



March 19, 2025

Senator Aric Putnam  
Chairman, Agriculture, Veterans, Broadband, and Rural Development Committee  
Minnesota State Senate  
95 University Avenue West  
Minnesota Senate Bldg., Room 3215  
St. Paul, MN 55155

Re: SF 2045 – Equal Access to Broadband Act

Dear Chair Putnam and Committee Members,

The National Association of Telecommunications Officers and Advisors (NATOA) is pleased to support SF 2045, the Equal Access to Broadband Act.<sup>1</sup> Thank you for recognizing that now is the time to refresh local franchising laws to recognize the changing communications landscape and that broadband is the future.

NATOA is the national association that represents the broadband and telecommunications needs and interests of local governments, and those who advise local governments. NATOA's membership includes local government officials and staff members from across the nation whose responsibility is to advise and implement telecommunications policy and the provision of such services for the nation's local governments. These responsibilities range from cable franchising, rights-of-way management and government access programming to information technologies and Institutional Network (I-Net) planning and management.

The Minnesota Association of Community Telecommunications Administrators (MACTA), your state trade association representing Cities, Cable Commissions and Community Television Stations across the state, is an active and valued chapter of NATOA focusing on broadband, local franchising and PEG programming issues.

SF 2045, the Equal Access to Broadband Act, will allow Minnesota cities, towns, counties and cable commissions to franchise broadband similarly to how cable systems are currently franchised. Cable franchising brought residents a uniform quality of cable television service. As technologies have converged into broadband, the law needs to be refreshed to allow local franchising of broadband with the goal of ensuring that all residents of every city have equal access to the same quality of broadband service.

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<sup>1</sup> <https://www.revisor.mn.gov/bills/bill.php?f=SF2045&y=2025&ssn=0&b=senate>

This legislation will allow Minnesota cities, counties and joint power authorities (JPA's) to ensure that their residents have equal access to the same quality of broadband service, no matter what neighborhood they live in. SF 2045 - the Equal Access to Broadband Act will allow local governments to negotiate franchise agreements for use of the public rights-of-way by broadband providers.

Minnesotan communities have a 40+ year history of franchising cable TV providers. SF 2045 will modernize the benefits of franchising for your residents, businesses, schools, and nonprofits. Local franchising is a proven and effective way of ensuring buildout provisions by operators that deny redlining or cherry picking while providing non-compliance provisions, local oversight of commercial users in streets and on public assets, and local customer service resolution.

In addition, SF 2045 will modernize the funding structure of local community access television. Cities, counties and JPA's rely on cable TV franchise fees and Public, Educational and Government (PEG) fees to support diverse local coverage that empowers residents to engage in their community and affords transparency in local governing. This valued local programming includes government meeting (boards and commissions) broadcasts, candidate and election programming, community event and festival coverage, business and chamber of commerce updates, education and health updates, and local news, high school sports, art, music, and nonprofit programming.

Extensive local community programming by PEG programmers has become essential to the fiscal well-being of local communities with the loss of local newspapers and news coverage in many markets. Indeed, research has found that "when news organizations close, cities and residents pay—starting with increased borrowing costs."

According to municipal finance expert and former Kansas City Mayor, Mark Funkhouser, "A robust local media benefits local government, and it's in the best interest of local officials to support their news organizations."<sup>2</sup>

"Research shows that when news organizations close, cities and residents pay—starting with increased borrowing costs. A first-of-its-kind study in 2018 from the University of Illinois at Chicago and the University of Notre Dame found that "municipal borrowing costs increase by 5 to 11 basis points in the long run," translating to costs in the millions for those communities.<sup>3</sup> "There's also a correlation between higher taxes and higher government wages in areas that have lost a news organization."

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<sup>2</sup> See Route Fifty's: "Local news is crucial to governance, and it's hurting " by Mark Funkhouser, president of Funkhouser & Associates, is a municipal finance expert who has spent decades in government service and is a former mayor of Kansas City. <https://www.route-fifty.com/management/2024/03/local-news-crucial-governance-and-its-hurting/395025/>

<sup>3</sup> See Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance, Pengjie Gao, University of Notre Dame; Chang Lee and Dermot Murphy, University of Illinois at Chicago, July 11, 2018 <https://www.brookings.edu/wp-content/uploads/2018/04/Murphy-et-al..pdf>

Today, while local PEG programming has the technology and digital tools to distribute across both cable and many digital platforms, the PEG fees supporting that programming are only paid through traditional cable TV service subscribership. That is a subscriber base which is shrinking swiftly as households are being forced to choose digital streaming over cable video viewing options. Franchising broadband will level the playing field and provide ongoing funding to continue serving the needs of these communities and their programming.

When cable television was an emerging technology, the state of Minnesota enacted the 1973 Minnesota Cable Act authorizing local franchising of cable systems. Through local franchising, the franchised cable operator has been required to provide the same quality of cable service to all residents. However, local franchising applies only to cable companies and not to phone or broadband-only providers.

Yet broadband is delivered by all three: cable, phone, and broadband-only companies. SF 2045 will modernize local franchising and lead to a more equitable deployment of broadband service to all residents, as well as greater consumer protections, and public benefits such as access television funding and digital training and opportunities for residents.

Thank you for your consideration of SF 2045, the Equal Access to Broadband Act.

We urge the Committee to support this important legislation.

Best regards,



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*The premier local government association supporting our members on the telecom, cable, broadband & digital equity issues facing local governments.*

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