



NEW YORK STATE SENATOR

Catharine Young

Bill Promoting Broadband Expansion Signed into Law

CATHARINE YOUNG November 26, 2014

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Senator Young sponsored bill to speed up access to federal funds for broadband expansion

ALBANY – A bill recently signed into law will open more opportunities for broadband expansion in rural areas, a necessity for greater economic expansion, healthcare innovation, and educational investment.

Senator Catharine Young (R, I, C—Olean), Chair of the Legislative Commission on Rural Resources, sponsored the bill. It improves the process that certain broadband providers, called Incumbent Local Exchange Carriers (ILECs), go through to access federal loans designated for broadband expansion.

“Access to broadband services is becoming more and more essential for communities large and small. With broadband access limited or nonexistent in so many remote areas, this legislation 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. Restrictions in state law caused difficulty for ILECs who hoped to access these funds.

Previously, the PSC was required to approve any loans before they were 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 is an important legislative change that will reduce regulatory burdens and costs in the effort to bring broadband to remote areas. It is especially important for smaller telecommunications carriers that provide broadband services in rural areas. By making it easier to obtain federal funding, it will help them deploy broadband access deeper into rural areas, providing communities with faster speeds and greater bandwidth,” said Mr. Robert Puckett, President of the New York State Telecommunications Association.

“We thank Senator Young for sponsoring and passing this legislation, and we are very grateful to see it signed into law,” said Mr. Puckett.

“I am pleased that this bill was signed into law. I look forward to seeing even more progress in bringing broadband access to underserved and geographically remote areas. It is an issue of utmost importance for our rural communities,” said Senator Young.