



COMMUNICATIONS ADVISORY COMMISSION (BROADBAND MT)

Department of Commerce

DATE: 6-8-2021

LEGISLATION & SOURCE OF FUNDS

- **Thank you** to Montana Legislature for delivering the SB297 and HB932 bills that are flexible and nimble to allow for the greatest potential build out and coverage of broadband for Montanans
- HB632 provides one source of funding from federal ARPA legislation - \$275M
 - ARPA call out of funds for Section 603 Coronavirus Local Fiscal Recovery Fund
 - “NONENTITLEMENT UNITS OF LOCAL GOVERNMENT = use by states with the state
 - Prioritization of broadband infrastructure development by legislature is shown by % of total Montana funds committed to broadband development – higher than many states
- However, Broadband has multiple potential sources of funding that must be coordinated, leveraged, pursued & pooled for a cohesive Montana strategy
 - Section 603 provides 2.33X the funding to “metropolitan cities” than was provided to states – some will go to Montana cities
 - US Counties are also receiving an equal total amount of \$65B
 - NTIA has over \$1.5B available in grants for broadband, tribes and ethnic colleges
 - Likely to be more funds coming from additional infrastructure

HB 632 PROVISIONS

- Section 9. Appropriation for communications projects.
 - (1) \$275,000,000 appropriated through ARPA Section 9901, 602
 - (2) Communication projects are those related to broadband, infrastructure, including cell towers, or public safety, if eligible.
 - (3) For any projects awarded with these funds, [a local government or private entity must provide matching funds.](#)
 - (5) Up to 3% of the funds appropriated in this section may be allocated for administrative costs.
- Section 10. Eligibility -- submission deadline -- preference -- approval of recommendations.
 - (3) In preparing recommendations, preference must be given to projects that provide broadband access to frontier, unserved, and underserved areas.....Preference may also be given to projects that provide a higher match rate.
- Section 29. Fundamentally confines publicly owned internet service providers to only existing entities meeting certain criteria – meaning execution will come through engagement with private sector companies in Montana
- Section 40. Coordination instruction. If both Senate Bill No. 297 and [this act] are passed and approved:
 - "(11) ["Underserved area" means an area where at least 10% of the delivery points have no access to broadband service offered with a download speed range of at least 100 megabits per second and an upload speed of at least 20 megabits per second or less with low latency."](#)
 - (2) [Section 7 of Senate Bill No. 297] must be amended to include subsection (5)(n) which reads:"(n) [broadband service providers who have broadband service infrastructure already deployed in the project area."](#)

