



BROADBAND  
WITHOUT  
BOUNDARIES

March 20, 2024

Senate Committee on Energy, Utilities, Environment, and Climate

Honorable Chair and Members of the Committee:

Thank you for your careful consideration of SF 4742, which makes significant changes to Minnesota's broadband laws. In particular, the bill expands prevailing wage requirements for Border to Border Grant recipients, prioritizes the use of union labor in broadband grant awards, and creates a licensing regime for "safety-qualified underground telecommunications installer certification program."

WISPA – *Broadband Without Boundaries* **opposes** these changes.<sup>1</sup> WISPA is a national trade association representing nearly 1,000 fixed wireless access (FWA) providers – **including 7 member companies in Minnesota** – and the evolving industry that supports FWA broadband connectivity, including equipment suppliers, support services, and other components needed to run a successful business. WISPA members provide reliable and robust broadband access to millions of residential and business customers in rural, urban, and Tribal areas across Minnesota and the United States.

WISPA members live in the communities they serve: they are small businesses who use their own capital to ensure their neighbors have the connectivity they need. WISPA members effectively utilize both fiber and FWA technologies to ensure robust broadband connectivity in often hard-to-reach areas, including the rural communities that will be most impacted by our discussion today. These solutions are critical, especially for ensuring that low-density rural areas can be covered cost-effectively.

**The changes proposed in SF 4742 will significantly impair WISPA members' ability to compete for grant dollars, will delay important broadband expansion projects, and will put increased strain on an already challenging workforce availability landscape.**

WISPA members are often small, community-based companies – often with fewer than ten employees. Our members provide robust on-the-job training. This approach frequently allows them to employ young people in rural areas where family-supporting careers are harder to find. WISPA members are focused on investing in the communities they serve, and their employees' paychecks stay in the community. The labor provisions in SF 4742 will preclude many WISPA

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<sup>1</sup> Please see [www.wispa.org](http://www.wispa.org) for more information and a list of our members.



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members from competing for grants – increasing the likelihood that large, out-of-state providers will monopolize the market on broadband.

Moreover, the projects these large companies propose are likely to be more expensive than those proposed by WISPA members. A recent white paper by MIT economist Dr. William Lehr proposed that FWA networks can be built at one-tenth of the capital cost of a comparable fiber project, while delivering the same reliable speed.<sup>2</sup> If WISPA members are pushed out of competition for grant dollars, the state will be unable to realize these significant cost savings.

The broadband labor pool is already tight – one recent estimate indicated a labor shortfall of “200,000 field workers to build broadband.”<sup>3</sup> Licensing and labor requirements will put further strain on the industry at the worst possible moment, taking our members’ workforces out of the equation of qualified workers. Further, with BEAD funds likely to be disbursed in the second and third quarters of the year, small providers will have very little time to come into compliance with the new labor requirements, effectively pushing them out of the competition. Fencing out small providers will further increase the costs of building broadband infrastructure as competition is reduced and less-responsive and less-responsible companies can “corner the market” on grant applications.

In its BEAD Initial Proposal, the Minnesota Office of Broadband Development expressed significant concern that even this historic funding opportunity may not be enough, stating it “does not believe that its BEAD funding allocation will be adequate to fund all applications submitted that would reach all unserved and underserved locations.” **SF 4742 will only serve to raise the cost of broadband infrastructure by reducing competition for grants, increasing the costs of building broadband networks, and reducing the workforce available to complete the job.** Both the state’s Border to Border grant program and its BEAD program will fail to reach their objectives.

Again, WISPA encourages you to reject this bill. If you have questions or would like to discuss this bill’s impact on small businesses further, please do not hesitate to contact me.

Respectfully submitted,

Steven Schwerbel

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<sup>2</sup> *Getting to the Broadband Future Efficiently with BEAD Funding*, p. 20; online at [https://www.wispa.org/media/v1/543/2024/01/Lehr\\_White\\_Paper\\_Final.pdf](https://www.wispa.org/media/v1/543/2024/01/Lehr_White_Paper_Final.pdf)

<sup>3</sup> <https://statescoop.com/bead-broadband-workforce-challenges-2024/>