

PCCA Government and Industry Affairs Roundtable

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July 9, 2021

Rockport, Maine



Overview

- **Common Ground Alliance**
- **Update on Study on Underground Facility Locating**
- **PCCA Broadband Advocacy Efforts**
- **Wireless Infrastructure Association**
- **Fiber Broadband Association**
- **BDAC/Precision Ag Update**
- **Electric Infrastructure**
- **Latest on Labor Policy**
- **Other issues (time permitting)**

Panelists

- ▶ Sarah Magruder Lyle, CGA
- ▶ Mark Bridgers, Continuum Capital
- ▶ Jaime Steve, PCCA
- ▶ Jonathan Adelstein, WIA
- ▶ Gary Bolton, FBA
- ▶ Jerrod Henschel, Equix, Inc.
- ▶ John Fluharty, Quanta Services
- ▶ Steve Sellenriek, Sellenriek Construction



Common Ground Alliance

Sarah Magruder Lyle

President & CEO



PCCA Broadband Advocacy



■ Funding

- \$100 billion – Original Biden Proposal
- \$100 billion – AIA (Clyburn/Klobuchar)
- \$65 billion – Senate Counter Proposal – Sen. Capito (R-WV)
- \$40 billion – House Republican Proposal
- \$65 billion – Current Bipartisan Plan

PCCA Broadband Advocacy



■ Labor Policy (re: Broadband)

- Project Labor Agreements – Pushed primarily by House Democrats
- Senate Republicans – Best opportunity to block

■ Timeline

- July: Short post-4th of July work period
- August: Recess (“district work period”)
- September: likely final action

Wireless Infrastructure Association

Jonathan Adelstein

President & CEO



Fiber Broadband Association

Gary Bolton

President & CEO



The State of the Communication Infrastructure

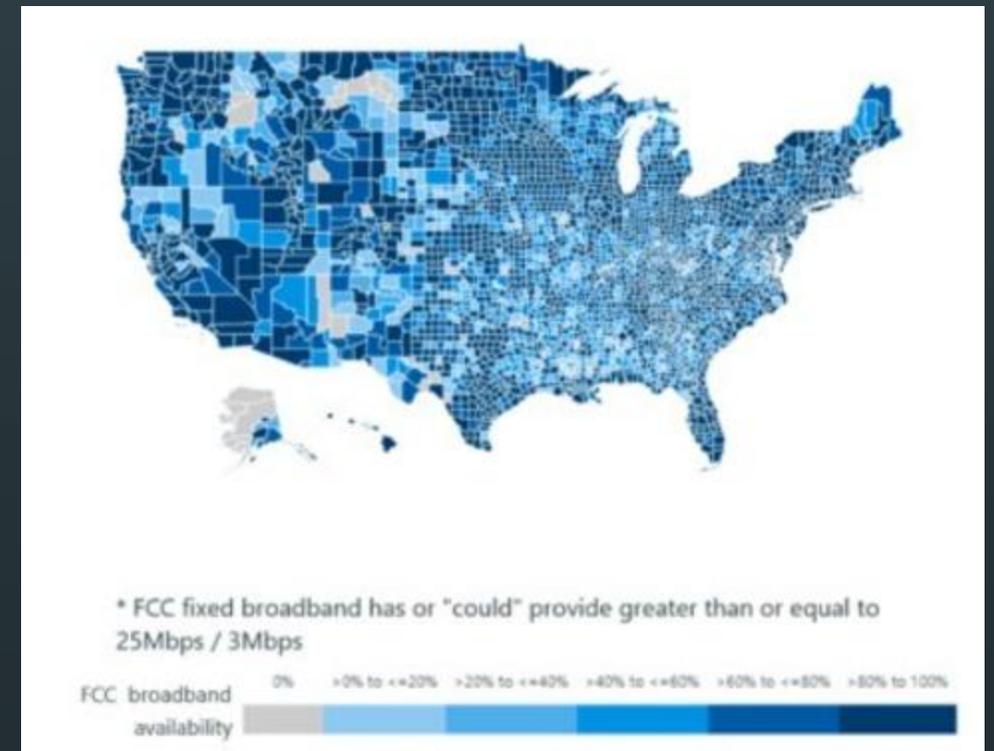
According the the FCC

- 94.4% of Americans have access to broadband
- FCC defines broadband as 25/3 Mbps
- 98.5% of Urban areas have broadband
- 77.4% of Rural areas have broadband
 - Varies from 46.9% in Arizona to 97.6% in Rhode Island

