



NEW YORK STATE SENATOR

George M. Borrello

Measure to Repeal Fiber Optic Cable Tax that is Stifling Rural Broadband Projects is Introduced

GEORGE M. BORRELLO September 22, 2020

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ALBANY – Following the July passage of legislation aimed at identifying areas of the state that still lack broadband service, Senators Borrello and Helming have introduced a measure that would augment this effort to broaden access by repealing a recently enacted fee that has made broadband expansion projects cost-prohibitive for most carriers. [Senate Bill 8858](#) would repeal the tax on fiber optic cable in state road rights of way that was enacted in the 2019-20 state budget.

“One of the inequities highlighted by the pandemic has been the continuing lack of broadband service in many rural regions of New York. The COVID crisis and the shift to remote work and schooling upgraded this problem from ‘important’ to ‘urgent,’” said Senator Borrello. “Parents in my district have been driven to desperate measures to assure their kids can get online to do their schoolwork, including parking for hours in fast-food parking lots for the wi-fi access. This is utterly unacceptable. The digital divide has become a digital chasm and one that threatens to leave our kids and rural families with a permanent educational and economic disadvantage.”

Senator Borrello noted that while the state claims that the \$500 million Broadband for All program has expanded connectivity to 98 percent of the population, that figure is widely acknowledged to be extremely inaccurate. He highlighted the fact that a recent independent report found that 726,000 K-12 students in the state lacked access during the pandemic – 27 percent of all students.

“Legislation which I cosponsored, and which passed the Senate recently, represents an important step towards addressing the problem by requiring the Public Service Commission to research and identify areas in the state still lacking access,” said Senator Borrello.

“However, the even larger obstacle to connecting our rural areas is the counterproductive fee on fiber optic internet cables that was quietly slipped into the FY20 state budget. It is disingenuous of the Governor to tout the state’s investment in expanding broadband access even as he attempts to recapture some of those funds with a new fee. Those who stand to be hurt the most by this move are rural residents, who will see hoped-for broadband projects abandoned by companies who can’t afford to absorb this new expense,” he said.

"At a time when more and more of us are relying on broadband to work remotely, help kids learn from home, or connect with our medical providers, politicians in Albany have actually

moved the process backward by enacting a tax on fiber that is making new projects financially unfeasible. Providers are either scaling back buildouts or canceling them entirely, hampering broadband expansion in Western New York. We should be encouraging the expansion of affordable and reliable broadband everywhere in our state. Now is not the time to hit the PAUSE button on expansion and risk the loss of even more job opportunities. I am proud to stand with Senator Borrello in the fight to defend hardworking taxpayers, farmers and small business owners here and across our state” said Helming.

Senator Borrello noted that while the Governor has stated that broadband access is no longer a luxury, but a necessity akin to running water and electricity, other utilities - including electric, gas and water - are given free access to the rights of way for which fiber optic installers are now being charged.

“In the 21st century, lack of broadband access equates to a lack of information, civic and social engagement and economic and educational opportunities that millions take for granted. It is incomprehensible that hundreds of thousands of rural New Yorkers are still without this essential service. Our legislation would seek to help them by rolling back the fee that has set back our ‘broadband for all’ effort and demonstrate through actions, not just words, that broadband access is a necessity that no New Yorker should have to go without.”

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