5525 Emerald Avenue · Mountain Iron, MN 55768 Phone: 218.235.0029 · Email: idarukavina@ramsmn.org

The Honorable Tim Walz, Governor of the State of Minnesota

The Honorable Melissa Hortman, Speaker of the Minnesota House of Representatives

The Honorable Kurt Daudt, Minority Leader, Minnesota House of Representatives

The Honorable Jeremy Miller, Majority Leader, Minnesota Senate

The Honorable Melisa Lopez Franzen, Minority Leader, Minnesota Senate

April 20, 2022

## SENT VIA E-MAIL

Dear Governor Walz, Speaker Hortman, Leader Daudt, Leader Miller and Leader Lopez Franzen:

On behalf of the Range Association of Municipalities and Schools (RAMS), representing over 75,000 residents of the Iron Range, we are writing to express our opinions on House File 14 and the funding of the Border to Border Broadband Funding Program.

This week, H.F. 14 was amended in the House Ways and Means Committee, reducing the requested \$100 million to just \$25 million. We are extremely disheartened that the State Legislature may only fund this important program at \$25 million dollars.

In 2021, there were zero projects funded due to the state allocating \$70 million in federal funds that have still not been received or deployed. Let me repeat that. Zero projects funded in 2021 and \$70 million dollars left undeployed as we in rural Minnesota continue to be impacted by poor and unreliable broadband. In 2022, IF the Legislature appropriates \$25 million to the program, it will still not be enough to move Minnesota's broadband needs forward to where we need to be.

In our state today, over 240,000 households are without access to high speed internet. Minnesota's own goals say that by this year <u>every</u> household should have a minimum of 25/3 service. We are nowhere close to that coverage. A limited grant cycle of \$25 million is simply not enough. We believe that this is unacceptable and puts Minnesota at a competitive disadvantage with much of the rest of the nation.

On a positive note, we wish to extend our sincere appreciation and support for the portion of the House bill that makes the adjustments to the Border to Border program language, increasing the 50% match to 75% and the total potential project award from \$5 million to \$10 million. If funded at the appropriate level, these changes will have a significant and positive impact on rural Minnesota and will ensure more broadband projects become a reality. Due to bedrock, low density areas and geographically challenged areas, it will come as no surprise to you that broadband project costs are extremely high in northern and rural Minnesota. For instance, in Balkan Township, located just outside of Chisholm, their proposed project cost to hook up their residents is

over \$6 million. Some providers are only willing to put in around 25% of the project cost in these low profit areas. Under current Border to Border grant guidelines, that would leave the township with more than \$1 million in costs, which is simply untenable. We fully believe that the border-to-border grant match must be up to 75% for these areas as well as increasing the overall grant amount to \$10 million. This 75% match will also make put our state's plan in line with federal infrastructure broadband guidelines.

For all Minnesotans to compete in the 21<sup>st</sup> century, it's crucial we have high speed fiber to the home. This is a matter of equity for rural Minnesota. Our students deserve to be able to study from home. Our workers who are employed with remote work deserve to have a connection that allows them to meet their employer's requirements. Our seniors and veterans deserve to have telehealth options. Our rural businesses deserve to have speeds that allow them to conduct their commerce. And our rural residents deserve to have this much needed infrastructure, that isn't dependent on what their zip code or township line road is.

We request that our state leaders fund the Border to Border program this year at an amount of \$100 million or more for base general funding. It's crucial for our state's future. We thank you all for your service and dedication to our great state.

Respectfully,

Ida Rukavina Executive Director

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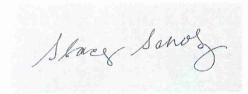
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Range Association of Municipalities and Schools (RAMS) is comprised of 22 elected public officials from either a school district, a township board or a city council along with two superintendents from a district within the boundaries of the Taconite Assistance Area of Northeastern Minnesota. The organization represents more than 78,000 residents and 61 public sector units of government, including 27 cities, 15 public school districts and 20 townships, in the 13,000 square mile Taconite Assistance Area (TAA) of northeast Minnesota. As an organization, RAMS has represented the interests of our Iron Range region for over 80 years.