

# Montana Consumer Counsel



Robert A. Nelson  
*Consumer Counsel*

Telephone: (406) 444-2771  
Fax No: (406) 444-2760

Frank E. Buckley, *Rate Analyst*  
Lawrence P. Nordell, *Economist*  
Mary Wright, *Attorney*  
Paul Schulz, *Rate Analyst*  
Mandi Shulund Hinman, *Secretary*

616 Helena Avenue  
Suite 300  
PO Box 201703  
Helena, Montana 59620-1703

December 8, 2009

The Honorable Gary Locke, Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
Washington DC 20230

The Honorable Tom Vilsack, Secretary  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Washington DC 20250

Ian Martinez  
Senior Advisor and Director of Outreach  
BTOP Program National Telecommunications and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
Washington DC 20230

**Re: MONTANA CONSUMER COUNSEL COMMENTS ON MONTANA BROADBAND ARRA STIMULUS APPLICATIONS**

Dear Sirs:

Montana Consumer Counsel (MCC) appreciates the opportunity to provide the following comments regarding Montana recommendations to NTIA and RUS for ARRA broadband stimulus funding. MCC is a Montana constitutionally established agency charged with representing utility consumers before the Montana Public Service Commission and other state and federal agencies and courts. Our responsibilities extend to many aspects of telecommunications services for Montana consumers.

Several Montana telecommunications and broadband providers have submitted applications to receive ARRA broadband stimulus funds. The Montana Office of the Governor has recommended that effectively all of the funding be awarded to a proposal submitted by Bresnan Corporation. MCC and the

Legislative Consumer Committee (a bipartisan committee of the Montana Legislature) disagree with that recommendation. While the objective of providing increased service to Montana's rural areas and Native American Reservations is certainly laudable, the Bresnan funding proposal is not the best way to address those concerns.

The primary problem with the Bresnan Application is that it does not leverage existing broadband deployment that public policymakers in Montana have nurtured and in which providers, including many small rural telcos, have invested. It ignores and proposes to largely duplicate these existing investments. We urge you to review the maps and physical descriptions of these existing facilities that have already been submitted to you in other comments. Because the Bresnan proposal is largely an overlay of existing "middle mile" broadband pipes, it would provide minimal consumer benefit. More troubling is that it may actually harm the very rural customers it is intended to serve by weakening support for the currently existing networks that have been built out by our rural telecom and broadband providers. We believe that result would be counter to the intent of the ARRA stimulus funding. It would certainly be an inefficient use of taxpayer money in that it does not take full advantage of existing facilities and financially harms rural providers that have long service histories and are supported by Universal Service Funds. It is troubling that, in addition to these problems, Bresnan seeks a waiver of the requirement that would prohibit sale of ARRA funded facilities for a ten year period. Our experience in Montana is that long term service commitments are the most beneficial.

Montana's rural residents and Native American Reservations can be greatly benefitted by ARRA broadband funding. We urge you to review the Montana broadband funding applications with an eye to building on existing facilities deployment in the state in order to maximize these benefits. Your decisions should certainly avoid harming customers of current rural providers that have diligently worked to provide these services with limited funds in the past.

Sincerely,



Robert A. Nelson  
Montana Consumer Counsel

CC: Senator Terry Murphy  
Senator Joe Tropicola  
Representative Tom Berry  
Representative Pat Noonan