* shall  
28 include, *but not be limited to*, public-private partnerships involving capital improvements, loans,  
29 *financing*, and guarantees. The public benefit in any public-private partnership must outweigh  
30 any benefit accruing to a private party. Bonds or notes for the purposes of economic development

1 may be issued only after the governing body of the municipality or county has held hearings and  
 2 presented the public benefit findings to the public and after such issuance has been approved by the  
 3 legislative body. A municipality or county shall not issue bonds or notes to provide for the payment  
 4 of expenses for current maintenance and operation except as otherwise specifically provided by law.

5 3 Municipal Finance Act; Issue of Bonds for Preliminary Expenses. Amend RSA 33:3-c, I to  
 6 read as follows:

7 I. A municipality or county may issue its bonds or notes for the purpose of defraying the  
 8 cost of preliminary or final plans and specifications or other preliminary expenses incidental to, or  
 9 connected with, any proposed public work or improvement of a permanent nature consisting of the  
 10 construction, reconstruction, alteration, enlargement, ~~[or]~~ improvement, *or the financing of the*  
 11 *construction, reconstruction, alteration, enlargement, or improvement* of the following:

12 (a) A public building.

13 (b) A water works.

14 (c) A sewerage system or sewage or waste treatment facility.

15 (d) A solid waste disposal or resource recovery facility.

16 (e) Broadband infrastructure as defined in RSA 38:38, *I(e)* ~~[to be purchased or]~~  
 17 ~~constructed [in areas not served]~~ *to serve any locations within a municipality unserved* by ~~[an~~  
 18 ~~existing]~~ broadband ~~[carrier or provider]~~ *as defined in RSA 38:38, I(c)*.

19 4 Municipal Finance Act; Broadband Infrastructure Bonds. Amend RSA 33:3-g to read as  
 20 follows:

21 33:3-g Broadband Infrastructure Bonds.

22 I. A municipality may issue bonds for the purpose of financing the development,  
 23 construction, reconstruction, ~~[renovation,]~~ *and* improvement~~[, and acquisition]~~ of broadband  
 24 infrastructure in ~~[areas not served by an existing broadband carrier or provider that would be~~  
 25 ~~provided at a fee to broadband carriers that provide broadband services]~~ *any locations within a*  
 26 *municipality unserved by broadband as defined in RSA 38:38, I(c)*. Without limiting the  
 27 foregoing, broadband infrastructure may be the subject of public-private partnerships established in  
 28 accordance with the provisions of RSA 33:3.

29 II. Bonds issued under this section shall be payable in annual payments so that the amount  
 30 of annual payment of principal and interest in any year on account of any bond shall be not less  
 31 than the amount of principal and interest payable in any subsequent year by more than 5 percent of  
 32 the principal of the entire bond. The total amount of payments shall be sufficient to extinguish the  
 33 entire bond at such bond's maturity. The first payment of principal on any bond shall be made no  
 34 later than 5 years and the last payment not later than 30 years after the date issued. Each  
 35 authorized issue of bonds shall be a separate and distinct loan.

36 III. A municipality shall not issue bonds for the purpose of financing the development,  
 37 construction, reconstruction, renovation, improvement, and acquisition of broadband infrastructure  
 38 in ~~[areas not served by an existing broadband carrier or provider]~~ *any location within a*

1 *municipality unserved by broadband as defined in RSA 38:38, I(c)* unless a request for  
2 ~~[proposals]~~ *information* has been issued ~~[and no broadband carrier or provider has responded~~  
3 ~~positively within 2 months or deployed broadband service within 14 months of the issuance of the~~  
4 ~~request for proposals]~~, *at a minimum, to all providers serving the issuing community and*  
5 *such providers have been given 2 months to respond to the request. The request for*  
6 *information may include, but is not limited to, information identifying locations within a*  
7 *municipality unserved by broadband as defined in RSA 38:38, I(c). After completing,*  
8 *issuing, and receiving responses to such request for information, a municipality may issue*  
9 *a request for proposals for the purpose of engaging in a public-private partnership*  
10 *pursuant to RSA 33:3 or RSA 33-B for the deployment of broadband infrastructure, as*  
11 *defined in RSA 38:38, I(e), and the provision of broadband service as defined in RSA 38:38,*  
12 *I(f). A municipality may select a proposal based on criteria including, but not limited to,*  
13 *provider ability to deploy, manage, and maintain a broadband network which meets or*  
14 *exceeds the anticipated needs of the community. A municipality may determine that no*  
15 *provider has met the criteria included in the request for proposals and may issue bonds*  
16 *for purposes pursuant to RSA 33:3 and RSA 33-B, including but not limited to, open*  
17 *networks.*