SB297 PROVISIONS

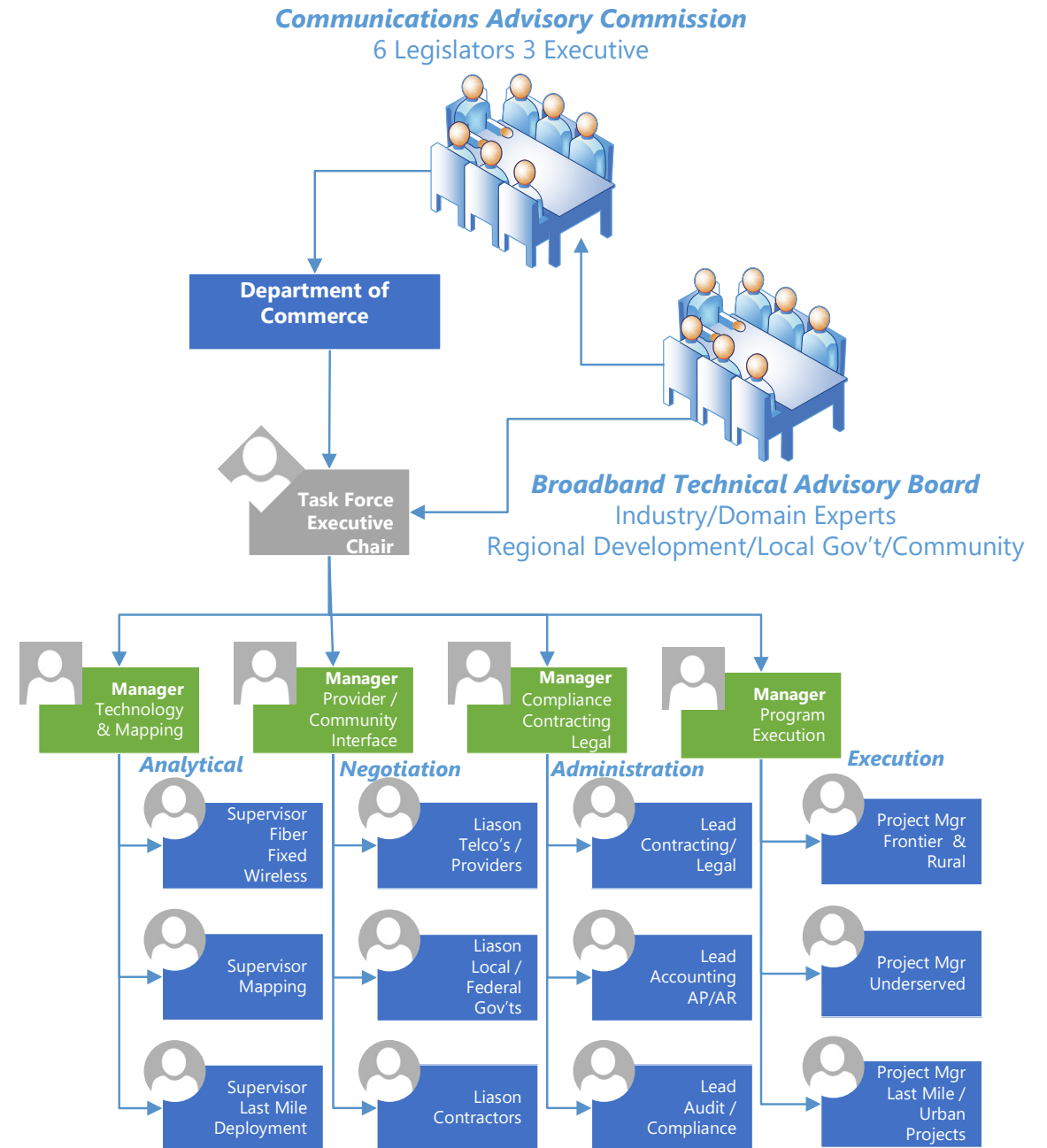
- Section 2. Definitions. A listing of common terms and definitions used for interpretation, implementation and execution of broadband deployment.
- Section 3. Establishment of program -- administration and funding.
 - (1) The department shall **establish the broadband infrastructure deployment program** and shall administer and act as the fiscal agent for the program and is responsible for receiving and reviewing responsive proposals and awarding contracts after review by the communications advisory commission provided for in House Bill No. 632 and the governor's approval. A request for proposal may be canceled or any proposal may be rejected in whole or in part when it is in the best interests of the state.
- Section 4. Eligible projects. (1) An **eligible provider may be awarded funding** under this section for a project in a project area that, as of the date the proposal is filed, constitutes an **unserved or underserved** area as defined in [section 2].
 - (2) The project area to be served by a project funded under the program must be described on a **shapefile basis**.
 - (3) The department may **issue requests for proposals or accept proposals from eligible providers or solicit proposals for specific eligible projects** as designated by the department, which would be submitted as proposals pursuant to [section 1 through 9]
- Section 5. Eligible proposals. Eligible providers who submit responsive proposals:
 - (2) **shall commit to paying a minimum of 20% of the project costs** and may not provide a minimum matching amount from any funds derived from government grants or subsidies, except for federal fund designated for broadband deployment. Priority will be given to the eligible provider who contributes the largest percentage of costs from its own funds. Local and tribal governments, in partnership with an eligible provide may provide funding for broadband infrastructure projects consistent with the provisions of [section 1 through 9] except that such funds may not be counted toward the minimum 20% matching amount from a provider.
- Section 6. Proposals. (1) The department shall establish **a location prioritized timeframe commencing an open process for submission of proposals** for funding under the proposal program established in [sections 1 through 9]. The window for submission must be at least 60 days and not more than 90 days for any shapefile area designation.
 - (2) An eligible provider shall submit a proposal to the department on a form prescribed by the department. A responsive proposal must include the following information:
 - Listed in the bill are all the pertinent criteria describing a **"responsive proposal"** in (a) through (h).
- Section 7. Review of proposal challenges -- approval. Defines **a challenge process for awards** and the award scoring system in general terms