According the the Biden Administration

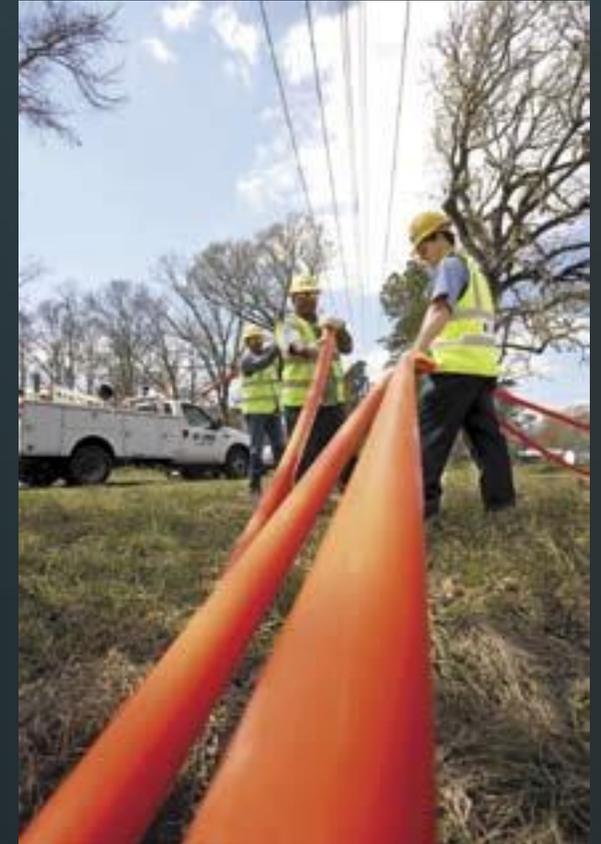
- More than **30M** Americans live in areas with no broadband infrastructure that provide minimal acceptable speeds

FCC reports that 19M Americans don't have broadband availability



The Rural Digital Opportunity Fund (RDOF)

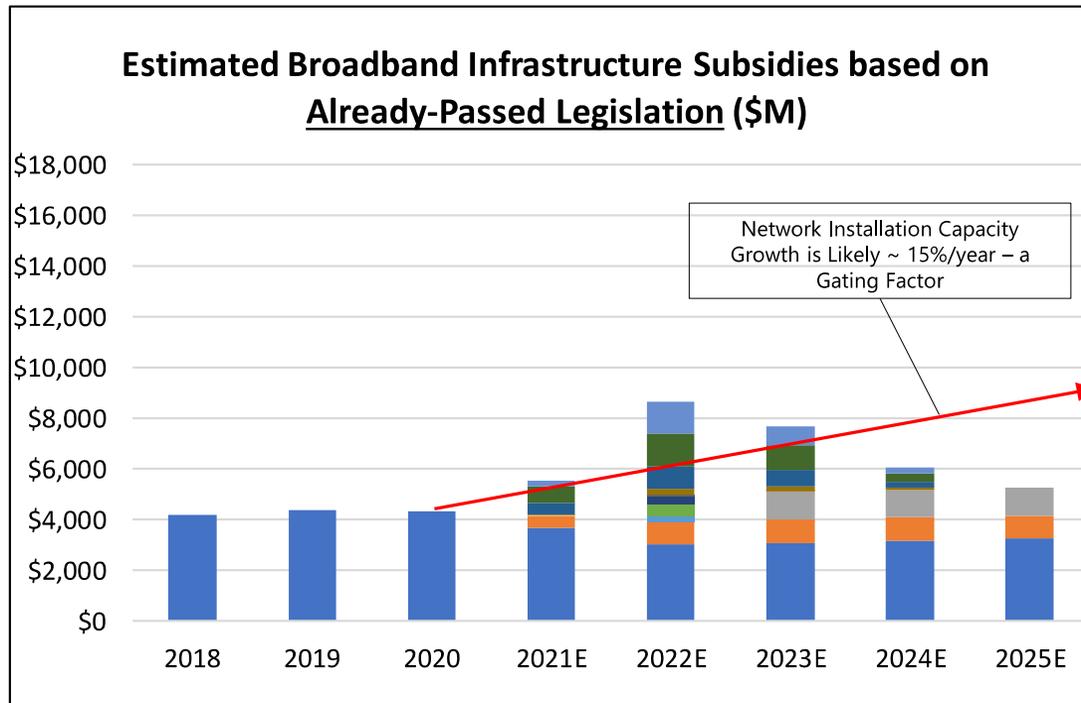
- RDOF - \$20.4B over 10yrs in 2 Phases
 - \$16B for census blocks unserved by 25/3
 - \$4.4B for unserved locations in partially served census blocks plus areas not won in Phase 1
- 6yr broadband build
 - 40% competition by the end of year three of funding
 - 20% each subsequent year, 100% complete by end of year 6
- \$16B RDOF Phase I (904) Auction
 - Commenced on 10/29/20 and concluded on 11/25/20
 - 180 winning bidders were announced on December 7, 2020
 - \$9.23B for 5,220,833 locations in 49 States and 1 Territory
 - 58% of the \$16B budget
 - 99.7% were at least 100Mbps
 - **85% of the winning bids in Gigabit Tier**
 - 85% of the non-Gigabit went to Starlink



