Broadband in Michigan
Status, Developments, and the Future

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VICE PRESIDENT FOR COMMUNITY AFFAIRS
CONNECT MICHIGAN AND CONNECTED NATION
discussion topics

1. Infrastructure access
2. Broadband & technology adoption
3. Connected communities
4. Recent developments
context

- Connected Nation, non-profit dedicated to expanding broadband access, adoption, and use. Core competencies include:
  - Network mapping, validation, and analysis
  - Residential and business adoption research
  - Local, state, and national policy analysis and capacity building
  - Community technology planning

- Connect Michigan, subsidiary of Connected Nation, implemented the State Broadband Initiative program in the Great Lakes State from 2009 - 2014
  - Partnered with the Michigan Public Service Commission
  - Collaborate at all scales with a diverse group of stakeholders
  - Three in-state staff, (Eric Frederick, Dan Manning, and Tom Stephenson)
  - Broadband mapping, research, and community planning
  - Host the annual Michigan Broadband Conference in Lansing
  - Tasked with facilitating the expansion of broadband throughout Michigan

We have found Connect Michigan to be an independent, reliable source of information and technical assistance in the realm of broadband issues. – Northern Lakes Economic Alliance
current state of broadband access in Michigan - definition

FCC Definition History
2009 – 768Kbps/200Kbps
2012 – 4Mbps/1Mbps
2014 – 10Mbps/1Mbps
2015 – 25Mbps/3Mbps

National Broadband Plan Goals:
2015 – 100m homes with 50Mbps/20Mbps
2020 – 100m homes with 100Mbps/50Mbps

Household Availability

<table>
<thead>
<tr>
<th></th>
<th>October 2010</th>
<th>October 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>768 Kbps</td>
<td>96.8%</td>
<td>99.1%</td>
</tr>
<tr>
<td>3 Mbps</td>
<td>93.6%</td>
<td>98.4%</td>
</tr>
<tr>
<td>10 Mbps</td>
<td>89.7%</td>
<td>92.7%</td>
</tr>
<tr>
<td>25 Mbps</td>
<td>11.4%</td>
<td>88.7%</td>
</tr>
<tr>
<td>50 Mbps</td>
<td>4.3%</td>
<td>86.7%</td>
</tr>
</tbody>
</table>

There remains a strong grassroots constituency for broadband coverage across our southwest Michigan region. Connect Michigan will continue to be our first choice as an expert partner in our progression toward complete regional broadband coverage. – Southwest Regional Planning Commission
We partnered with Connect Michigan to create a pilot program to help communities create local task forces to improve their small businesses’ use of technology – with great success. We hope to work on similar collaborative projects in the future. – Community Economic Development Association of Michigan
current state of broadband access in Michigan

3Mbps/768Kbps
(October 2014)

Mobile and satellite broadband services not included
Published January 26, 2015

www.connectednation.org/fcc-maps

Their leadership in creating a connected state through broadband access is critical to Michigan’s continued economic revitalization. With Connect Michigan leading the charge, we’ll transform ideas and aspirations into reality, creating a prosperous and thriving Michigan. – Prima Civitas Foundation
current state of broadband access in Michigan

10Mbps/1.5Mbps
(October 2014)

Mobile and satellite broadband services not included
Published January 26, 2015

www.connectednation.org/fcc-maps

We knew we had a problem, but it sat unaddressed for a number of years. We didn’t address it because we didn’t know how to start, where to go for help and besides most of our peers (rural counties) had the same issue. This is where Connect Michigan came in. – Osceola County Community Development
current state of broadband access in Michigan

25Mbps/3Mbps (October 2014)

Mobile and satellite broadband services not included
Published January 26, 2015

www.connectednation.org/fcc-maps

Connect Michigan is constantly working to boost Michigan’s standing in the digital economy and accelerates technology economic growth in local communities across Michigan by applying proven solutions to shared challenges. – Eastern Upper Peninsula Regional Planning and Development Commission
current state of broadband access in Michigan

Unserved Household Density 25Mbps/3Mbps (October 2014)
current state of broadband adoption in Michigan

