BACKGROUND MEMO

To: Members of the Press

From: Linden Zakula, Deputy Chief of Staff

Subject: The Facts on Broadband

Date: March 31, 2016

Members of the Press,

I understand that lobbyists for the Greater Minnesota Partnership have been circulating some misinformation regarding eligibility for the Governor and Lt. Governor's Minnesota Border-to-Border Broadband Grant Program. I worked with the Office of Broadband Development to provide you the <u>facts</u> about our program – what it has already done, and what our <u>\$100 million investment</u> would actually do.

At a stop last week in Warroad, MN, Lt. Governor Smith spoke with local businesses and officials about how the State of Minnesota can be a partner to help them improve their broadband and signaled our Administration's flexibility to designing it in a way that will help expand the most economic opportunity to the greatest number of Minnesotans possible. Please let me know if you have any questions.

MYTH	FACT
Greater Minnesota cities aren't seeing the benefit of the Border-to-Border Broadband Grant Program.	Rural Minnesota cities are being served by the program as it was designed. With the two rounds of funding provided by the legislature (\$20m in 2014 and \$10.6m in 2015), the following 22 cities will be seeing broadband service deployed to their residents: Barry, Beardsley, Beaver Creek, De Graff, Elba, Erhard, Fort Ripley, Gentilly, Green Isle, Hardwick, Hendricks, Holmes City, Jasper, Johnson, Jupiter, Littlefork, Nereson, New Auburn, Salol, Swift Falls, Wilson, Witoka
Greater Minnesota cities are being left behind.	The Border-to-Border Broadband Grant Program is designed to bring broadband service to areas that are <u>unserved and/or underserved</u> . While some Greater Minnesota cities have service that surpasses these standards, most have at least some areas within their cities that are eligible. For example, the Greater MN Partnership is suggesting that the cities of Taylor's Falls, Mora, and Finlayson are ineligible for the program. However, <u>both</u> Taylor's Falls and Mora <u>have areas eligible</u> for the Border-to-Border Broadband Grant Program, <u>and the entirety of Finlayson</u> is either unserved or underserved, and is <u>therefore entirely eligible</u> .

Broadband development would happen without the Border-to-Border Program

As of February 2015, it was estimated that over 244,000 households do not have access to service that meets Minnesota's standard. To make the most of limited available resources, Minnesota targets investments to those areas where commercial solutions are least likely to manifest on their own.

In this way, Minnesota's Border-to-Border Broadband Grant Program makes both private and public dollars go further, to bring broadband internet to more Minnesotans and support opportunity and innovation in Greater Minnesota.

Click <u>here</u> to find a fact sheet with more details on Governor Dayton and Lt. Governor Smith's Broadband proposal.