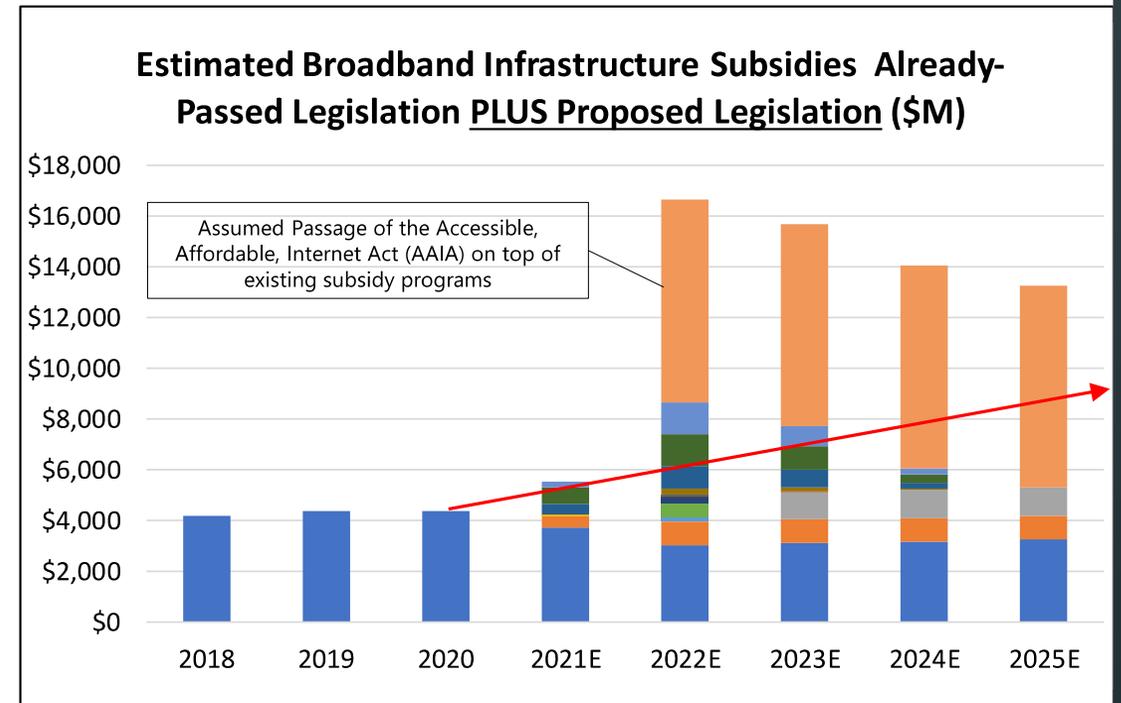
A Big Victory For Fiber



Record Gov't Broadband Infrastructure Investment



Source: U.S. Congress, Benton, JD Supra, Jefferies Research



Source: U.S. Congress, Benton, JD Supra, Jefferies Research

Beginning of a “once in a generation” Fiber Investment Cycle



Biden *American Jobs Plan* – 4/1/21

- \$100B to build “*future proof*” high-speed broadband infrastructure to provide 100% coverage
- Priority to Muni, non-profit and Coop owned networks with a commitment to serving entire communities
- Affordable broadband will be achieved with a more “structural” long-term solution (aka “Fiber”)



