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Senate Bill 687 (as introduced 1-11-24)
Sponsor: Senator Sean McCann
Committee: Energy and Environment

Date Completed: 2-21-24

CONTENT

The bill would enact the "Michigan High-Speed Internet Office Act" to do the following:

- **Codify the Michigan High-Speed Internet Office (Office) within the Department of Labor and Economic Opportunity (LEO).**
- **Require the Director of LEO to appoint a Director of the Office who would have to establish procedures for budgeting, spending money, and employing personnel.**
- **Prescribe the duties of the Office, including identifying best practices and resources for the support of broadband and digital infrastructure with speeds of at least 100 megabits per second (Mbps) downstream and 20 Mbps upstream.**

Creation & Codification of the Office

The Act would codify the Michigan High-Speed Internet Office within LEO, which was created by Executive Directive 2021-2 (see **BACKGROUND**). The Office could, upon appropriation, award grants or provide other financial and technical assistance to carry out the purposes of the Act.

Director of the Office

The Director of LEO would have to appoint a Director of the Office. The individual appointed as the Director of the Office would have to be qualified by training and experience to perform the duties and exercise the powers of the Office and the Director of the Office.

The Director of the Office would have to establish procedures for the Office for budgeting, spending money, and employing personnel, according to the Management and Budget Act.

Duties of the Office

The Office would have to do all the following:

- Implement modern broadband and digital infrastructure duties assigned to the Office and coordinate with other State departments responsible for modern broadband and digital infrastructure matters.
- Facilitate collaboration among public and private entities to encourage partnerships, regional coordination, and streamlined policies to increase modern broadband and digital infrastructure.
- Identify best practices and external resources to support modern broadband and digital infrastructure in Michigan.

- Provide capacity building and digital literacy resources to the public and entities seeking to expand broadband internet access service and adoption.
- Collect and analyze data to accurately determine the availability of broadband internet access service, including the development of methods that accurately identify parcel level wholesale and retail broadband infrastructure availability and adoption throughout Michigan.
- Issue reports on the status of broadband internet access service market competition in different regions throughout Michigan that distinguish between the type and quality of broadband internet access service provided and evaluate and provide recommendations on the wholesale and retail cost of broadband internet access service.
- Serve as a point of contact between the public and broadband internet access service providers to improve access, adoption, and transparency of broadband internet access service.

Additionally, the Office would have to promote and implement policies that utilize modern broadband and digital infrastructure to do any of the following:

- Revitalize neighborhoods and communities.
- Support economic development opportunities.
- Increase hiring and retention of skilled workers that support modern broadband and digital infrastructure in Michigan.
- Integrate the deployment of modern broadband and digital infrastructure through existing infrastructure and economic development programs.

"Modern broadband and digital infrastructure" would mean the technology and associated equipment used to provide broadband internet access service with speeds of at least 100 Mbps downstream and 20 Mbps upstream, scalable to 100 Mbps speeds and latency sufficient to support real-time, interactive applications and that meet the educational, economic, and consumer needs of residents of Michigan.

"Broadband internet access service" would mean a mass-market retail service by wire or radio that provides the capability to transmit data to, and receive data from, all or substantially all internet endpoints, including any capability that is incidental to and that enables the operation of the communications service. The term would not include dial-up internet access service. "Broadband internet access service provider" would mean an entity that provides broadband internet access service in Michigan.

BACKGROUND

On January 30, 2018, Governor Rick Snyder issued Executive Order 2018-2 and created the Michigan Consortium of Advanced Networks. The Consortium was created as an advisory body to the Governor and was tasked with solidifying a vision for a connected Michigan and submitting a roadmap to guide the State's goal of "ubiquitous broadband access".¹ The 2018 report, Michigan Broadband Roadmap, found that just over \$2.5 billion in potential economic benefit was left unrealized each year due to a lack of high-speed internet access in Michigan.²

On June 2, 2021, in part based on the Consortium's findings, Governor Gretchen Whitmer issued Executive Directive 2021-2. The Directive ordered LEO to create the Office and to designate a Chief Connectivity Officer to serve as the head of the Office.³ On November 15,

¹ Executive Order No. 2018-2.

² Consortium of Advanced Networks, Michigan Infrastructure Commission, *Michigan Broadband Roadmap*, August 2018.

³ Executive Directive No. 2021-2.

2021, the Federal Infrastructure Investment and Jobs Act was signed into law by President Biden. The Act authorized \$1.2 trillion in spending for transportation and infrastructure spending with \$550 billion of that figure going toward new investments and programs.⁴ In response to the Act, Governor Whitmer issued Executive Directive 2021-12 on November 29, 2021, and tasked the Office with the primary responsibility for convening and coordinating State departments and agencies in mobilizing these Federal dollars to ensure that every home and business in Michigan can access high-speed internet services that meet their needs.⁵

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have no fiscal impact on State or local units of government. The Office was created in Executive Directive 2021-2 and 2021-12, and this bill would codify the Office in statute. The bill would not increase costs to Office. The bill would not require any appropriations, and any appropriations made would be subject to future legislative approval.

Fiscal Analyst: Cory Savino, PhD

⁴ Pipeline and Hazardous Materials Safety Administration, United States Department of Transportation, *Bipartisan Infrastructure Law (BIP)/Infrastructure Investment and Jobs Act (IIJA)*, February 16, 2023.

⁵ Executive Directive No. 2021-12.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.