18 5 Municipal Revenue Bonds; Definitions; Revenue-producing Facilities. Amend RSA 33-B:1, VI  
19 to read as follows:

20 VI. "Revenue-producing facilities" means water works, broadband infrastructure as defined  
21 in RSA 38:38, I(e), purchased or constructed ~~[in areas not served by an existing broadband carrier~~  
22 ~~or provider]~~ *to serve any location within a municipality unserved by broadband as defined*  
23 *in RSA 38:38, I(c), sewerage systems, sewage treatment or disposal facilities, solid waste disposal*  
24 *or resource recovery facilities, parking facilities, facilities for the production, generation,*  
25 *transmission, or distribution of electricity or gas, any other real or personal property or interests in*  
26 *a municipality or regional water district owned or controlled by the municipality or regional water*  
27 *district, from the operation of which revenues are or are expected to be derived by the municipality,*  
28 *or regional water district, and qualifying energy conservation and clean energy improvements for*  
29 *which a municipality provides financing pursuant to RSA 53-F.*

30 6 Broadband Access; Definitions. Amend RSA 38:38, I to read as follows:

31 I. In this subdivision:

32 (a) "Access tariff" means the fee charged on a monthly or annual basis to broadband  
33 ~~[carriers]~~ *providers* for access to the broadband infrastructure.

34 (b) "Areas not served" means any part of a municipality without a wireless or facilities  
35 based broadband service or a wireless or facilities based broadband service provider. Wireless shall  
36 not include subscription satellite service.

37 (c) "Broadband" means the transmission of information, between or among points  
38 specified by the user, with or without change in the form or content of the information as sent and

1 received, at rates of transmission defined by the Federal Communications Commission as  
 2 ~~["broadband,"]~~ *a wireline advanced telecommunications capability as defined by section 706*  
 3 *of the Telecommunications Act of 1996, irrespective of the network technology used.*

4 (d) "Broadband ~~carrier~~ *provider*" means any provider of broadband services, except  
 5 aggregators of broadband services, as defined in section 226 of the 1996 Telecommunications Act.

6 (e) "Broadband infrastructure" means all equipment and facilities, including all  
 7 changes, modifications, and expansions to existing facilities, as well as the customer premises  
 8 equipment used to provide broadband, *as defined in subparagraph (c)*, and any software  
 9 integral to or related to the operations, support, facilitation, or interconnection of such equipment,  
 10 ~~including upgrades, and any installation, operations and support, maintenance, and other functions~~  
 11 ~~required to support the delivery of broadband].~~

12 (f) "Broadband service" means the offering of broadband for a fee directly to the public,  
 13 or to such classes of users as to be effectively available directly to the public, regardless of the  
 14 facilities used.

15 (g) "Open network" means any broadband infrastructure which is open to any third  
 16 party users in a nondiscriminatory manner on a fair and equitable basis using publicly available  
 17 access tariffs for services.

18 (h) "Open network interfaces" means the technical and operational means, manners,  
 19 and methods for any third party access to the broadband infrastructure, which shall be provided on  
 20 the basis of generally acceptable industry standards available at the time of access.

21 7 Broadband Fund. Amend RSA 38:40, I to read as follows:

22 I. The funds received from the collection of access tariffs shall be kept as a separate fund to  
 23 be known as the broadband fund. Such fund shall be allowed to accumulate from year to year, shall  
 24 not be commingled with town or city tax revenues, and shall not be deemed part of the  
 25 municipality's general fund accumulated surplus. Such fund may be expended only for the  
 26 purposes specified in RSA ~~38:38, or for the previous expansion or replacement of broadband~~  
 27 ~~infrastructure] 33:3 and RSA 33-B.~~

28 8 Repeal. RSA 38:38, I(b), definition of areas not served by broadband, is repealed.

29 9 Effective Date. This act shall take effect 60 days after its passage.