***Fiber to Every American
over next 8 years***



BRIDGE Act of 2021 – 6/15/21

The bipartisan BRIDGE Act would:

- Provide **\$40 billion** to States, Tribal Governments, and U.S. Territories to ensure all Americans have access to affordable, high-speed broadband.
- Prioritize unserved, underserved, and high-cost areas with investments in “**future proof**” networks that will meet the long-term needs of communities while supporting efforts to promote broadband affordability, adoption, and digital inclusion.
- Encourage **gigabit-level internet wherever possible** while raising the minimum speeds for new broadband networks to **at least 100/100 Mbps**, with flexibility for areas where this is technologically or financially impracticable.
- Emphasize affordability and inclusion by requiring new broadband networks to provide at least one low-cost option for low-income families.
- Increase choice and competition by empowering local and state decision-making, lifting bans against municipal broadband networks, and allowing more entities to compete for funding.



The Broadband Reform and Investment to Drive Growth in the Economy

Senators Bennet, King and Portman



Broadband Infrastructure Update (1)

A bipartisan group of Senators reached agreement with Pres. Biden on the framework for an infrastructure package that will include \$65 Billion in broadband funding.

- ▶ **\$65 Billion total -**

- ▶ \$40B for broadband network construction
- ▶ \$14B for USDA/RUS Reconnects
- ▶ \$5B for affordability & adoption initiatives
- ▶ \$6B for broadband financing program

- ▶ **A subset of Senators are negotiating the final details of the broadband section**

- ▶ **Republicans: Young, (IN), Collins (ME), Moran (KS), Tillis (NC), Rounds (), Portman (OH), Hassan (NH), Hickenlooper (CO), Manchin (WV), Shaheen (NH), Tester (MT), Warner (VA), and King (ME) -**



Broadband Infrastructure Update (2)

▶ Key issues to be negotiated:

1. Broadband network funding administered by FCC or NTIA.
 - a) In both cases, the funding goes to States who award the money to eligible recipient
2. Network requirements:
 - a) Manchin/Cornyn bill which is 100/20 in areas with 25/3 or less or BRIDGE Act framework that prioritizes 1Gbps and symmetrical speeds.
 - b) US Treasury guidance prioritizes 100/100 but has waiver process to build 100/20 when 100/100 not feasible.
3. Authorization amounts:
 - a) Additional funding for other initiatives such as middle mile networks, rural healthcare
 - b) Additional resources for affordability and adoption initiatives

▶ Timing:

- ▶ Negotiators are reported to have a 7/9 deadline for finalizing the broadband provisions.
- ▶ Committee consideration could be week of 7/12 in the Senate.
- ▶ House expected to follow after Senate.

Regulatory Update (1)

▶ RDOF Long Form Application Review

- ▶ The FCC staff continue to review the long form applications.
- ▶ We expect them to make the initial awards shortly.

▶ Broadband Mapping

- ▶ The FCC still has not issued the contract for a vendor to begin the process of identifying all broadband serviceable locations in the US by geocode.
- ▶ In addition, the FCC has not indicated the start-date for broadband providers to begin to file data by polygon (shapefiles) of all addresses where service is available.
- ▶ As a result, the earliest we are going to see more accurate and granular data is not until later next year. (This will delay the initiation of RDOF Phase II and may well affect implementation of infrastructure legislation.)

▶ ReConnect Awards

- ▶ RUS has begun issuing grants for the second round. Two were just issued for FTTH builds.

Regulatory Update (2)

- ▶ **NTIA will receive proposals for the Public-Private Grant program in mid-August and the Tribal grant program on September 1st**
 - ▶ Awards will be made 90 days later.
- ▶ **American Rescue Plan Act State/Local Block Grants**
 - ▶ Many States have adopted legislation to fund broadband deployments programs with stimulus block grants.
 - ▶ In the meantime, the Treasury Department is receiving comments on its interim rules, which call for builds of 100/100 except where this is not practical.
- ▶ **US Supreme Court will not hear an appeal from local governments seeking to overturn the FCC's rules facilitating access to public rights of way.**
 - ▶ In addition, a federal court of appeals has upheld an FCC ruling that prohibits franchising authorities from "double taxing" access to public rights of way.
 - ▶ Further, a federal court has granted a preliminary injunction to halt implementation of a NY State law - for being in conflict with federal law -- that sought to require ISPs to offer a basic broadband service to low-income consumers at low-rate.

