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February 7, 2022

Alabama Senate Fiscal Responsibility and Economic Development Committee Alabama State Capitol 600 Dexter Avenue Montgomery, AL 36104

Dear Senator,

On behalf of the 21,108 members and supporters of the Council for Citizens Against Government Waste in Alabama, I urge you to oppose <u>SB 124</u>, which promotes the creation of government-owned broadband networks and would fail to expand broadband access to unserved communities.

SB 124 sets a preference for the use of government-owned networks to expand broadband access and prioritizes Alabama-based businesses. As <u>noted</u> in our report, "The Folly of Government-Owned Networks," government-owned networks "have proven to be costly, unsustainable, and anti-competitive." They "divert taxpayer resources from higher priorities and fail to solve connectivity issues." When they fail, local taxpayers are <u>left</u> on the hook for massive bills for unusable broadband systems, and higher taxes.

The legislation requires a minimum service standard of a symmetrical 100/100 Mbps speed threshold, which exceeds the national standard of 25/3 Mbps and eliminates all potential participants except for cable and fiber operators. To adequately close the digital divide and expand broadband access to unserved and underserved residents, particularly those in rural areas of the state, Alabama should allow for the use of a broad array of technologies, including cable, fiber, fixed wireless or mobile broadband, satellite broadband, and TV white space.

Any program designed to expand access to broadband should be technology and vendor neutral. They must offer communities the flexibility to consider the best option available to serve local customers, which means there should not be any preferences or restrictions.

The Alabama legislature should also reduce barriers by reducing franchise access fees, pole attachment requirements, right-of-way easements, and develop an expedited application process for incoming private sector broadband infrastructure development.

For these reasons, I urge you to vote against SB 124.

Sincerely,
Tom Schatz