



NEW YORK STATE SENATOR

Daniel G. Stec

Stec proposes fiber-optic tax repeal

DANIEL G. STEC June 3, 2021

| ISSUE: **BROADBAND ACCESS**



Senator Dan Stec today proposed an amendment to eliminate a fee that the New York State Department of Transportation (DOT) charges Internet Service Providers (ISPs) building fiber-optic utilities in the right of way of state highways.

The fee was included in the 2019 budget, which Stec opposed. Since then, the fee has been cited as a cost-driver that is slowing progress on broadband deployment, especially in rural areas.

“The state invested \$500 million dollars in the New NY Broadband Program to incentivize building fiber in unserved areas but then created a tax that has raised the cost to deploy fiber,” said Stec. “It’s counterproductive and needs to be scrapped.”

During today’s Senate session, Stec proposed amending a bill (S.6259-A) that requires the DOT to issue a notice of completed application for fiber optic utilities within the state highway right of way. Stec wanted to amend that legislation with language that would eliminate the fiber fee. Senate Democrats did not support the amendment.

Stec said the fiber fee only applies to broadband providers. Other utilities are not charged for accessing state right of ways.

“COVID-19 and the sudden shift to working and learning remotely really brought to light the severity of this technological inequity,” said Stec. “Raising costs on smaller ISPs means fewer people needing broadband will get it. The margins for these small companies that serve rural areas are very tight. Eliminating the fiber fee would bring costs down and I am disappointed we didn’t see support for it today, but this is something I will keep pushing.”

-30-

RELATED LEGISLATION

2021-S2659

-
- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to repealing provisions of the highway law and the transportation corporations law to reduce the cost of expanding broadband access; repealer

January 22, 2021

In Senate Committee Transportation

Sponsored by Pamela Helming

Do you support this bill?