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The Taxpayers Protection Alliance (TPA) is a rapid response, non-profit, nonpartisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

On behalf of the millions of taxpayers and consumers in the state of Montana, TPA is pleased to aid the Montana Department of Administration in its legal obligation to consider the implications of its policies.

It is critical that the state adopt a five-year plan that will shepherd the most effective usage of funds from the Broadband Equity, Access and Deployment (BEAD) Program, which will ensure the minimum amount of taxpayer waste while also helping to close the digital divide. As you note in the draft of your plan, the BEAD program will not achieve its goals in Montana without broad provider participation.

But, your draft plan is so overly prescriptive that it threatens to reduce the number of providers that would participate in the state's grant program. Specifically, your goals for affordability are too broad and arbitrary, going well beyond what is mandated by the National Telecommunications and Information Administration (NTIA) for state BEAD plans.

While the NTIA requires states to develop plans for middle-class affordability, it does not require the development of low-cost plans, as you propose. This is likely because most providers already have their own low-cost plans, usually subsidized through various federal programs. Not only does your proposal require such plans, but is also so broad that providers must offer such a plan irrespective of need.

Your ideas for middle-class affordability prove problematic, as well. For example, to receive maximum points in your scoring rubric, providers are forced to charge rates as low as \$70 for symmetrical gigabit service. Not only is the gigabit requirement well beyond the NTIA requirements (100 Mbps is considered as serving an area), but it is also not aligned with current broadband marketplace prices. Such policies are tantamount to rate regulation for broadband services, and forcing providers to commit to such arbitrary pricing and speed thresholds to improve their standing in grant applications will ensure that fewer providers attempt to obtain these grants.

It would be better for Montana to satisfy the affordability goals of the BEAD program by allowing providers to commit to offer competitive market rates in the area they would serve with the funding. The state's five-year plan, as proposed, does not incentivize providers to participate in the program and would not ensure that service is extended to every family and business that needs it.

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