



National Rural Electric
Cooperative Association
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Facts*

NREA
NEBRASKA RURAL ELECTRIC ASSOCIATION

Oppose Increased Regulation of Electric Cooperative Power Poles

Issue: Discussion Draft legislation before the House Energy and Commerce Committee would increase regulations on electric cooperatives, specifically by providing additional Federal Communications Commission (FCC) regulation of attachments to electric co-op power poles. Congress should maintain the co-op exemption from the federal pole attachment statute and reject any effort to subject electric co-ops to federal pole attachment regulations.

Background: Electric co-op poles are designed and constructed for a specific purpose – to carry electrical wires and related equipment. Because working on or near energized electrical lines and equipment is inherently hazardous, safety codes and regulations govern the way overhead lines and poles are designed, constructed, installed, and maintained in order to protect utility workers and the general public. These same safety rules specify the placement of other equipment on poles such as telecommunications or cable equipment. This is because any foreign attachment departs from the design and construction of the original overhead line and may introduce significant engineering and safety issues which must be considered. This includes reliability issues because the attachments increase wind and ice loading, making lines and poles more susceptible to breakdowns during extreme weather events. In some cases, the addition of foreign attachments may necessitate installation of taller or stronger poles or call for relocation of poles, increasing costs to the electric co-op members.

In 1978, Congress acted to speed deployment of cable television. Among other initiatives, Congress provided for federal regulation of pole attachments. The FCC was granted jurisdiction over rates, terms and conditions for cable lines attached to investor-owned utilities' poles unless a state chose to regulate pole attachments. Recognizing the unique, locally-directed governance of electric co-ops, Congress exempted electric co-ops from the pole attachment provisions and maintained that exemption in all subsequent telecommunications legislation.

In order to maintain 501(c)(12) co-op tax-exempt status, co-ops charge cost-based rates for their services, including pole attachments. If a federal uniform rate pushed attachment rates lower than actual costs, member-owners of the not-for-profit electric co-op would wind up subsidizing cable, broadband and telecommunications corporations, many of which are for-profit entities. Co-op service territories vary significantly in terrain, geographic scope and other factors that do not support a one-size-fits-all pole attachment rate mandated by the FCC.

Electric co-op boards are responsible for maintaining the integrity of the co-ops' distribution lines and poles. Local regulation of pole attachments ensures that co-op boards and management

can facilitate the deployment of cable, telecommunications and broadband services while protecting the critical infrastructure that brings essential power to homes and businesses.

Electric co-ops have an additional incentive today to support the expansion of broadband and other advanced telecommunications capability in their communities with reasonable pole attachment rates and access procedures. Co-ops require increasingly robust communications networks to support smart grid technologies that enhance the efficiency and reliability of electric service. In addition, electric co-ops recognize the need that their consumer owners have for access to broadband in their service territories, and many are actively working to bring broadband to areas that are underserved or lack service altogether.

Status: The House Energy and Commerce Committee is currently considering discussion draft legislation to spur investment in broadband infrastructure across the country. The draft bill under consideration includes several provisions that would adversely affect electric utility pole attachment regulations. This draft bill would subject co-ops to burdensome regulations and reporting requirements to the FCC for the first time. We are thankful for the leadership that Chairman Greg Walden (R-OR) and Ranking Member Anna Eshoo (D-CA) have shown to ensure that the final bill achieves the goal of promoting broadband deployment without adversely impacting co-ops.

NRECA Position: Some organizations are actively working to make sure these unnecessary, burdensome regulatory provisions are maintained in the House Energy and Commerce Committee draft bill. **We urge Congress to drop all provisions in the discussion draft legislation at the House Energy and Commerce Committee that would increase regulations on co-ops, and maintain the federal pole attachment exemption for electric co-ops.** Expanding broadband in rural areas is extremely important, but further regulating co-ops is counterproductive.

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