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Broadband Package Signed Into Law

Legislation is expected to create an additional 500,000 jobs

March 14, 2002 – Legislation encouraging telecommunications companies to wire Michigan for broadband service was signed into law today by Governor John Engler, Senator John Schwarz, R-Battle Creek, announced.

"Broadband legislation will increase opportunities for families and businesses," Schwarz said. "High-speed Internet access is an essential link to the future of communications and technology in Michigan."

The Michigan Legislature debated the broadband package for over two months. The discussion focused on the challenges telecommunications companies currently face when building a network in Michigan. The issues discussed included the lack of uniformity in the application of right-of-way fees, lack of a reasonable time line in receiving permits from local units of government and the lack of oversight when determining which communities in Michigan have broadband availability.

"Increased broadband communications will encourage companies to invest in Michigan communities," Schwarz said. "These investments translate into industries that will offer Michigan workers more opportunities."

The legislation requires telecommunications companies to pay an annual fee of two cents per linear foot to a broadband authority during the first year of the plan, and five cents per linear foot in each following year. The new fee would replace the right of way fees that companies currently pay to municipalities. The money generated by the fee will be sent to municipalities to maintain

(More)

their right of ways. The legislation also creates the Broadband Development Authority to determine which parts of the state are not yet wired for broadband.

The broadband package includes protections to prevent companies from passing new costs to telephone customers. Telecommunication providers may be eligible for a property tax credit to recover their costs if the fee is determined to be an additional cost.

"The new laws protect consumers from increases in their phone rates," Schwarz said. "The cost to finance a state-wide broadband communications system will not be passed along to customers who do not want the service."

The broadband package signed into law includes Senate Bills 880, sponsored by Schwarz, 881 and 999.

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