

**TESTIMONY
SB 369**

**Before the Senate Business, Labor and Economic Affairs Committee
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You have heard about formulas and the resulting attachment charges being different for a cable company than a telecommunications company.

Both formulas arrive at the same cost for a pole. The difference is the allocation of costs. The telecommunications formula allocates a prorated cost of the portion of the pole from ground up to the attachment point which is likely over 20 feet in the air. The cable TV rate recovers just for the point of attachment, a mere one foot of the pole; the cable company does not have to share costs for the portion of the pole that actually keeps the cable up in the air. I will not go into further detail on the complicated formula itself unless there are questions. The US House of representatives report did indicate the low rate was given to cable companies in 1978 in order to "spur the growth of the cable industry, which was in its infancy" that was certainly before we saw the internet let alone voice over internet.

This is no longer a cable rate versus telecommunications rate issue the 2001 amendment addressed. SB 369 will allow Flathead to charge the same fee to all companies offering telecommunications services including telecommunication over cable. The attachments are the same, the shared use of the pole is the same and both are marketing telecommunications services. Please support SB 369 so that Flathead members do not continue to have more than their fair share of pole costs. In other words, pay their share plus the share that the cable/telecommunications company is avoiding.