

Brett Kilbourne
PCCA Annual Convention
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About UTC

- Established in 1948 to assist electric utilities in acquiring radio spectrum for communications networks
 - Utility communications networks must work all the time—can't rely on commercial providers
- Membership expanded to include all utility services: gas, water, electricity, pipelines

UTC Goals

- Advocate for our members as they pursue telecom/IT networks
- Be their voice before Congress, the Administration, the courts, state/federal agencies
- Identify and capitalize on emerging technologies and regulatory trends
- Provide networking opportunities, lessons learned between energy and tech sectors

Market Assessment

- Utilities are undergoing transformational change in terms of their communications needs as they implement smart grid and protect against physical and cyber threats.
- Leased line circuits and legacy carrier services are being discontinued and/or replaced as part of the IP Transition.
- These forces are leading to implementation of higher capacity communications systems further into utility distribution networks.

Market Assessment

- Investor-owned utilities, large public power providers and cooperatively-organized utilities have extensive communications networks.
- Utilities are increasingly interested in or are already offering wholesale or retail services using their existing infrastructure.
- This benefits utilities and improves the quality of life in the communities they serve.

Utility Broadband

- Funding
 - FCC CAFII
 - USDA RUS ReConnect
 - Mapping
- State laws on Utility Broadband
 - State broadband programs

Funding: FCC Connect America Fund

- Overview: 35 electric cooperatives awarded over \$225 million in August 2018
- Recipients required to construct 40% in the first three years and 20% for each succeeding year over a 6 year period.
- Funding process completed in February with filing of ETC and financial audits.

Bidder	Total Assigned Support	Locations
3E8 Broadband Solutions, LLC	\$3,621,847	811
Barry Electric Cooperative	\$6,103,454	2,308
HolstonConnect, LLC	\$535,417	517
Illinois Electric Cooperative	\$2,276,419	804
Lake Region Technology & Communications, LLC	\$4,024,501	2,247
Maquoketa Valley Rural Electric Cooperative	\$2,262,039	1,107
Meriwether Lewis Connect LLC	\$1,183,627	290
Orange County REMC	\$10,200,496	4,046
Roseau Electric Cooperative, Inc.	\$2,081,770	326
Rural Electric Cooperative Consortium	\$186,022,490	66,322
Tombigbee Communications, LLC	\$1,691,879	279
Tri County Rural Electric Cooperative, Inc.	\$32,326,228	7,015
Tri-County Electric Cooperative	\$117,784	106
Valley Communications Association, LLC	\$404,754	153
Westfield Gas & Electric Light Department	\$10,325,401	5,163

Funding: RUS ReConnect Program

- \$600 million authorized in FY2018
 - RUS announces \$200M for 100% grants; \$200M for 50/50 loans and grants; and \$200M for 100% loans.
 - Deadlines for filing: moved back to begin no earlier than May 29, due to federal shutdown.
 - expected every month thereafter
- Restrictions on eligible areas and collateral may limit ability to access funding.
 - Areas must be 90% or more unserved with 10/1 mbps.

Mapping

- FCC Broadband Progress Report (draft, 2/19) – Claims that digital divide has closed significantly, but questions have been raised about the accuracy of the data.
- Improving Broadband Mapping Accuracy Act -- use consumer-reported data and state and local government data to improve the maps; improve challenge process.
- NTIA Announces Partnership w/ States on Broadband Mapping (2/2019)
 - Trump FY19 Budget includes funding for this effort.
- Senate Broadband Hearing (3/13) emphasizes better mapping data and coordination of funding programs.

State Laws on Utility Broadband

- Mississippi – 2019 law lifts restrictions on electric cooperatives to provide broadband.
- Georgia – similar law passed by House
- Tennessee – 2017 law lifts restrictions on cooperative utilities, but not municipals
- North Carolina – restrictions on municipal broadband remains.

