

## MEMORANDUM

### On the Creation of the NARUC Broadband Expansion Task Force

On January 30, 2020, the NARUC Executive Committee approved a motion to permit NARUC President Brandon Presley to, pursuant to Title I, Section 19 of the Policies and Procedures of the National Association of Regulatory Utility Commissioners, establish a Presidential Task Force to study mechanisms to roll out broadband services to unserved areas. This task force will be called the NARUC Broadband Expansion Task Force. President Presley was authorized to proceed with establishing the committee.

#### **BACKGROUND:**

NARUC has a long history of promoting universal service and broadband deployment. In all, 42 states and the District of Columbia provide some form of state universal service support in addition to the monies provided by the Federal universal service programs. While not specifically a USF fund, Michigan provides support to carriers via an intrastate access restructuring fund, so it is included. Although they have no universal service fund, Florida still requires all carriers to provide Lifeline service and Massachusetts provides broadband support through a State grant program administered by a separate agency.

Broadband networks and services drive the national and state economies. Ubiquitous deployment can only raise standards of living and bring major advances in education, healthcare, teleworking, e-commerce, public safety and security. State and federal policymakers have to find ways to assure that networks are promptly and efficiently deployed. There are many tools that can be brought to bear, including State and Federal Tax incentives, Grants, Universal Service subsidy programs, other targeted spending programs, and providing access to lower cost capitol. But it is impossible to accurately target any of these mechanisms without an accurate map indicating unserved and underserved areas that need assistance. Another possibility is to leverage the infrastructure of other utilities. At the national level, the FCC is currently considering how to make the national broadband maps more accurate and granular. In the current environment, there is still much that can be done. This task force will work to identify:

1. How some States have successfully shifted state universal service funds from telephone and op ex support to broadband buildout capital support and any lessons learned that other states could utilize;
2. What other state programs are successfully building out broadband, how are they funded, and how are they structured;
3. How NARUC and NARUC members can best work with the FCC to help craft Universal Service Fund programs that will be most successful at expanding broadband into unserved areas;
4. Electric and gas utilities who have successfully leveraged their infrastructure to provide broadband service, including lessons learned from considering any regulatory hurdles, project funding mechanisms, the relative financial success for the utility, how (or should) State commissions incentivize such projects, and whether the overall approach can be replicated elsewhere.
5. Information related to the impacts of rural broadband deployment on economic development, education, healthcare, quality of life, the delivery of public utilities services and its ultimate benefits to customers.

A separate task force is needed because the overlap in strategies impacts the Electricity, Consumer Affairs, and Telecommunications Committee.

## **TASK FORCE GOALS AND RESPONSIBILITIES:**

The goal of the Task Force is to highlight some of the best practices and lessons learned in both the utility sector and government re: funding, coordination, targeting, and other issues. It will report directly to the NARUC Executive Committee.

The Task Force may set NARUC policy on these issues via resolutions (on e.g., mapping, coordination of federal and/or federal and state subsidy programs, pending legislation). However, any proffered Task Force resolution will be moved by the Vice Chairs of the relevant standing committee, e.g., either the Telecommunications Committee or the Electricity Committee or both depending on the content.

The Task Force may consider having a session at NARUC meetings and act as a resource for NARUC leadership on relevant matters. We expect the Task Force to have its first meeting at the upcoming NARUC February meetings in Washington, D.C.

## **TASK FORCE DURATION:**

Two years.

## **PROPOSED MEMBERS:**

The Task Force will have up to 15 members appointed by the President of NARUC. South Dakota Commissioner Chris Nelson has agreed to chair this effort.

## **STAFFING:**

Except for one staff support person designated by President Presley, staff for the Task Force will be designated by the members of the Task Force. The NARUC staff that will assist the Task Force are Brad Ramsay and Ashley Ingebrigtsen. NRRRI staff assisting will be Sherry Lichtenberg. Any additional staffing will be organized by the Chair and the Vice Chair after they consult with the other members.

## **PROPOSED CHARTER:**

The NARUC Broadband Expansion Task Force is chartered for a period of 24 months, as of this 30<sup>th</sup> day of January 2020. This task force will work to identify: (1) How some states have successfully shifted state universal service funds from telephone and op ex support to broadband buildout capital support; (2) What other state programs are successfully building out broadband, how are they funded, and how are they structured; (3) How NARUC and NARUC members can best work with the FCC to help craft Universal Service Fund programs that will be most successful at expanding broadband into unserved areas; (4) Electric and gas utilities that have successfully leveraged their infrastructure to provide broadband service; and (5) Information related to the impacts of rural broadband deployment on economic development, education, healthcare, quality of life, the delivery of public utilities services and its ultimate benefits to customers. The Task Force may set NARUC policy on these issues via resolutions (on e.g., mapping, coordination of federal and/or federal and state subsidy programs, pending legislation). However, any proffered Task Force resolution will be moved by the Vice Chairs of the relevant standing committee, e.g., either the Telecommunications Committee or the Electricity Committee or both depending on the content. The Task Force may consider having a session at NARUC meetings.