What's the Definition of Broadband

Fiber Broadband: *If it's not fiber, It's not Broadband*



Fiber Broadband is the gold standard on every dimension



THANK YOU!

Gary Bolton

President & CEO

Fiber Broadband Association

gbolton@fiberbroadband.org

FCC/RUS Precision Ag Task Force

Todd G. Myers

Kenneth G. Myers
Construction
Company



FCC BDAC – Job Skills Working Group

Steve Sellenriek

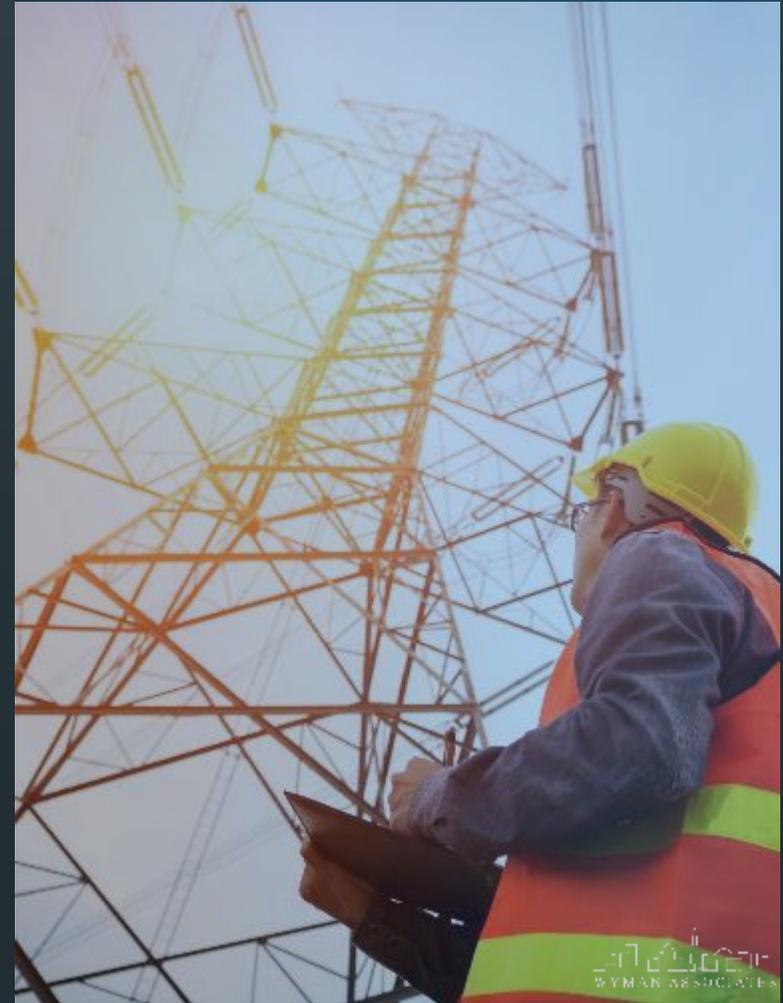
Sellenriek Construction



Electric Infrastructure

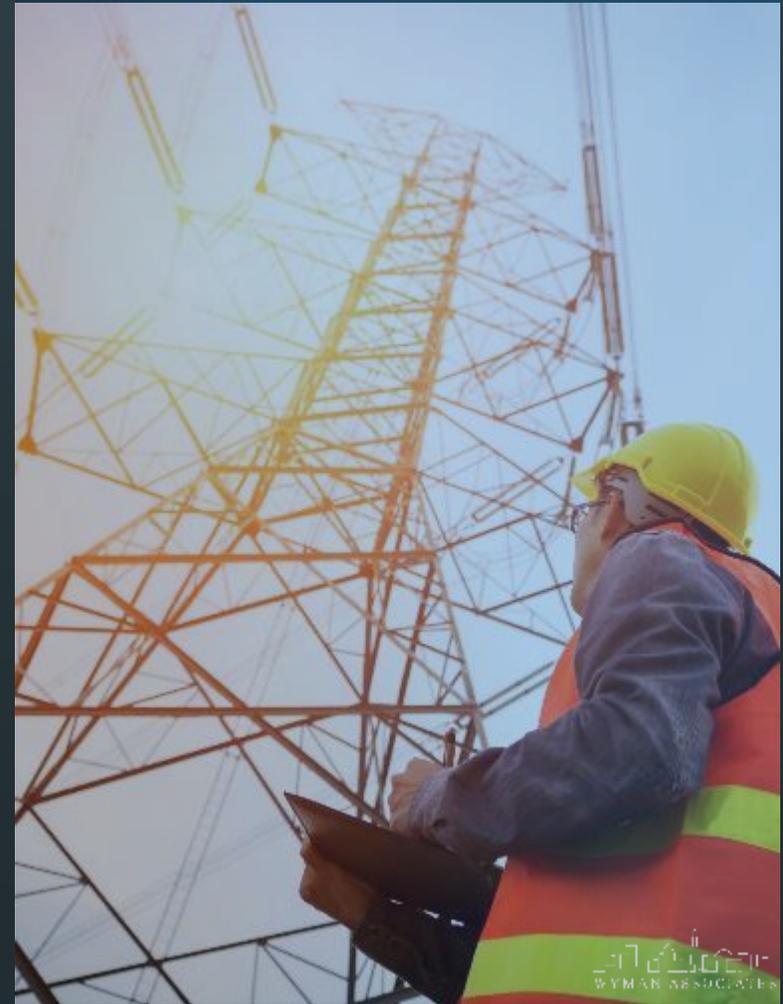
▶ Bipartisan Infrastructure Bill

- ▶ Network of 500,000 electric vehicle (EV) charging Stations
- ▶ Upgrade power infrastructure, including building thousands of miles of resilient transmission lines
- ▶ \$7.5 billion – EV infrastructure
- ▶ \$73 billion – Power infrastructure
- ▶ Infrastructure Financing Authority; modeled after TIFIA, WIFIA
- ▶ Prepare for climate impacts, cyber attacks, weatherization



Electric Vehicle Charging Stations

- ▶ Electric Vehicle Infrastructure Training Program (EVITP)
- ▶ Surface Transportation Bill (Norcross Amendment)
 - ▶ “Requires all Electric Vehicle Supply Equipment (EVSE) projects funded directly through the Federal Government to be performed by qualified electricians with Electric Vehicle Infrastructure Training Program certification”
- ▶ Future fight in Senate transpo bill...



Recent Action on PLAs

- ▶ **May 10: Treasury Dept IFR re: American Rescue Plan**
- ▶ **\$350 billion in state/local funds to respond to coronavirus**
 - ▶ *“Treasury encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements....”*
- ▶ **June 25: PCCA letter to Treasury Dept.**