1.9 Million Non-Adopting Adults in 2014

- Awareness: 37%
- Cost: 14%
- Digital Literacy: 12%
- Access Elsewhere: 10%
- Not Available: 8%
- Illness/Disability: 2%
- Don’t Know/Other: 17%

53,000 Non-Adopting Michigan Businesses in 2014

- We don't need broadband/Internet: 37%
- No computer: 18%
- Broadband is not available: 2%
- Too much of a distraction/ would...: 3%
- Too expensive: 3%
- It is too complicated: 4%
- Other: 9%
- Don't know/Refused: 24%

It has been through the assistance, leadership, and guidance of Connect Michigan that our community has been able to gain the much needed knowledge to begin to move forward with a clear understanding of our current service levels and the development of a plan. – Barry County Chamber of Commerce
Connected Community Engagement Program

- Local technology planning program
- Establish community team of diverse stakeholders
- Assess the local broadband/technology landscape against standards based on the National Broadband Plan
- Develop a plan to fill gaps and local technology issues identified through the assessment process
- Implement projects to increase the access, adoption, and use of technology and broadband throughout the community
- Achieve Connected Certification

- Federal grant funded and required engagement with 14 communities in Michigan
- Actively working with 45 communities

Connect Michigan’s community outreach and education programs, policy analysis, and broadband mapping initiatives have proven to be highly effective tools in Michigan’s continued strides toward more broadband connectivity and, ultimately, our state’s economic prosperity. – Frontier Communications
Connected Community Engagement Program

- Connected Certified Communities have a higher broadband adoption rate than the state as a whole and the US average.

- Communities with plans, (but without certification) are advancing broadband adoption at a rapid pace.

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Connect Michigan is an important organization that makes significant contributions to Michigan and its citizens. It is a vital organization that will help Michigan become a leader in broadband development and a haven for technology companies to bring their businesses and jobs to Michigan. – Spring Arbor University
Connected Community Engagement Program

- Projects being implemented include:
  - Website and social media classes for businesses
  - Digital literacy campaigns
  - Residential and business surveys to better identify access issues and areas of demand
  - Zoning ordinance language review and updates, and other regulatory language modifications to lower barriers to expansion
  - Awareness and support campaigns for educational one-to-one device programs
  - Support for local placemaking initiatives
  - Public-private partnerships for infrastructure expansion

- Increasing use of residential surveys to more precisely identify local demand to support provider business cases (and continually refine Connect Michigan maps)

- Trend toward more localized, township-level action planning as broadband coverage increases across counties

- Community broadband plans almost always include support for small businesses (website & social media development, technology for entrepreneurs, new business incubators and facilities, etc.)

Through Connect Michigan we devised a project plan to assist our county, our businesses and residents to enter into the global arena. Without the guidance of Connect Michigan our County would not have had access to the knowledge base that enabled us to complete the assessments needed for certification. – Roscommon County Economic Development Corporation
Connected Community Engagement Program

- Clare County Example
  - collaboration between schools, libraries, local government (cities and townships), and broadband provider resulted in public-private partnership for expanding service in rural areas
  - leveraged unused portions of existing fiber ring to increase capacity for spurs to rural areas, townships shared the cost of tower construction, ISP installed equipment and provided service

Unserved Household Density: October 2011
69% of households with access to 3 Mbps

Unserved Household Density: October 2012
88% of households with access to 3 Mbps

It is our sincere conviction that the Connect Michigan program has made a significant difference throughout Michigan in expanding access to broadband Internet service and also by expanding the knowledge and use of this very important communication system. – City of Clare
models for success in rural communities

- know your providers, may have access to providers you didn’t know existed
- [www.connectmi.org](http://www.connectmi.org) has maps of broadband providers and their service, and county profiles that list every provider in every county
- ask us for help in finding a provider’s local representative
- site surveys and signal testing
models for success in rural communities

- meaningful broadband and technology adoption are as critical as infrastructure access in rural areas

- point of sale software, social media, website development, crowdfunding, inventory control, etc. are all meaningful uses of technology for rural small and micro-businesses

- increased adoption and use helps spur demand, which helps increase supply of network connections
recent developments impacting Michigan

