

USTelecom State Broadband Best Practices

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This is a generational moment for broadband deployment. Working hand-in-hand with experienced and reliable providers, state broadband leaders can transform federal funding into life-changing broadband opportunities for their residents. USTelecom's broadband leaders offer the following best practices as states plan out their broadband grant programs in response to federal funding opportunities:

SET CLEAR EXPECTATIONS

Clear "rules of the road" with objective criteria to ensure that the state will get exactly what it seeks from the project and also serve to level the playing field for all potential providers. Seeking public input into the grant process format will allow states to develop a fulsome process. Essential things to define include:

- **Eligible Areas:** applicants should define the scope of their proposed areas of service subject to a challenge process. The availability of broadband maps will aid greatly in this process. States should coordinate with NTIA to determine which areas are already slated for broadband deployment under an existing federal fund. Currently, many providers are working with NTIA on its [National Broadband Availability Map](#) while we await the FCC's definitive broadband maps.
- **Project Budget:** stakeholders clearly define the budget, including the applicant's contribution. All capital project costs, including required middle mile facilities, should be reimbursable.
- **No Double Dipping:** applicants with existing obligations to serve an area should not be permitted to seek additional funding to cover the same obligation.
- **Timelines:** clear yet viable timelines are important, both in the application/review process as well as the project completion. States should be aware that supply chain disruptions, including labor, may require project flexibility.
- **Predetermine Audit and Compliance Standards:** it is essential that applicants understand at the outset how their compliance will be measured and the audit processes involved. There are many established sampling-based compliance and measurement programs, including the Federal Communications Commission's, so states need not recreate their own.

EXPERIENCE MATTERS

The goal of the program is to deploy high-quality broadband as quickly as possible to those who need it, so when choosing a partner, experience matters. Some have called for preferring municipal and not-for-profit entities to build out their communities, despite the fact that history has taught us time and again that such networks are prone to failure. Broadband deployment is very difficult and capital intensive work—but even more importantly, it is not a "set it and forget it" technological endeavor. Government broadband deployments, at all scales, frequently have struggled to remain solvent, even

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with financial subsidies, let alone keep up with the pace of technology to do frequent network upgrades and ensure cybersecurity protections. We can't take that gamble with the generational opportunity before us today.

Even among private sector partners, state leaders should insist on working only with providers that have a demonstrated track record of success. To this end, *all* applicants (municipal, not-for-profit, and private sector) should be very carefully vetted and should have at least a three-year track record of deploying reliable broadband to a substantial number of customers using the same technologies and speeds proposed. Applicants should also have the independent working capital available to not only ensure it deploys, but also maintain, these important connections. Some means of doing this include:

- Performance bonds from independent banks
- Insisting that the project is not dependent on cross-subsidization from other rate payers but is viable on its own

Communities should also provide rights-of-way access on equal terms, not advantaging certain classes of applicants.

And while there is more funding available for broadband today than ever before, it is not unlimited so it is important to invest it in the most efficient manner possible. Providers with brownfield (previously established) facilities can leverage existing plant, and experience, to lower the total cost to build. Combined with significant operating experience, this may allow such providers to deliver reliable results with less time and cost than greenfield (brand new) builds.

TAKE A HOLISTIC VIEW OF BROADBAND DEPLOYMENT

States should think holistically about the scope of a proposed application. Allowing for a mix of underserved and unserved areas in a single proposal will enable a provider to present the most efficient network design.

SET YOUR COMMUNITY UP FOR SUCCESS

In addition to ensuring that a potential partner is well prepared for the job, there are steps that states and communities can take to set themselves up to enable rapid broadband deployment. States and communities should ensure their rights-of-way and permitting processes are as streamlined as possible. They should also serve as a liaison with other branches of government (e.g., the department of transportation) and easement holders like railroads to ensure other state processes are streamlined. Indiana's [Broadband Ready](#) program provides a good roadmap for a community seeking to promote rapid deployment. States should also consider what training programs are available to create a broadband-ready work force.

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States and communities also have federal funding available for programs to encourage digital readiness and adoption. Making broadband relevant and approachable for those who have limited history with the service is an essential element of universal connectivity.

AVAILABLE, AFFORDABLE BROADBAND FOR ALL

Affordable service is a key component of universal connectivity. The Infrastructure Investment and Jobs Act provides that states should ensure affordability in their program design. Fortunately, the IJA also establishes the federal Affordable Connectivity Program to help low-income residents afford broadband service. With a monthly discount of up to \$30/month available, this resource will help qualified households get, and stay, connected to experience the life-changing possibilities of broadband. States should require broadband grant applicants to participate in the Affordable Connectivity Program or to offer a commensurate benefit in order to fulfil their affordability obligations. In no case should states mandate individual service tiers or prices.

REASONABLE SHARED RISK

It is reasonable for states to consider having providers put up their own capital as part of a grant program. This move creates an incentive to perform and also serves as a vetting function to ensure that funding applicants have the demonstrated financial wherewithal to operate a broadband network. That said, it is important to remember that currently unserved or underserved areas are by definition uneconomic to serve: they are generally remote, with long stretches of infrastructure required to serve very few customers. For example, requiring broadband deployment to every household in very remote areas is very costly and would necessitate high percentages of reimbursement to the provider. Requiring exorbitant funding matches will only disincent participation, potentially leaving the hardest to reach areas unserved despite the funds designed exactly to serve these areas.

CONSIDER WHAT COMES NEXT

Many traditional telephone providers have unique carrier of last resort obligations that states should reconsider as they develop their funding programs. If a state is subsidizing a modern communications network of a competing provider, the existing provider with a carrier of last resort obligation should be relieved of that responsibility while the new provider should be able to ensure voice service availability.

USTelecom's member companies already support and adhere to net neutrality principles and believe modern net neutrality rules are vital for a pro-consumer, pro-innovation, and pro-investment broadband ecosystem.