

TALKING POINTS – SB 186

Communities increasingly recognize that fiber networks provide critical benefits for education, public safety, health care, transportation, energy, environmental protection, urban revitalization, government service and much more. But only in revitalizing and modernizing local economies and creating meaningful, well-paying jobs, do community leaders, businesses, institutions and residents consistently find common ground.

One development tool is to improve broadband infrastructure, and even here, communities usually have multiple options. They can work with willing incumbents, enter into public-private partnerships with new entrants, establish advanced communications networks of their own or develop other innovative approaches that work for them.

SB 186, however, limits community economic development options by adding barriers to the traditional tools which communities possess to promote broadband deployment, increase speeds, and lessen consumer costs. SB 186 hinders public private partnerships, impedes market competition, restricts economic development, and is effectively anti-rural.

Specifically, SB 186 adds government regulations that:

...Hinder Public-Private Partnerships

- Limiting dark fiber leases
- Requiring a vote for every new service
- Limiting wholesale services that enhance competition in the private sector for citizen/consumer benefit
- Prohibits even an offer of a public-private partnership without a public vote which limits job-creating enhancements for business attraction
- Limits use of existing infrastructure already paid for by consumers/citizens

...Impedes Competition

- Only one provider-one customer triggers incumbent protections, no matter whether service is made available at a competitively market price to the rest of the community
- Limits community wholesale service offerings to enhance competition, improve reliability, and limit business/customer costs
- Tilts playing field toward incumbent providers in that community enhancements must be at “fair market” rather than “cost-based” prices, even when no market exists, effectively introducing state sponsored “price-fixing”

...Restrict Economic Development

- Limits community ability to enhance business climate
- Artificially inflates rates of a publicly owned asset rather than offering at cost
- Caps community investment in promoting broadband deployment, reliability, and affordability
- De-incentivizes private broadband development in low density/low income areas that can improve the economy

...Are Anti-Rural

- Bill targets communities with only one market provider
- Limits rural community efforts for connectivity
- Hurts small business in competitive choice for broadband
- Alienates agribusiness, tele-health, and educational opportunities in underserved rural areas
- Keeps rural speeds at minimum FCC requirements

Ultimately, SB 186 introduces in Missouri a “thicket” of purely commercial measures that seek to protect private communications service providers from market competition in communities that are currently empowered by the state to enhance broadband deployment, reliability, and affordability. This bill reverses these national and state goals for availability, reliability, and affordability by widening the digital divide and introducing barriers to global connectivity in Missouri.

For questions, contact Ewell Lawson (573) 864-6694.