1. PA 564 of 2014 – Michigan Public Safety Communications System facility colocation

2. MEDC Michigan Connects Map – map of Michigan’s fiber optic routes

3. Build-out subsidy
   A. Connect America Fund
   B. Rural Broadband Experiments

Connect Michigan is one of the few industry organizations that is truly independent and working in the best interests of the consumer. We feel the information we receive from Connect Michigan is neutral and un-biased. – Air Advntage
PA 564 of 2014

- opens the Michigan Public Safety Communications System (MPSCS) towers to colocation by other entities
- area must be unserved at 3Mbps/768Kbps to qualify for colocation
Michigan Connects Fiber Map

- first publicly available map of fiber routes
- voluntary participation from carriers
- when clicked or address entered, lists carriers:
  - w/ fiber within a ¼ mile
  - w/ 100mbps service
  - known to have fiber in the municipality
- www.miconnects.org

As we embark upon the many initiatives identified in our Technology Action Plan and beyond; it is crucial that the services of Connect Michigan remain viable to maintain the forward momentum required to resolve our issues with broadband access, adoption, and use. – Harbor Area Regional Board of Resources, Inc.
build-out programs

- **Connect America Fund**
  - transitions Universal Service Fund subsidies from supporting phone systems to broadband build-out
  - mobile and wired support
  - Frontier and CenturyLink have accepted subsidies for build-out in Michigan

*We truly appreciate the support that Connect Michigan has awarded us in this process; we are committed to continue our advancements, with the continued expertise of Connect Michigan – Mecosta County Chamber of Commerce*
build-out programs

- **Rural Broadband Experiments**
  - new program created during the CAF transition
  - supports new and innovative deployments of broadband with funding available to previously
  - several initial applications selected in Michigan, waiting on FCC to decide on waivers, additional rules, path forward, etc. before deployment

<table>
<thead>
<tr>
<th>Rural Broadband Experiment Expressions of Interest in Michigan</th>
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<tbody>
<tr>
<td>Agri-Valley Services, Inc./AVCI.net</td>
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<tr>
<td>AirNorth Communications, Inc.</td>
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<tr>
<td>Allband Communications Cooperative</td>
</tr>
<tr>
<td>Baraga Telephone Co.</td>
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<tr>
<td>Barry County Telephone Company</td>
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<tr>
<td>Blanchard Telephone Company</td>
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<tr>
<td>Bloomingdale Communications, Inc.</td>
</tr>
<tr>
<td>Carr Telephone Company</td>
</tr>
<tr>
<td>Cherry Capital Connection</td>
</tr>
<tr>
<td>Clear Rate Communications, Inc.</td>
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<tr>
<td>Cloverland Electric Cooperative &amp; Lighthouse.Net</td>
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<tr>
<td>Comlink LLC</td>
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<tr>
<td>Crystal Automation Systems, Inc. (Casair)</td>
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<tr>
<td>Delmerico, Dan; Iasco Township Clerk, Livingston County</td>
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<tr>
<td>DMCI Broadband, LLC</td>
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<tr>
<td>Freedomnet Solutions</td>
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<tr>
<td>Great Lakes Energy Cooperative</td>
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<tr>
<td>Harbor Area Regional Board of Resources, Inc. (HARBOR, Inc.)</td>
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<tr>
<td>Hiawatha Communications Inc.</td>
</tr>
<tr>
<td>Hidden Lake Wireless, Inc.</td>
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<tr>
<td>Holland Board of Public Works</td>
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</tbody>
</table>
Further be it resolved, that the Michigan Commission of Agriculture and Rural Development supports Connected Nation and Connect Michigan and their outreach efforts to improve broadband telecommunications access and usage. - Michigan Commission of Agriculture and Rural Development
Charter Investments: >$2 Billion since 2012

- Cable provider for 800+ communities across 75 MI Counties
- Charter added 200+ MI jobs in past 2 years
- 2014: $100M investment in All Digital system = 200 HD channels, 60Mbps internet
  - Over 1.1 Million MI homes have Charter All Digital available

- In 2000 resi speeds were 256K - 1.5Mbps.
- In 2014 resi @ 60Mbps with 100Mbps available, too.
- Charter Business™ offers scalable solutions from 10Mbps - 10Gig.
- 2014: Charter rebuilt cable systems to 10K rural homes in 20 MI Communities in 6 counties:
  - Gratiot, Iosco, Isabella, Montcalm, Ogemaw and Ottawa – brought 60Mbps broadband to these markets.
- 2015: Rebuild projects planned for 5 rural cable systems impacting 31 MI communities and > 16K homes in 8 counties.

