

Slide 1 – Title

- Thank you for the introduction and to the legislative leadership and the Humphrey school of Public Affairs for having me here today.

Slide 2 and 3 – “Technology evolves” – (slide 2 is your classroom computer; slide 3 is woman doing a video conference on a laptop)

- I began my career teaching high school math and technology
- Broadband is an important tool for the future – all corners and sectors of our state will benefit including consumers, business, education, healthcare and agriculture. That is why I have spent much of my time here in our state advocating for continued progress and I’ve been very impressed with the bipartisan support of this issue so thank you for that as well.

Slide 4- We’ve made significant progress thanks to the work of two different Task Forces – 2008, 2010, 2011, 2013, 2014 and 2015 sub heads

- In 2008, you passed a law putting the UHSBBTF into action. This was a wise move and then Governor Pawlenty named 23 people to serve with me as chair. When we began our work, the FTC’s guidelines for broadband were at just 768 Kbps – a speed that we wouldn’t even want on our phones now.
- 2009 - The federal government began providing funding for broadband and other initiatives with the American Recovery and Reinvestment Act
- In 2010, we set aspirational goals for access and speed by 2015; 100% access at 10-20 Mbps up and 5-10 Mbps down (we were at 58% total and 52% rural) and set a goal to be one of the top five states (we were at #23) and top 15 when compared to other countries. You adopted the goals and the

Governor signed them, Up to this point there was no money to allocate and the federal CAF money was yet to come.

- In 2011, Governor Dayton named his Broadband Task Force under the terrific leadership of former speaker Margaret Anderson Kelliher and they have worked hard over the last five years and financial support has followed.
- In the 2013 legislative session, you established an office of Broadband Development under DEED and named a terrific executive director in Danna MacKenzie.
- In 2014, you created the Border-to-Border Broadband Development Grant Program and funded it with \$20 million, which provided a great incentive for private sector investment and assisted with access but not in all corners of the state.
- At the end of 2015, the results from the last 5 years are good:
 - Access has improved to 91% of Minnesota households with at least 10 down and 5 up, up from 58% in 2010. But there are still disparities, only 80% of rural households have connections at that speed.
 - In addition, our ranking hasn't kept pace either. Minnesota is 21st among the states, 23rd for speed and 24th for access.
 - You added \$11 million to B-to-B funding in 2015
- Meanwhile the private sector and technological advancement is also moving ahead at a very fast pace and that is having an impact on access.
 - In 2015, the telecommunications industry invested more than \$705 million in capital expenditures. This investment was directed toward upgrading existing plants and extending fiber further into networks. Private investment also replaced electronic equipment in central offices or headquarters, as well as adding, replacing or upgrading equipment to maintain networks and cellphone towers.

- In 2016, the telecom industry is expected to invest more than \$713 million in capital expenditures. These investments are leading to technological advancements.
- We have improved but we do not have border to border broadband yet. There are still pockets in the state where a commercial ROI is a challenge and public-private partnerships and ongoing funding is still necessary.

Slide 5 - Investment and focus is having an impact, here are six examples from around the state (clockwise from 12)

- Secondary Ed - The Rural Information Technology Alliance (RITA) a four-college consortium including three sites in central Minnesota and one in Texas. They received federal funding to offer IT certifications for Cisco and Microsoft. Also, South Central College in Mankato, part of MnSCU, offers a Mechatronic Industrial Maintenance certificate online. In 2012, 39% of post-secondary degree-seeking students in Minnesota were enrolled in one or more distance education courses.
- Small biz - Sven Comfort Shoes in Chisago City started its online store three years ago and it is now half of its output of \$3.5 million
- Medicine - Behavioral health professionals at community mental health centers provide crisis support to rural emergency rooms 24/7 including the Northwest Mental Health Center in Crookston, which has 22 licensed professionals who support the rural Fosston Hospital using telehealth.
- Ag - broadband plays a significant role in precision agriculture, which includes remote monitoring of machines in fields and livestock in barns as well as the need to analyze the “Big Data” being generated so productivity, herd health, crop yield and efficiency can be improved.
- K-12 education - A program sponsored by Paul Bunyan Communications allows school districts in their service area to

have gigabit fiber access called the GigaZone, which covers 5,000 square miles in north central Minnesota. Also, Teachers in Red Wing Schools can work on professional development on snow days because of high speed access.

- Libraries - 356 public libraries and 8 tribal libraries serve 87 counties and seven reservations with broadband connections. From 2012 to 2014, the number of public libraries with download speeds over 20 Mbps increased from just 3 to 123 and the number of public libraries with fiber connections increased from 150 to more than 211 over that same period.

Slide 6 – 2016 goals for 2022 and 2026

- The benefits of broadband have been validated by private sector technology leaders like Intel and policy researchers at the Brookings Institution. *Wired* magazine says that a key presidential campaign issue will be getting Internet access for the 55 million Americans who don't currently have it, and the World Bank says that "broadband is not just an infrastructure but can fundamentally restructure an economy."
- Let me be so bold as to offer you a roadmap of actions:
 - Set new goals for speed and access – 100% access at the FCC's new standard of 25 Mbps down and 3 Mbps up by 2022 and growth to 100 Mbps down and 20 Mbps up by 2026.
 - Allocate some part of the one-time money to fund additional state grants for the Border-to-Border Broadband grant program. In 2015, there were \$29 million in requests competing for the \$10.6 million that was appropriated. If it were me, I'd shoot for \$100M but anything around \$50M will help us make continued progress.
 - Maximize federal \$ - Identify where Federal money is destined and ensure that it helps us meet our long term goals rather than overlapping with our own state investments.

- Support the office of Broadband development in your normal state budget funding.

Progress on broadband will not only impact economic development but improved access and speed will benefit residential, educational, healthcare and agricultural applications across the state as well. I agree with Lt. Governor Tina Smith, who issued a statement along with the recent report that broadband access “is about our global competitiveness and our capacity to provide a world class education to our students. We need the bandwidth for Minnesota's regional centers and rural economies to support innovation and entrepreneurship.”

Through the expertise of the Governor's Task Force on Broadband and ongoing funding, Minnesota can continue to achieve its goal of becoming a stronger economic force. Thank you.

If you'd like to continue the conversation about Broadband, Please join the Blandin Foundation, MRDC, MHTA, and the HHH School's TISP for Broadband and Chocolate: Conversation, Information and Dessert today from 3:00 - 5:30 pm at the Carlson School of Management, 2nd floor, Executive Education Suite, Room 2-260.