TIMELINE AND DEADLINES – BY 9/30/21

- First action: Hire and deploy Broadband Executive Director and begin to fill staff leadership positions
 - Executive Director timing target – onboarding before end of July
 - Utilize existing DOC staffing and other agency experts to take initial action steps for community involvement, data gathering and mapping
 - State Library, MDOT, OPI, etc.
- Second Action: Select mapping system provider & begin state mapping project 7/31
 - Align with ESRI mapping and State Library mapping program and all state entities with demographic information for a fully layered map
 - Map Frontier, Unserved and Underserved
 - FCC new mapping activity is not scheduled until late 2022 – too late for us
 - Begin community engagement and crowd sourcing information
 - Identify all RLEC, ILEC and CLEC providers in the state and infrastructure contractors
- Third Action: Assign grant acquisition activity and pursue and aid pursuit of federal grants to augment existing funding for state, counties, tribes, cities and rural areas – NOW
 - Respond to NTIA grants application opportunities
- Fourth Action: Establish integrated Montana Broadband Execution Plan including community engagement and feedback – 9/30
- Fifth Action: Engage in national / community associations to discover best practices - NOW

BROADBAND TASK FORCE

- Designed to operate outside department daily constraints and for funded time and deployment only – time limited and funding dependent – no tail
- Executive Chair is an empowered, working executive position accountable for total program success start to finish
- Approvals by Communications Commission plus involvement from a Broadband Technical Advisory Board with representation from, industry and technology experts, Regional development organizations, MACo, League of Cities and Towns, Tribal leaders, OPI etc.
- Structure is flexible, but set to be responsive to high quality and time driven execution to meet full budget absorption and program performance goals prior to program sunset
- Commerce serves as conduit for funds