- All Charter investments have been private capital.

- Charter’s fiber rich network is positioned for the future ~ we’re ready to give our MI communities – even rural communities - options, flexibility and mobility!
After Broadband Certification - 2014
Contact Information:
Mandi Chasey, MPA
Ogemaw County EDC/Michigan Works!

mchasey@michworks4u.org
www.everythingogemaw.com
Soils and Water Quality

Tim Boring
Michigan Agri-Business Association
August 1, 2014
THE GREAT LAKES BASIN
Lake Erie Western Basin

- Intensive agricultural region
- Shallow lake and drainage basin
- Lakebed soils
Lake Erie Total P Loads by Source

Phosphorus in Water

**Particulate P**
- ~30% bioavailable
- Attached to inorganic sediments
- Falls out of solution

**Dissolved P**
- 90% is Dissolved Reactive P
- DRP is 100% bioavailable
- Remains in suspension

3/18/15 Michigan Commission of Agriculture and Rural Development
Maumee River Flow Weighted Mean

Particulate Phosphorus Concentrations

Particulate Phosphorus Concentration, mg/L

0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
0.10
0.00


Water Year

3/18/15 Michigan Commission of Agriculture and Rural Development
Maumee River Flow Weighted Mean

Dissolved Reactive Phosphorus Concentration

Dissolved Reactive Phosphorus conc., mg/L


Water Year
Water and Agricultural-Chemical Transport in a Midwestern, Tile-Drained Watershed: Implications for Conservation Practices

Leary Weber Ditch Watershed
Brookston silt clay loam, 0-2% slope
Crosby silt loam, 0-2% slope
Water Transport Pathways
Nutrient Transport Pathways

Precipitation → Field → Ground Water

Accumulation in Soil (5% N and 80% P)

Infiltration (25% N and 1% P)

Surface Runoff (5% N and P)

Tile Drain

Release to Atmosphere (15% N)

Crop Harvest (50% N and 15% P)

Ground Water → Leary Weber Ditch Water
Runoff and Erosion - Water
Runoff and Erosion - Wind

Joe Basset

OMAFRA
Nutrient Transport Pathways

- Precipitation
- Release to Atmosphere (15% N)
- Accumulation in Soil (5% N and 80% P)
- Field
- Infiltration (25% N and 1% P)
- Crop Harvest (50% N and 15% P)
- Surface Runoff (5% N and P)
- Tile Drain
- Ground Water
- Nitrogen (N)
- Phosphorus (P)
- Leary Weber Ditch Water
P Tile Drainage Loss

Tile P loss is typically well under 1 ppm
  • Less than 2% of applied rate
  • $1-2/ac

Up to 50% of P loss through tile

0.03 ppm is acceptable level
How much Phosphorus does it take to grow plants?

Solution phosphorus concentration to support plants in different media.

<table>
<thead>
<tr>
<th>Situation</th>
<th>Note</th>
<th>Concentration of P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crops optimal soil solution</td>
<td>Maximizing crop production</td>
<td>$\sim 0.20 \text{ mg/L (or ppm)}$</td>
</tr>
<tr>
<td>Flowing Water</td>
<td>Algae grow stimulated</td>
<td>$\sim 0.01 - 0.10 \text{ mg/L (or ppm)}$</td>
</tr>
<tr>
<td>Lake</td>
<td>Higher resident or contact time results in lower concentration</td>
<td>$\sim 0.01 - 0.04 \text{ mg/L (or ppm)}$</td>
</tr>
</tbody>
</table>
Tile Drain P Concentration

Kevin King, USDA-ARS
Michigan 2012 Soil Test P (STP)