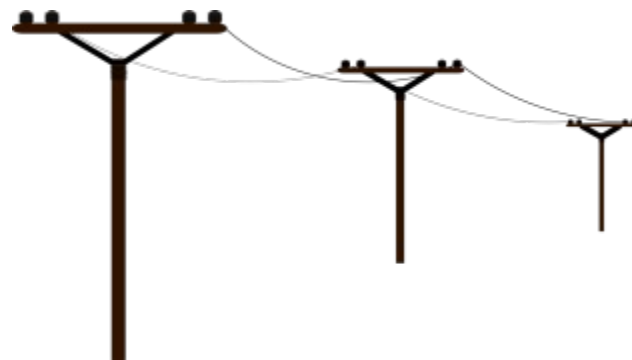
State Broadband Funding

- Alabama: Alabama Broadband Accessibility Fund
- California: California Advanced Services Fund (CASF) Infrastructure Grant
- Colorado: Department of Local Affairs (DOLA) Broadband program; SB2 diverts HCSM \$ to broadband over 5 years.
- Georgia: SB402 enacted, promoting broadband deployment in rural areas, relies on USDA RUS e-connectivity program for funding. SB426 failed to pass but would have affirmatively authorized electric cooperatives to offer broadband.
- Indiana: \$100 million broadband grant program proposed by Gov. Eric Holcomb
- Maine: Statewide Broadband Action Plan recommends 25% contribution for broadband deployment, including \$40 million this year and \$150 million over 5 years.
- Michigan: Broadband Roadmap unveiled to 1) promote broadband access to Unserved Areas; 2) Increase Broadband Adoption; and 3) Advance Michigan's Broadband Ecosystem.
- Minnesota; Broadband Grant Program awards \$26 million to 32 recipients in 2017.
- Missouri: HB1872 signed into law, establishing Missouri Rural Broadband Development Fund matching grant program

State Broadband Funding

- Nebraska: LB994 creates a Rural Broadband Task Force to develop a plan for the deployment of enhanced broadband services in rural parts of the state.
- New York: Broadband for All program provides \$225 million in phase III grants in 2018 to 17 recipients, including \$5.7 million in matching grants to Otsego Electric Cooperative.
- North Carolina: Growing Rural Economies with Access to Technology passed in summer session, creating \$10 million in grant funding for rural broadband.
- Oregon: Rural Broadband Capacity Program awards \$4.8 million in funding to 25 applicants, including a feasibility study by Coos Curry-Elec. Cooperative.
- Pennsylvania: Broadband Investment Incentive Program awards \$35 million to private providers bidding on service areas within Pennsylvania in the FCC's CAFII auction, including \$15.6 million to Tri-County Rural Electric Cooperative.
- Tennessee: Broadband Accessibility Act provides \$45 million over three years and awarded nine out of 66 applications in the first round, including \$1.35 million to Gibson Electric Membership Corporation.
- Wisconsin: Broadband Expansion Grants -- \$7.0 million in FY 2019.

Infrastructure Reliability



- Aftermath of Hurricane Michael leads to FCC inquiries into allegations of fiber cuts by utilities.
- UTC and EEI (as well as Southern Company) file comments reporting that utilities were not responsible and that better practices by carriers could avoid problems in the future.
- Pole Attachments
 - Order and Declaratory Ruling, August 2018
 - Small Cell Ruling, September 2018

Final Thoughts

- Utilities (large and small) are deploying fiber increasingly deeper into their networks for both internal and commercial purposes.
 - Entergy/Cspire in Mississippi and Dominion Broadband Feasibility Report in Virginia indicate IOU interest.
 - Large Co-op G&Ts, Large Public Power Providers, and Federal PMAs are also becoming involved on their transmission assets.
 - Local distribution cooperatives and municipal utilities are increasingly offering retail broadband, primarily using fiber to the home.
- Policymakers are promoting utility broadband.
- Policymakers are becoming more concerned about reliability.
- UTC is advocating for greater coordination across different federal agencies and state PUCs for policies to promote utility communications.
- UTC providing education and networking opportunities:
 - UTC Telecom & Technology Annual Conference, Fort Worth, June 17-21th
 - Utilities Broadband Workshop, Kansas City, August 21-22, 2019.

Questions?

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