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**TESTIMONY OF CRAIG MILLER, PRESIDENT, NEW YORK STATE  
TELECOMMUNICATIONS ASSOCIATION, BEFORE THE JOINT ASSEMBLY AND  
SENATE TAXES BUDGET HEARING**

February 27, 2025

Senate Finance Chair Krueger, Assembly Ways & Means Chair Pretlow, and members of the Joint Taxes Budget Committee, I thank you for this opportunity to submit written testimony for your consideration as you review proposals with respect to the Governor's proposed 2025-2026 New York State Budget. My name is Craig Miller, and I am the president of the New York State Telecommunications Association (NYSTA). NYSTA's membership includes over forty telecommunications carriers from large carriers to many of the smaller incumbent carriers serving some of the most rural areas of the State. I am submitting written testimony today to urge the State to take on an initiative to create Broadband Opportunity Areas in the FY 2025-2026 one-house budget bills and include the proposal in the final enacted budget.

Access to reliable affordable high-speed internet is more critical in today's world than ever before. Unfortunately, it is out of reach for many families throughout New York. These households have children that struggle to keep up with homework assignments and projects relying on internet access. These households have stay at home parents who possess the

qualifications for remote job positions but lack the required internet access to secure employment. Small businesses in remote areas, such as family farms, that lack internet access have a competitive disadvantage.

The widest possible deployment of high-speed broadband service is a top priority for New York. Between ConnectALL, and its predecessor program, the State will have provided an estimated \$900 million for this purpose. In addition, through the federal American Rescue package, New York should receive another \$664 million through the Broadband Equity Access and Deployment (BEAD) fund to help deploy broadband in New York.

The areas of the State that remain un- and underserved are some of the most remote and difficult to connect. BEAD and ConnectALL funding will be vital to ensure the goal of 100% connectivity. However, one of the considerations that all companies must make when deciding whether to apply for the funds to build out broadband in an area are the ongoing network maintenance costs. One of the most significant maintenance costs incurred by broadband companies — and thus the most significant barrier to investment — is the required property taxes that will have to be paid on the newly built networks. Even with the significant state and federal investments into building out the broadband networks, only the initial costs to build are covered. The ongoing maintenance costs, such as the real property taxes, are not contemplated by these funding mechanisms. In the most remote areas of our State that have a significant build out cost, the broadband companies must also contemplate the ongoing network maintenance costs when making buildout decisions.

The Broadband Opportunity Areas proposal would offer a meaningful solution to help ameliorate these maintenance costs. Under the Broadband Opportunity Areas proposal, a broadband company would not have to pay real property taxes on the newly built network for a period of ten years when the buildout is being done in unserved and underserved communities, as defined by the Federal Communications Commission. Importantly, the real property tax exemption would only last for ten years and would only apply to new broadband connections in these designated areas.

This proposal has the support of many of the localities where these networks will be built because these **localities are currently not receiving these tax dollars, so they will not lose any revenue. Any potential revenue will be delayed for ten years, but after ten years the property will go on the tax rolls.** The localities have determined that because these networks will be built where there are currently no broadband connections (because the areas are unserved or underserved locations), the deferral of the tax revenue is worth ensuring their constituencies have access to reliable broadband services. As this is newly built infrastructure, the communities will see the immediate benefit of broadband deployment in areas of great need, while knowing that these properties will return to the tax rolls at the end of the exemption period. This will allow these communities to grow their tax base in the future. Moreover, this program would have no cost to the State, and it would help the State more quickly achieve broadband connectivity for all New Yorkers.

For these reasons, NYSTA strongly urges you to include the Broadband Opportunity Areas proposal in the one-house budget proposals and the final FY 2025-2026 budget. Expanding

broadband coverage is of paramount importance in ensuring equitable access to resources and information for all New Yorkers. In today's digital age, internet access is no longer a luxury but a necessity, impacting essential aspects of life such as public safety, education, healthcare, and employment.

Thank you for the opportunity to submit written testimony on the broadband opportunity area proposal and expanding broadband access. For the reasons outlined above, NYSTA strongly supports its inclusion in the final budget.