<table>
<thead>
<tr>
<th>Soil Test Category</th>
<th>Response Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>High</td>
<td>5%</td>
</tr>
<tr>
<td>Medium</td>
<td>25%</td>
</tr>
<tr>
<td>Low</td>
<td>65%</td>
</tr>
<tr>
<td>Very Low</td>
<td>80%</td>
</tr>
</tbody>
</table>

A&L Great Lakes Laboratories
DRP Load by STP Level

- < 28 ppm
- 28 - 46 ppm
- > 46 ppm

Eric Schwab, Ohio NRCS State Agronomist
No-till Adoption

Percent No-Till for All Crops, 2004

National Water-Quality Assessment Program
• Stratification evident even in the top 1” of soil
• Although the degree of stratification varied some...
• 85% of the samples had some degree of stratification
Average annual dissolved P concentrations in runoff from two wheat fields in Oklahoma, US. Both were tilled until 1984, when one was converted to no-till.

Kleinman et al., 2011
Contributing Factors in Lake Erie

- Extensive tile drainage
- High soil test P
- No-till P stratification

Ohio response- Increasingly regulated approach
Phosphorus Management

Intensive soil sampling
Michigan- 86%
Ohio Erie Basin- 42%

Variable rate P application
Michigan- 53%
Ohio Erie Basin- 33%
Improving P Management

Managing surface losses
  • Erosion of soil and fertilizer

Managing tile drain water
  • Quantity and timing of drainage
  • Soil solution P
Improving P Management

4R Management

• Source
• Rate
• Place
• Time
Thank You
Transportation & the Dairy Industry
• Continental Dairy Facilities LLC located in Coopersville, Michigan is a dairy processing facility owned by Select Milk Producers Inc. a Dairy Farmer Co-op.

• The 92 Co-Op members are located in Michigan, Indiana, Ohio, Texas and New Mexico. They currently produce approximately 6 billion pounds per year or 329 – 6,000 gallon tankers per day.

• 5th largest milk Co-Op in U.S.

• 25 Producers – in the Michigan area

• Approximately 5 million lbs. of raw milk per day
Transportation Needs

• Transportation is critical to Dairy producers from input to final product shipping.

• Inputs – Grain, feed, animals.

• Output – milk delivered to the processing plant from the farm.

• Final product – finished products from the processing plant, NFDM, Cream and Condensed.
<table>
<thead>
<tr>
<th>Product</th>
<th>2012</th>
<th>2013</th>
<th>Percent Increase</th>
<th>2014</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Condensed Produced</strong></td>
<td>26,377,000 lbs. = 550 tanker loads</td>
<td>44,736,000 lbs. = 932 tanker loads</td>
<td>69.6%</td>
<td>53,862,729 lbs. = 1,122 tanker loads</td>
<td>20.4%</td>
</tr>
<tr>
<td><strong>Cream Produced</strong></td>
<td>61,155,000 lbs = 1,274 tanker loads</td>
<td>91,248,000 lbs = 1,901 tanker loads</td>
<td>49.2%</td>
<td>119,509,483 lbs = 2,490 tanker loads</td>
<td>31.0%</td>
</tr>
<tr>
<td><strong>Non-fat Dried Milk Production</strong></td>
<td>51,434,000 lbs= 1,152 truck loads</td>
<td>74,356,000 lbs = 1,665 truck loads</td>
<td>44.6%</td>
<td>98,083,009 lbs = 2,196 truck loads</td>
<td>31.9%</td>
</tr>
</tbody>
</table>

The plant started operations in March 2012.

Plant receives 5 million lbs. of milk daily and produces Nonfat Dry Milk, condensed and cream.
• In 2014 total trucks in and out of the facility equaled approximately 30,225. (82 per day)
• 50% of milk coming into plant is on supertankers
• Total number of trucks received per day - 72
• Reduces number of trucks by 24 per day by using supertankers
Non-fat dry milk was marketed domestically in 2012 with some exports to Mexico.

In 2013 the export market grew at a rapid pace due to various market and production related conditions. The majority of the non-fat produced went to exports.

