

Broadband Options	Concerns	Statute Changes?
Expansion of Access		
1) SB 239 - Tax abatement for broadband / coaxial cable	a) Loss of potential revenue b) Counties unable to weigh in	15-6-135 Class 5 15-6-156 Class 13
2) Allow Governor's Office, Commerce Dept, or communities to determine eligibility for eligible telecommunications carriers, with parameters set by legislature in terms of service areas and determination of underserved areas (now set by PSC) and access speeds?	a) Potentially could run afoul of FCC. Must meet 47 USC 214(e)(1) and 47 USC 254 b) Concern is that the Public Service Commission lacks authority to enforce broadband deployment yet is responsible for "designating" ETCs and service areas.	69-3-803 69-3-805 69-3-840 (under sub (2)... The term "service area" for all other telecommunications carriers means a geographic area, such as a census block or grid block, as established by the commission for the purpose of determining federal universal service obligations and support mechanisms.
Financing		
1) Institute State Universal Service Funds	a) Additional fee on telecom or other funding source(s)	
2) Provide some form of bonding for public-private partnerships	a) Base on HB 14 (2015)	
	https://leg.mt.gov/bills/2015/billpdf/HB0014.pdf	
3) Lower tax on early adopter broadband / coaxial cable used to provide 25/3 access in a 5-year look back period	a) Loss of revenue (which would most likely be used to expand access)	
Access to Higher Speeds		
25/3. (See #2 above-expansion of access- and below)		
Definitional / Policy Approaches		
1) Define what underserved areas mean (in terms of speed, latency, quality, etc.) defined by community rather than census or area to avoid one person in census block being able to convey status of access to everyone even though no one else is served)	Legislature could define, or communities could define? Approach may make some places more or less eligible for funding??	
Current State Charges (mobile phone)		
State 9-1-1-fee MT TDD Telecom Service Fee MT Telecom Excise Tax (15-53-127 - part 1) 3.75% of sales price to general fund	taxation of the telecommunications industry results in competitive inequities that hinder the investment in the state's telecommunications infrastructure. (4) The legislature further finds that the evolving nature of the telecommunications industry necessitates changes to the existing system of property taxation that include reducing the tax rate applied to telecommunications property and imposing a replacement tax in order to: (a) avoid placing telecommunications services providers at a competitive advantage or disadvantage; (b) provide purchasers of telecommunications services with greater choices and lower retail prices; and (c) preserve the revenue base of the existing property tax system for taxing jurisdictions in the state.	

69-3-841. Universal service policies. The legislature finds that universally available telecommunications services are essential to the health, welfare, and economic well-being of the citizens of Montana. The federal Telecommunications Act of 1996, Public Law 104-104, requires a transition to local competition. Implicit subsidies have historically been used to further the public policy of keeping local rates to customers in high-cost areas at affordable levels. The federal act and the transition to competition require that all subsidies used to keep local rates at affordable levels be explicit. Additionally, the federal act's universal service provisions establish a system of discounts for schools, libraries, and health care providers. Securing these discounts can be dependent on state actions. In order to preserve and advance the goal of universal service in the new competitive environment established by the federal act, the legislature finds that a new Montana universal service fund, supported by contributions from the telecommunications carriers operating in Montana, should be created that will:

- (1) not duplicate the federal universal service fund mandated by the Telecommunications Act of 1996 but that will complement the federal fund by providing additional funding as necessary to ensure universal service in the state of Montana;
- (2) be competitively and technologically neutral in both funding and distribution;
- (3) provide a specific, predictable, and sufficient mechanism of support for high-cost areas; and
- (4) allow for implementation of the federal support system for telecommunications services provided to schools, libraries, and health care providers.

69-3-842. Universal service fund established — purpose. (1) Upon petition for good cause by a telecommunications carrier or the consumer counsel or on the commission's own motion, the commission shall investigate the need for a fund to assist eligible telecommunications carriers in providing affordable telecommunications services in high-cost areas. This investigation must take into account the evolving nature of universal service as well as changes in federal and state telecommunications support systems, including but not limited to universal service funds and access reform.

(2) If the commission determines that a state universal service fund is necessary to promote the policies in 69-3-841 and is consistent with the public interest, the commission shall establish a state universal service fund. The fund must provide support for the following services:

- (a) voice grade access to the public switched network, including some usage;
- (b) dual-tone multifrequency (DTMF or "touch tone") signaling or its equivalent;
- (c) single-party service;
- (d) access to emergency services, including access to 9-1-1, where available, and access to enhanced 9-1-1 when requested by a telecommunications carrier's local community and when the telecommunications carrier has technical capacity to provide it;
- (e) access to operator services;
- (f) access to interexchange services; and
- (g) access to directory assistance.

(3) The fund must support only access to the services listed in subsections (2)(d) through (2)(g) and not support the services themselves.

(4) The fund must be administered to ensure that its operation is competitively and technologically neutral.

(5) For the purposes of this section, "interexchange services" means telecommunications long-distance services.

Notes: 1) The Universal Service Fund could be established by the Public Service Commission but has not been.
2) A bill to address Federal Communications Commission authority for data collection (and mapping) has passed the House and the Senate, with conference committee action pending. Read more by copying and pasting this link: <https://www.naco.org/blog/house-and-senate-pass-bill-change-how-fcc-collects-and-reports-broadband-data>