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TO: Energy and Telecommunications Interim Committee

DATE: September 4, 2020

RE: PD0002, E-Rate Broadband Bill

Dear Committee:

On behalf of Charter Communications ("Charter"), a leading connectivity company providing broadband, voice, video, and mobile services to more than 225,000 customers across 53 Montana communities under the brand name Spectrum, we appreciate the opportunity to comment on the Energy and Telecommunications Interim Committee's PD0002 bill draft, E-Rate Broadband Bill.

Charter supports the expansion of broadband to rural and unserved areas and has invested significantly to bring broadband to communities that lack access. As part of this effort, Charter has participated in numerous state programs designed to supplement private capital to support broadband infrastructure deployment. While we wholeheartedly support the goal of bringing broadband to unserved areas of Montana, Subsection 1(b) of the draft requires additional work and conversation to ensure it will help in meeting that goal.

As drafted, Subsection 1(b) lacks clarity and is confusing. It is not clear how a *school* might have a household income, let alone one below federal poverty guidelines. It is also not clear who the trustees are that must be consulted, nor is it clear what is meant by consultation with trustees and private broadband providers.

More importantly, the lack of clarity in Subsection 1(b) could lead to wasted state resources and fail to connect the unconnected. Addressing adoption and affordability of broadband are laudable goals shared by Charter, but they are distinct goals from the deployment of infrastructure to unserved areas. Subsection 1(b) does not distinguish between these efforts, but broadly allows for spending to "establishing or improving broadband connectivity" for those below federal poverty guidelines. This could encompass efforts to pay a portion of a household's service costs, but it could also encompass construction of broadband infrastructure. And as drafted, it appears that that the limitations on self-construction in Subsection 1(a) do not apply to Subsection 1(b). This means the state could waste money constructing redundant infrastructure rather than targeting that funding toward efforts that would in fact support connecting the unserved.

For these reasons, Charter urges the committee to strike Subsection 1(b) in its entirety from the bill.

Furthermore, by striking Subsection 1(b) from the bill, Subsection 3 which defines "broadband" would no longer be needed. The e-rate program identified in Subsection1(a) already defines broadband in federal law. The proposed definition in Subsection 3 is inconsistent with the federal definition and could

complicate implementation of the legislation. As a result, Charter also encourages the committee to strike Subsection 3 in its entirety.

Charter has substantial experience participating in programs across the country that support expansion of broadband infrastructure to unserved areas and support broadband adoption. We stand ready to continue discussions with the state about such programs and policies.

Thank you for your consideration.

Sincerely,

Mark Baker on behalf of Charter Communications