- 63,916,000 lbs. 70.7% of sales.
  - Middle east and North Africa – 36,366,000 lbs. (40.2%)
  - Mexico – 17,632,000 lbs. (19.5%)
  - S.E. Asia - 9,918,000 lbs. (11%)
S.E. Asian Exports

- Why are the Michigan road laws important to these exports?
- S.E. Asian exports ship from West Coast ports.
- The majority of U.S. NFDM is produced on the West Coast (Calif., Wash., Id.)
- Due to distance cost of freight from Michigan is prohibitive.
• Freight to S.E. Asia booked as a package that includes drayage, trucking and ship.

• Michigan’s weight limits translates into more product on container.
  • Equalizes freight rate on a per pound basis.

• Allows Michigan dairy plants to compete with West Coast plants in S.E. Asia marketplace.
Thinking Green

- Sustainable supplier of Raw Materials Certification from Unilever
- Business owner’s are leaders in Sustainability
- CNG Transport 42 trucks
- CNG fleet removes 12 million miles of diesel per year.
- Fuel efficiency of supertankers
- Fuel savings of 105,000 gallons Per year
What would the proposed changes do?

All taxes paid at the pump would go to transportation and sales tax goes to schools & cities.
Enacted

2015 Transportation Package

• Fuel tax increase
  – Tax Rate for Gasoline & Diesel the same at 14.9%, although prices vary
    • Gasoline: 19 to 41 cents
    • Diesel fuel: 15 to 46 cents
  – New Diesel-equivalent tax on CNG
  – Remove 6% sales tax from fuel

• Registration fee increase of about 30% for:
  – New cars starting in 2016
  – Trucks over 26,000 lbs.
  – Takes effect over 3 to 14 years
Impact for Transportation Agencies

- $1.2 billion/year more for MTF
  - 39% to county roads; 22% to city streets
- Grows with consumer prices; not more than 5¢/year
- Road-agency distributions rise by 60% in 2018
- $112 million/year for CTF by 2018
- No change to formula
Impact for Other Public Agencies

- $300 million/year more for School Aid Fund
- $100 million/year more for revenue sharing
- $20 million/year more for DNR marinas and ORV trails
- Additional funding for community colleges
Impact for Individual Taxpayers

- Sales tax rises from 6 to 7%
- Fuel tax increases; sales tax removed from fuel
  - Tax at pump rises up to 12¢/gallon in Oct. 2015
- Earned-income tax credit increased from 6 to 20% of federal credit; eligibility is broadened
- Registration fee increase of about 30% on new cars starting in 2016
- Registration fee on hybrid-drive cars increased by $25/year
- Registration fee on electric cars & plug-in hybrids increased by $75/year
Impact for Businesses

• Diesel fuel tax is increased; sales tax is removed from Diesel fuel
  – Total tax on Diesel fuel rises 12¢/gallon in October, 2015
• No registration fee increase on medium trucks
• Registration fee rises by $600/year on typical heavy truck
• Sales tax rises on retail purchases
• Enlarged assistance to small-business development
Taxpayer Protection & Transparency

- Increase use of pavement warranties by local agencies, where possible
- County road agencies required to use competitive bidding for projects of a certain size
- Townships contributing more than 50% to cost of county road project may require competitive bid
- Performance-driven maintenance contracting by 7 largest road agencies
All proposed changes are tied to the outcome of the sales tax ballot referendum.
MDOT Communication Tools

• www.michigan.gov/roadfunding
• www.michigan.gov/realitycheck
Brochures

- Making Michigan Move: Our Roads, Mobility & Economy
- How Michigan Funds Transportation
- Michigan Gas Tax Revenue
- Pavement – Designing, Building, and Maintaining Michigan State Highways
- Which Roads to Fix?
- Making Michigan Soar, Our Airports Connecting Michigan to the World
- Truck Weights in Michigan
- MDOT Efficiencies
White Papers

• Plain Facts about MDOT’s Revenue, Cost-Cutting & Investment

• Special Message on Revitalization of Michigan’s Deteriorating Infrastructure

• Fast Facts

• Michigan’s Truck-Weight Law & Truck-User Fees
Proposal 1: The facts

Voters will decide road funding fate

The fate of the transportation funding proposal agreed upon by the governor and state lawmakers, and supported by Farm Bureau, now relies on Michigan voters approving a 1 percent increase to the state’s sales tax on the May 2015 ballot.

