
Pole Attachment 101

Introduction and Overview

The National Rural Electric Cooperative Association (NRECA) is the national service organization for America's electric cooperatives. Member-owned, not-for-profit electric cooperatives constitute a vital sector of the electric utility industry, powering 56% of the nation's landmass and serving 42 million people across more than 48 states.

Electric cooperatives (co-ops) own and maintain utility poles and rights-of-way to deliver safe and reliable electricity to their members. As with the delivery of electricity, electric cooperatives are enabling high-speed internet service to reach unserved and underserved rural customers. They do this by offering communications providers at cost access to co-op pole distribution systems, offering broadband service themselves, or partnering with third-party providers. While pole attachment fees charged by electric co-ops reflect the unique geographic and demographic characteristics of each co-op's service territory, in every case provide enormous cost savings to communications attachers. Despite this tremendous benefit, some for-profit communications companies contend that pole attachment rental rates and pole replacement fees are preventing them from providing broadband services to rural communities.¹ These claims are false. NRECA members work in good faith to negotiate reasonable, cost-based pole attachment rates that reflect the unique challenges of building and maintaining pole distribution networks in low density, hard-to-reach areas.

What is a pole attachment?

A "pole attachment" is any equipment that a third-party attaches to a utility pole. Across the country, electric utility poles have been constructed to connect homes and businesses with a power supply. While the primary purpose of these poles is to support the deployment of electric service, pole owners can allow communications companies to use their poles to support the infrastructure necessary to provide broadband, cable television, and other communications services. This relationship provides communications companies valuable access to a pole distribution corridor that has already been constructed, all for a small fraction of the significant costs that pole owners incur to build and maintain this network.

Pole Attachment Considerations

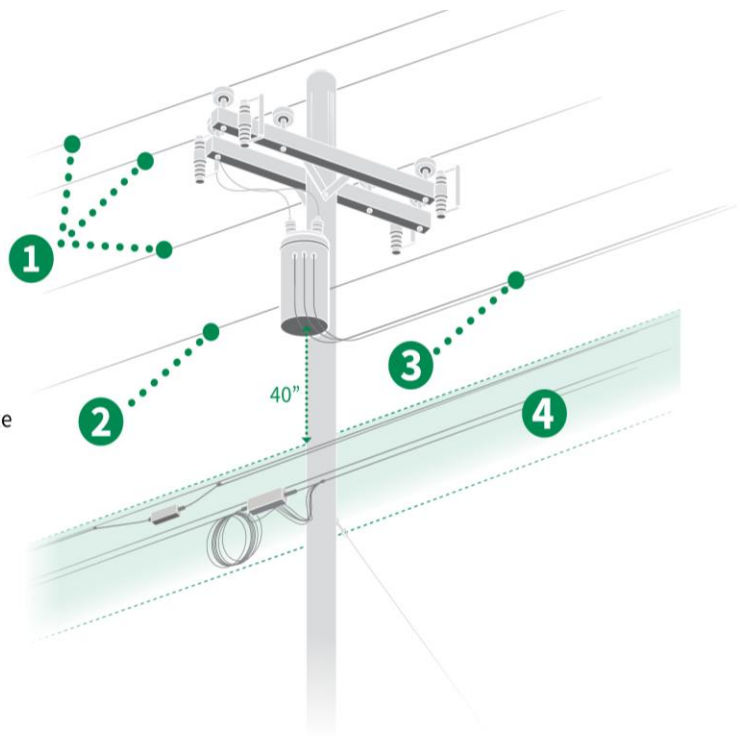
Any new attachment to a utility pole must undergo a careful review to ensure the safety, reliability, and integrity of the pole and electric infrastructure. Federal and state regulations, including the National Electrical Code (NEC) and National Electrical Safety Code (NESC) encompass everything from minimum line clearances to acceptable pole wind, ice and weight loads, and even can dictate where attachments can be placed on the pole. Violations of these regulations could jeopardize public safety as well as electric grid resiliency and reliability.

In some instances, potential new attachments will either add too much weight, reduce the pole's ability to withstand wind or ice load, or not meet the required clearance levels to be compliant with state and federal regulations. In these instances, a taller and/or stronger pole is needed to accommodate the new equipment. The time-consuming, difficult, and expensive process to evaluate each pole condition, capacity and loading, to make any changes, or replace the pole is referred to as "make ready," and in most instances is paid for by the entity requesting an attachment.

¹ Other factors, primarily low population density, are more significant factors. This fact has been supported by analyses by the Virginia State Corporation Commission, a Tennessee Broadband Report, the U.S. GAO, the U.S. Small Business Administration, and the Congressional Research Service.

WHAT'S ON THAT POLE?

- 1 PRIMARY WIRES**
Highly-energized wires designed to facilitate the primary supply of electricity, with currents roughly about 60 times higher than a household outlet.
- 2 NEUTRAL WIRE**
Serves as a return path to complete the circuit, stabilize voltage and provide electrical grounding for safety.
- 3 SECONDARY SERVICE DROP**
Lower voltage than primary wires for delivery of electricity to the customer but can still be lethal.
- 4 TELEPHONE, CABLE TV AND FIBER**
Usually the lowest wires on the pole if space is available, carried at least 40 inches below the lowest energized line. Ground clearances, safety, weight and other state and federal regulations often dictate whether these can be accommodated.



Why is this an issue?

Section 224 of the Communications Act was added in 1978 and requires the Federal Communications Commission (FCC) to establish subsidized rates for cable industry pole attachments. However, Congress exempted rural electric cooperatives and municipally owned public power utilities from this provision, as cooperative and municipal utilities make decisions based on constituent and local needs. The fees they charge for attachments reflect the unique geographic and demographic characteristics of each service territory. Despite numerous attempts over the years to weaken or eliminate this exemption, Congress has left it intact in large part because the existing local decision-based process is appropriate and adequate.

Recently, Congress appropriated billions of dollars for rural broadband deployment through the FCC's RDOF Auction, USDA's ReConnect Program, Treasury's State and Local Fiscal Recovery Funds, or NTIA's BEAD program. As federal agencies disburse these funds, an effort is underway to once again revisit pole attachment regulations under the guise of lowering the costs of rural broadband deployment.

The same economic factors that dissuaded for-profit electric utilities from extending service to rural areas in the 1930s exist today to dissuade for-profit communications companies from providing broadband. Overall, the cost of building and maintaining a communications infrastructure network in sparsely populated, rough-terrain areas is prohibitive for many providers. It's a cost intensive process with little return on investment. One-size-fits-all rates do not accurately account for or reflect the unique cost of constructing and maintaining a distribution pole network in hard-to-reach, high-cost, and low-density areas and would inappropriately shift the costs of broadband deployment to the co-op, and ultimately its members, rather than the attaching third party. Many of the disagreements around pole attachment rates occur over defining a "reasonable cost" that balances the revenue-based interests of for-profit company shareholders with the geographic and economic realities of deploying in highly rural areas. The cost-based rates charged for pole attachments vary from state to state and co-op to co-op based on population density, difficult terrain, and other factors that make these areas challenging and expensive to serve. The Section 224 exemption must be maintained to prevent non-profit cooperatives from being forced to subsidize the broadband deployment of large for-profit providers.