

TAXPAYERS PROTECTION ALLIANCE

May 30, 2022

Bloomington Redevelopment Commission
401 N. Morton St.
Suite 130
Bloomington, IN 47404

Dear Commissioners,

On behalf of Bloomington residents, the Taxpayers Protection Alliance (TPA) urges you to vote against creating a spider TIF district for Meridiam Infrastructure North America Corporation for a fiber broadband project. Not only is this project redundant, but it takes taxpayer money away from other projects that could benefit the citizens of Bloomington.

The plan from Meridiam, a company based in Paris, would only connect up to 85 percent of households in the city. The fiber would stretch alongside existing infrastructure of companies like AT&T and Comcast that already service these areas. The agreement with the city also allows Meridiam to bypass areas it determines to be unreasonably expensive to connect, which does nothing to close the digital divide.

The letter of intent between the city and Meridiam violates the spirit of good governance and could very well run afoul of Section 253 of the Telecommunications Act of 1996, which preempts exclusive arrangements that favor one provider over another and therefore inhibits competition. Indiana state law also voids contracts granting communication service providers exclusive rights of access to install service facilities.

Not only was the letter of intent signed in secret, three months before it was publicly announced, but it also gives Meridiam advantages no other internet provider in Bloomington enjoys. These include priority consideration for city contracts, expedited permitting and free access to rights-of-way. In addition, an as-of-yet unnamed ISP will get exclusive access to the network for an undisclosed amount of time. TPA intends to file Freedom of Information Act requests so the public can be made aware of the behind-the-scenes discussions on this issue.

Mayor Hamilton cites the fact that only 72 percent of city residents currently receive home broadband. However, these residents already have access to the service from at least one broadband provider, so adding an additional option won't solve anything. Bloomington should focus on promoting home broadband adoption for the 28% of its residents who are choosing not to subscribe. President Biden recently announced the Affordable Connectivity Program (ACP) that makes broadband free for low-income households, and Bloomington residents can use the program to get free service today from AT&T, Comcast, and Smithville. The city should help educate residents about their options—not use taxpayer money to build redundant infrastructure.

And, make no mistake, this move would take tax money away from other services. The \$14.4 million benefit Meridiam would receive through the spider TIF district over 25 years in personal property tax abatements represents \$14.4 million less in tax money that would go to city services that rely on property taxes to operate, such as the public schools.

TPA applauds your efforts to close the digital divide and ensure that all Bloomington residents have access to high-speed internet. But this spider TIF district for Meridiam is corporate welfare and not the correct approach.

Sincerely,

Johnny Kampis, Director of Telecom Policy for TPA

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