All told, the proposal is expected to rejuvenate Michigan’s failing infrastructure by generating an estimated $1.3 billion annually in transportation funds.

Agriculture depends on a sound transportation system to transport products. Farm Bureau members have long advocated for an increase in investments to our transportation infrastructure.

Visit the MFB website for details: http://bit.ly/MFBSafeRoadsYes

MFB Contact: Matt Kapp, government relations specialist
mkapp@michfb.com (517) 679-5338

Safe Roads Yes coalition

Michigan Farm Bureau is a member of the Safe Roads Yes Coalition. Check out their resources available to encourage others to vote yes on the ballot proposal.

www.facebook.com/saferoadsyes
@SafeRoadsYES
www.saferoadsyes.com

What does Proposal 1 accomplish?

Allocates all state tax revenue collected at the pump to the roads
- Roughly one-third of the taxes currently collected at the pump are diverted to schools and local government and do not go to transportation.
- This would be a $1.3 billion increase for road funding.
- Farm Bureau policy supports diverting 100 percent of the tax collected on motor fuel to provide for additional road funding.

Raise the state’s sales tax 1 percent; from 6 to 7 percent
- This increase will offset the loss of revenue collected at the pump for schools and local governments.
- This would provide an increase of $300 million to schools and $94 million local governments.
- Farm Bureau policy supports the use of a 1 percent increase in the general sales tax to offset the loss of revenue.

Vehicle registration changes
- Creates a fee for hybrid vehicles, which currently do not pay fuel taxes.
- Assess a user fee on Michigan’s heavier trucks.
- End of the three-year depreciation schedule drivers currently receive when renewing tabs.
- These registration changes will add $95 million to road funding.
- Farm Bureau policy supports taxing gasoline alternative vehicles at an equitable rate.
- Farm Bureau policy supports user taxes when new revenue is needed for roads and bridges.

Warranties and increased efficiencies
- Requires competitive bidding and performance-based systems for road construction projects based on quality and price.
- Establishes requirements related to road project warranties.
- Farm Bureau policy supports the use of a bidding process for road projects.
WHEREAS, the Michigan Commission of Agriculture and Rural Development recognizes the importance of the state and local transportation network to the food and agriculture sector and our rural communities. The sector is dependent on a sound transportation system to move inputs, raw materials, ingredients, and products along the food and agriculture supply chain and on to consumers; and

WHEREAS, improving Michigan's transportation system will create jobs, attract business, and strengthen our overall economy. We believe state and local road agencies should be adequately funded so they are able to properly fund routine maintenance and ensure safe and efficient roadways to all motorists, including businesses; and

WHEREAS, a sound and modern infrastructure is vital to attracting and retaining jobs. Michigan put the world on wheels. The state needs to continue to be a transportation leader in order to maintain its competitive edge in today's global economy. A modern transportation system that moves people and goods safely, reliably, and efficiently is critical to our economic competitiveness and to our quality of life; and

WHEREAS, the deteriorating condition of Michigan's roads and bridges is an issue in every part of the state. Years of under-investment, coupled with increased fuel efficiency, has eroded the funding available for transportation and accelerated the decline in pavement and bridge condition; and

WHEREAS, both state and local road agencies have taken steps to improve asset management, increase the effectiveness of existing investment, reduce costs, and employ innovative approaches that make the most of their limited funding; and

WHEREAS, despite these efforts, it is clear that without significant additional investment, our roads and bridges will only continue to worsen, resulting in delays and increased costs to the food and agriculture sector. Michigan's road and highway maintenance budgets have regularly seen funding shortfalls over the last several years, and these funding deficiencies are growing due to the rising maintenance costs coupled with increases in automotive fuel economy.

NOW, THEREFORE BE IT RESOLVED the Commission of Agriculture and Rural Development urges investment in Michigan's transportation infrastructure system, and encourages all residents of the state to become involved in conversations on how to improve Michigan’s transportation infrastructure.

Adopted March 18, 2015
East Lansing, Michigan

[Signature]
Trever Meachum