



NEW YORK STATE SENATOR

Catharine Young

Legislature Passes Bill Promoting Broadband Expansion

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| ISSUE: **AGRICULTURE, ECONOMIC DEVELOPMENT, EDUCATION, BROADBAND**

| COMMITTEE: **LEGISLATIVE COMMISSION ON RURAL RESOURCES**

ALBANY – Streamlining the process to access federal grant funding to expand broadband in rural areas will open the doors to more economic opportunities, healthcare innovation, and educational investment.

A bill sponsored and passed by Senator Catharine Young (R, I, C—Olean), Chair of the Legislative Commission on Rural Resources, speeds up the process that certain broadband providers, called Incumbent Local Exchange Carriers (ILECs), go through to access federal loans designated for broadband expansion. This legislation also was passed by the Assembly and is awaiting the Governor’s signature into law.

“With so much riding on access to broadband, it is a priority to remove obstacles to future broadband expansion. It is a vital part of the plan to strengthen our rural communities,” said Senator Young.

ILECs are regulated by the New York State Public Service Commission (PSC). When ILECs were first established, they were designated as “telephone and telegraph” companies. Broadband was not listed as a service they provided because broadband technology did not exist at the time these companies were established. In addition, the PSC does not regulate

broadband services.

Currently, there are millions of dollars in Federal loans available for use in projects that expand broadband availability in rural areas, including programs through the United States Department of Agriculture. Unfortunately, ILECs have difficulty accessing these funds due to restrictions in existing law.

Under current law, the PSC must approve any loans before they are accepted by ILECs. Because the PSC does not regulate broadband, there is a natural conflict with the requirement that the PSC approve these federal loans.

To resolve the issue, this bill clarifies that the federal broadband funds are not subject to the required PSC review.

This bill does, however, require ILECs to give notice to the PSC that they have received federal loan funds for broadband expansion.

The bill is supported by the New York State Telecommunications Association.

“This bill removes duplicative regulatory hurdles for telecommunication companies who are currently required to seek state approval for federal loans for broadband expansion. It will streamline the process and help these telecommunications providers carry out the continuing expansion of broadband services in rural New York,” said Mr. Robert Puckett, President of the New York State Telecommunications Association.

“This bill is an important step in the process of bringing broadband access to underserved rural areas. The sooner it is signed into law, the sooner ILECs can assist with the development of robust rural broadband systems,” said Senator Young.