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PSC votes to bring approximately \$100 million for rural broadband investment to Montana

HELENA, Mont. –September 29, 2016– The Montana Public Service Commission voted 5-0 Tuesday to certify 26 companies and affiliates as eligible telecommunications carriers (ETCs) for 2017, opening the doors for approximately \$100 million in broadband investment funds to be utilized across Montana over the next year. The funds that each ETC is eligible to receive come from the Federal Communication Commission’s Universal Service Fund to improve communication infrastructure in unserved and underserved areas across the country.

The FCC’s Universal Service Fund includes four components: Connect America Fund, Low Income Assistance (Lifeline), E-Rate (schools and libraries), and Rural Healthcare, totaling approximately \$100 million available for broadband investment in Montana over the next year to the 26 certified ETC’s. Ratepayers in Montana contribute approximately \$28 million to the USF annually.

“The significant amount of broadband development resources brought into Montana as a result of the Commission’s decision advances the goal of connecting rural America to today’s 21st century economy,” said Commissioner Bob Lake, R-Hamilton. “Montanans put money into this fund every month through a payment on their phone bill, and I’m pleased that those living in rural parts of our state are provided essential communication services as a result.”

All 26 ETC applicants met the requirements to receive universal services funding set by the Federal Communications Commission and the Montana Public Service Commission.

Commenting on his motions to re-certify the 26 ETCs and to initiate a process for monitoring how the money is spent, Commissioner Roger Koopman said,

“While federal pre-emption has greatly limited the PSC’s regulatory authority over telecoms, we do retain the responsibility for certifying the eligibility of Montana companies for FCC broadband build-out support. In my opinion, that certification process carries with it the

responsibility for ensuring that these funds are spent wisely and in accordance with the law's intent. The feds have, up until now, totally dropped the ball on the reporting and tracking of these expenditures, making it all the more important for the PSC to step up and do the job, on behalf of both the taxpayer and the beneficiaries of this program."

Koopman noted that following last year's ETC re-certification, where he and other commissioners expressed concerns about the proper use of these federal dollars, the FCC has now strengthened their reporting requirements for the coming year, something Koopman called "a welcomed development after years of complacency and neglect."

As a stipulation for accepting the high-cost support resources from the Universal Services Fund, ETCs are required to invest those resources in networks capable of both broadband and voice service in unserved and underserved parts of the state, primarily in rural areas. In addition to fiber infrastructure, the USF funds are also used to improve cellular and traditional phone line services in underserved parts of Montana.

Attached is a list of the ETCs certified for 2017.

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