

STATE: MICHIGAN

Date of Report: No report issued.

Nature of report (preliminary, final, advisory, executive/legislative): N/A

Key recommendations: N/A

Key programs initiated: Michigan Broadband Development Authority; created in 2002; de-funded in 2007; the MBDA is still authorized under state law, but is essentially defunct.

Initial Appropriation: \$50 million line of credit extended by Michigan Housing Development Authority. MBDA was supposed to become self-sustaining, but, by January 2006, lost \$10 million according to the *Detroit News* (1/20/06). Legislature directed that all principle and interest on MBDA loans are now re-assigned back to the Michigan Housing Development Authority, effectively defunding the MBDA.

Web link to agency or task force: No longer in existence.

Statement of Values:

Mich. Comp. Laws §484.3202. Legislative Findings.

"Certain areas of this state are not being adequately served with broadband services and that, for the benefit of the people of this state and the improvement of their health, welfare, and living conditions, the improvement of the economic and educational welfare of this state, and the improvement of its public safety and security, it is essential that broadband infrastructure be expanded to provide broadband services throughout this state and that the private sector should be encouraged to invest in the deployment of broadband services and networks and that financing by this authority will encourage broadband investment."

Where we've been: Michigan Broadband Authority created in 2002 by Legislature. Michigan newspapers reported that the Michigan Broadband Development Authority came under severe criticism when it began losing money. Officials with the Michigan Housing Development Authority were quoted in news articles stating that the MBDA was supposed to become self-sustaining but could not cover its administrative costs. The program was also criticized for what were considered lavish staff salaries. The program was also criticized for having veered from its initial purpose of loaning money to broadband firms interested in serving unserved or underserved communities. Initial loans by the MBDA were made to companies that competed in areas that were already served by private industry.

Where we are today: MBDA is defunct; no other programs are currently in existence or in development phase.

Where we want to be: Not clear.

How are we going to get there? Not clear.

Broadband functionality (tiers of service) - N/A