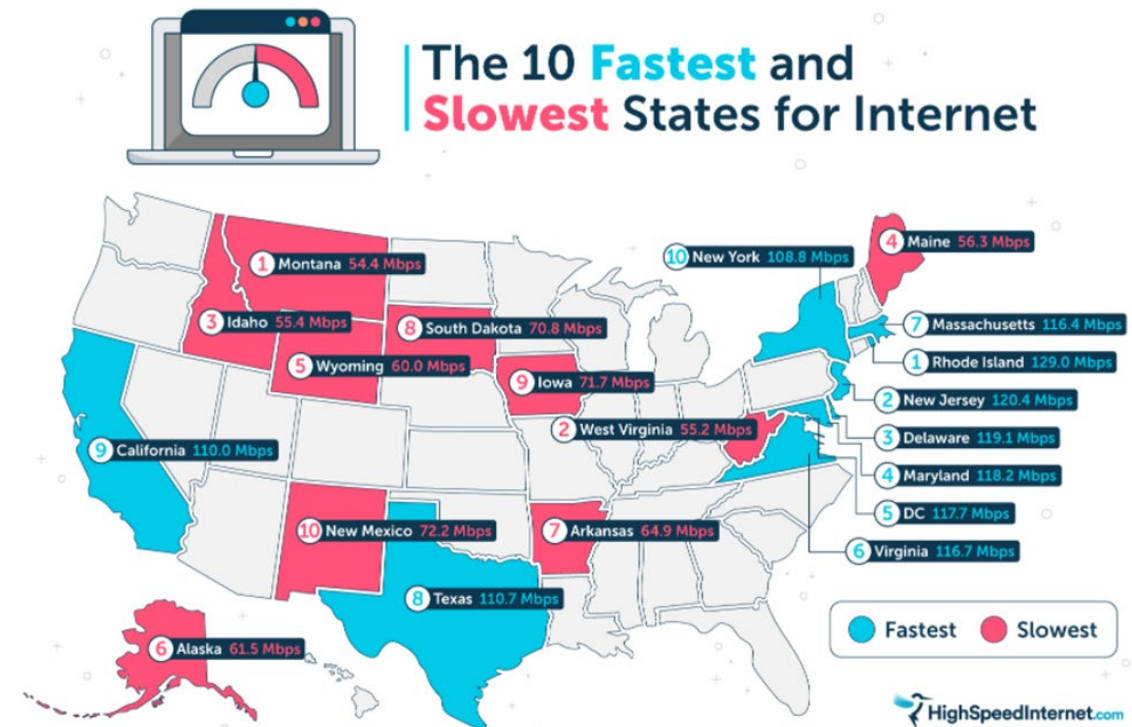
MAPPING

- For many years, the data accumulation of broadband service and coverage areas has been fatally flawed in data collection and service area validation. The structure of the system is inaccurate due to the nature of the rules of data collection and census tract data collection. Much controversy exists under the terms of what a “served” area means. A quote from Vice Media Group tells the story, “Broken FCC methodology has historically made the problem worse. For example the FCC has spent years declaring an entire census block “served” with broadband if ISPs claimed they could offer service to just one home in that census block. In reality, such blocks may have up to 3,000 residents, many without broadband access.”
<https://www.vice.com/en/article/epd7yj/america-is-finally-fixing-its-crappy-broadband-availability-maps>
- Using this methodology or waiting for the newly formed FCC Broadband Data Task Force (<https://docs.fcc.gov/public/attachments/DOC-370049A1.pdf>) to produce a universally accurate and usable broadband access, affordability and speed mapping for the entire state of Montana will only drop us further behind competitively as we seek to grow the Montana economy and attract higher paying jobs to the state. Available technology exists today to rapidly evaluate and map the state using off the shelf software and a crowdsourcing data collection format to rapidly characterize and prioritize Montana’s Frontier, Unserved and Underserved areas.

SPEED

- Great Falls Tribune: ***It's official, Montana has the worst internet service in the nation.*** The article David Murray goes on to explain “that Montana has the worst internet service in the nation with data transmission speeds only slightly better than half the national average.”

A recent national survey by HighSpeedInternet.com comparing data collected from over 1200 ISP's, thousands of customer reviews and service selection for over 150,000 users was compiled to show the net result that Montana on average has the slowest internet of all states, roughly half the speed of the national average. Murray goes on to further state, “Internet service vendor HighSpeedInternet.com conducted the survey of home internet speeds using data collected from 3,105 U.S. cities and towns and from more than 1.7 million laptops, desktop computers, and home-connected devices. The survey found that mean download speeds in Montana average 54.4 megabits per second (Mbps) - dead last among all 50 states...” However, while many less densely populated states make up the lower performing tier, states like Washington, Nevada and Colorado all rank in the top 15 of US states.



- <https://www.greatfallstribune.com/story/news/2021/04/23/montana-ranked-worst-nation-internet-data-transmission-speeds/7320220002/>

HOW MUCH SPEED IS NEEDED?

- Indexing the actual speed needs is also important. The pandemic has stressed all of our technical resources and which device makers, software and compression technologies have advanced, the volume of internet data exchange has skyrocketed and looks to have no end in sight. So how much speed do we need for home and business..... a lot more than you might think. The FCC definition of “high speed internet” is 25 mbps download and 3 mbps upload speeds. In most cases, that would be fully inadequate for a family of 4 with connected devices, online learning, entertainment and gaming not to mention standard email and social media connectivity plus household devices like alarm systems, connected appliances and so on..

<https://www.tomsguide.com/us/internet-speed-what-you-need,news-24289.html>

How many Mbps do you really need?

Number of devices	Use Cases	Recommended Download Speed
1-2	Web surfing, email, social networking, moderate video	Up to 25 Mbps
3-5	Online multiplayer gaming, 4K streaming	50 - 100 Mbps
More than 5	All of the above plus sharing large files and live streaming video.	150 to 200 Mbps

KEY POINTS TO REMEMBER

- An opportunity like this to truly build out broadband will not pass by again
 - We only have one chance to get it right
 - Time is of the essence
 - Broadband is a COMMUNITY UP based program, not gov't or provider driven
- Technology is changing so fast that “good” today is grossly inadequate in the future
 - We must build for the future and have a “future proof” structure
- Current monies budgeted equal approximately $\frac{1}{4}$ of the total needed for complete deployment of future proof high speed broadband for Montana citizens and business
 - Dig once – combine as many efforts as possible to enhance economy of scale and other infrastructure
 - Coordinated, leverage, pursue & pool monies and efforts across all Montana entities
- Supply chain and contracting resources will be highly constrained and overtaxed to deploy – we need to seek alternate methods/new models to execute
- Deployment puts people to work in high paying, skilled jobs in Montana