

Resolution Supporting Utility Broadband Infrastructure Policies (AEP, Dominion)

WHEREAS, Broadband, like electricity, is now essential for homes and businesses to thrive in today's economy; and,

WHEREAS, electricity is available at virtually every location that broadband is needed; and

WHEREAS, According to the Federal Communications Commission (FCC), at least 18 million people in the U.S. do not have access to 25/3 Mbps service¹. While these numbers are in dispute and many estimate that the number of Americans lacking access to minimum broadband speeds is much higher², nonetheless far too many Americans do not have access to reliable, adequate broadband service³; and,

WHEREAS, Much like electricity in the 20th Century, broadband access is critical to a community's economic survival. Without access to adequate, affordable broadband, communities lose businesses, economic opportunities, and population⁴; and,

WHEREAS, Electric utilities empower broadband expansion throughout the country. Either by directly providing Internet connectivity to their customers in unserved and underserved areas, or by sharing their infrastructure with voice, data, and broadband providers, electric utilities are key partners in connecting America to the digital world; and,

WHEREAS, As the need for broadband becomes even starker due to the coronavirus pandemic, more and more electric utilities are stepping up to find ways to serve the underserved. In fact, several investor-owned utilities are offering so-called "middle-mile" services which connects local providers to a core network, substantially lowering the costs of providing broadband services in hard-to-reach parts of the country; and,

WHEREAS, Utilities are investing in new grid-modernization technologies, including communications networks, to modernize their infrastructure, deliver resilient utility services, and deploy new generation resources.

WHEREAS, Utility grid modernization projects require communications systems that are fast, reliable, and resilient. For utilities, this includes investments in fiber and RF spectrum technologies. Utility fiber needs are growing due to increased scarcity of RF spectrum; and

WHEREAS, utility infrastructure is located all across the country, including underserved and unserved broadband areas, utilities are well positioned to bridge the digital divide with dual purpose, efficient deployment of operational/middle mile connectivity; and

¹ <https://www.fcc.gov/document/new-fcc-report-shows-digital-divide-continuing-close-0>

² <https://arstechnica.com/tech-policy/2019/08/the-fcc-has-no-idea-how-many-people-dont-have-broadband-access/>

³ <https://www.benton.org/blog/did-fcc-get-right-answers-broadband-deployment#:~:text=In%20the%202020%20broadband%20deployment,graphics%2C%20and%20video%20telecom%20munications.%22>

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WHEREAS, Many rural cooperative and public-power utilities are providing broadband connectivity directly to their customer premises. These deployments facilitate deeper penetration of grid-modernization and resilience; and

WHEREAS, Regulatory, financial, and legal hurdles at the federal and state level could prevent numerous cooperative and public-power utilities from engaging in broadband connectivity services, while also preventing investor-owned utilities (IOUs) from providing middle-mile support, including uncertainty about rights-of-way, easements, and questions over cybersecurity; and,

WHEREAS, A growing concern is the treatment of regulatory investments in utility broadband projects of all kinds, including middle- and last-mile infrastructure. Because IOUs and some electric cooperatives are rate-regulated, a utility could go three-to-five years between rate cases which determine how much it can charge its customers. Yet investments in middle-mile technology are constantly in flux, requiring quick decisions and actions to meet the demands of broadband service providers; and,

WHEREAS, Resolving this dilemma—needing faster regulatory action on broadband investments—is key to encouraging more electric utilities—cooperative, public power, and investor-owned—to provide broadband and middle-mile services; and,

WHEREAS, In addition, funding broadband projects is critical to their success, and Congress is expected to consider opportunities to further facilitate broadband expansion in economic stimulus packages related to the ongoing coronavirus pandemic;

NOW, THEREFORE, LET IT BE RESOLVED, that UTC encourages state policymakers to consider new and innovative rate-regulatory policies that shorten the lag between investment and cost-recovery on all utility technologies, including middle- and last-mile projects, in order to help connect all Americans to broadband services;

AND BE IT FURTHER RESOLVED, that UTC urges Congress to consider adding funding for all utility broadband projects, including middle- and last-mile, as part of its economic-recovery packages.