



MATTHEW DUNLAP  
SECRETARY OF STATE

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Testimony of Peggy Schaffer,  
Small Business Advocate, Secretary of State's Office  
On behalf of the Maine Broadband Coalition  
On Part W of the Biennial Budget.

Good afternoon Senator Hamper, Representative Gattine, Senator Woodsome, Representative Berry and members of the Appropriations and Financial Affairs and Energy, Utilities and technology Committees. I am Peggy Schaffer, the Small Business Advocate in the Secretary of State's Office. Today I am testifying on behalf of the Maine Broadband Coalition, which I co-chair.

The Maine Broadband Coalition is a statewide group of individuals, businesses, communities, and advanced telecommunications providers who are committed to expanding access to high-speed internet across Maine. We have been in existence for about two years, and have worked with communities, the legislature, ConnectME and others to bring together innovative ways to expand broadband access in Maine.

Over the past 10 years, ConnectME has served admirably as an independent authority seeking to expand broadband to unserved areas of Maine. Its success has been limited mostly by its limited resources. One million dollars a year does not adequately cover what needs to happen to bring high speed broadband to more of Maine.

The Maine Broadband Coalition supports the administration's move to better connect the ConnectME Authority with the state's economic development efforts through a more formal connection to DECD. However, the potential loss of independence by making it an office within DECD concerns us.

In the past year, efforts to bring high-speed broadband to more communities have grown rapidly across the state. Last year ConnectME provided community

planning grants to four communities, Eastport, Waldoboro, Somerset and four communities working with Eastern Maine Development Corporation. But many more communities all across the state are putting together plans to expanding access, including western Oxford County, a group of small businesses in Northern Franklin, Piscataquis County, Ellsworth, Georgetown/Arrowsic, Chebeague Island, farmers in Aroostook, Calais and Baileyville. Over the next several years, this is only going to grow – especially if any federal or additional state funds become available for infrastructure.

Now is the time to be bold. The Coalition strongly feels it is critical for Maine to have an aggressive independent authority that is in the position to aid these efforts; we do not believe the creation of a new office within DECD for broadband meets that need.

As a part of a state agency, ConnectME would lose its autonomy and its ability to provide information to legislators and communities about how to expand Maine's broadband connections. Agencies in state government are not free (under any administration) to advocate outside of a Governor's priorities and strategy. To get Maine connected, we need an organization that can speak for -providers, technologies and communities – and understands how to make the links between all those entities to connect Maine's communities.

DECD has gone from over 90 staff in the mid 90's to about 30 staff now. This shrinking has resulted in combining of many of the efforts around growing our economy. One specific example is the Office of Innovation. Over the last two administrations, the office has all but disappeared. It no longer has a director or staff, and is now folded into the Office of Business Development. Maine Technology Institute is the only activity left in what was once a portfolio of programs – including small business incubators, EPSCOR, R&D evaluation, State Science and Technology Advisor. MTI has taken over the responsibilities of the State Science and Technology plan. These programs were designed to help move our economy forward through innovation. But due to budget limitations, only a skeleton of the structure the legislature worked hard to put in place exists entirely at MTI. A similar story can be told about the Maine Film Office, which went from two staff to none, and finally was folded into the Office of Tourism. Maine

cannot lay out the same path for broadband. It is just too important for our economy.

Many other states have independent authorities –Massachusetts, Connecticut, New York, Vermont – because the work that needs to be done requires an innovative, responsive, organization with the flexibility to respond to the ever changing technology and landscape of how communities and companies are working to expand broadband. We do not believe the proposal in this budget meets that standard.

The second issue the Maine Broadband Coalition has with this proposal is the elimination of one position, and the loss of the other two current staff members. While we are very cognizant of the budget issues that precipitated this move, we feel it is exactly the wrong time to lose the staff expertise and knowledge ConnectME has.

The state has a significant investment in this staff's expertise. The staff understands the communities, the federal agencies, and the advanced telecommunications providers in Maine. They have been to just about every community that has expressed an interest in broadband, and understand very well the lay of the land – what is possible, what works and what does not – from a very hands on prospective.

Thanks to the efforts of this knowledgeable and experienced staff, Maine is one of two test sites for Broadband USA's Connectivity Initiative. This initiative connects communities to all kinds of on-line data to help plan for broadband expansion. It is the connections and expertise of the ConnectME staff that made this opportunity available to Maine.

If the new federal administration and Congress does approve a significant broadband infrastructure package, Maine will need to have experienced staff to take advantage of those resources. The current staff has that capacity. New staff most likely would not, at least not in the short time frame that will be required. This could result in a loss of federal funding far beyond the projected budget savings.

This is a big job. For the past 10 years ConnectME's three staff have worked hard to keep up with the work load. As more communities seek to get connected, and more providers work to expand broadband to Maine's rural areas – that workload is only going to grow. Maine communities need help connecting with federal resources, private resources, and a better understanding of what services and infrastructure their communities currently have and might need in very near future. This is not an insignificant task and requires appropriate staffing. Reducing and laying off the current staff will not help bring Maine into the 21 century for broadband.

In our opinion, Maine needs an independent organization with MORE resources, not less. Maine has a successful model for doing this kind of innovative work – the Maine Technology Institute – a publically funded private non-profit that focuses on innovative strategies to grow our economy. Rather than fold the ConnectME Authority into DECD, Maine should create a similar structure to MTI for broadband.

There is a ton of work to be done – and it cannot be done with brand new smaller staffing and less independence. This move goes in the opposite direction of where Maine needs to go to bring the connections to all that high speed broadband can bring to our state.