 - ▶ *PLAs “essentially exclude many construction firms from the opportunity to compete on contracts that include federal financing assistance at a time when we need to create opportunities for all employers and employees...”*
- ▶ **Congressional letter to Treasury Dept.**
- ▶ **Future Muster campaigns on PLAs**



Fair and Open Competition Act

Bill would enhance competition & government neutrality towards labor relations by:

- Prohibiting federal agencies from either requiring or prohibiting a contract bidder to enter into a PLA in order to be awarded a federal contract
- Agencies that award grants, enter into contracts, or provide financial assistance for construction projects would have to ensure that bid specifications and project agreements do not contain any requirements or prohibitions regarding PLAs



Other Issues

▶ Interagency Agreement (FCC, DOA/RUS, NTIA)

- ▶ Sharing information re: projects funded by FCC high-cost programs in rural areas; RUS grants/loans; NTIA programs
- ▶ ID entities providing service in a specific area (speeds/techs);
- ▶ Geographic scope of BB service;
- ▶ ID entities receiving funding;
- ▶ Consider distributing funds based on standardized BB coverage data

▶ Ligado Technologies

- ▶ Inhofe Legislation

▶ Truck Insurance

- ▶ Minimum level of coverage from \$750,000 to \$2,000,000
- ▶ Coalition Action



A photograph of a classical building with many columns, overlaid with a blue geometric shape. The columns are made of light-colored stone and have a fluted design. The blue shape is a large triangle pointing towards the right, with a smaller triangle nested inside it, creating a diamond-like effect. The word "Questions?" is written in white, bold, sans-serif font across the middle of the image.

Questions?