

# Billings, Montana/TDS Telecom Pact Enables Better, Competitively Priced Broadband

Tapping TDS Telecom to build an FTTH network will supply Billings residents with competitively priced broadband and make the city a stronger draw for residents and businesses.

By Sean Buckley / *Broadband Communities*

**B**illings, Montana, has plenty of attractive amenities for residents and businesses, including its spectacular scenery. Several mountain ranges can be viewed from the city, including the Absaroka Range, which stretches 150 miles across the Montana-Wyoming border and forms the eastern boundary of Yellowstone National Park.

Thanks to TDS Telecom, Billings will now add fiber-to-the-premises (FTTP) services to its list of amenities. The first city in Montana to build a fiber network, Billings will quickly position itself as an attractive community for residents and businesses.

The project is the first of many expected in the area. Upon completion, TDS will deliver up to 2 Gbps internet speeds for businesses and residents. In a release, Billings city administrator Chris Kukulski said that TDS Telecom's entry into the city's telecommunications market will result in competitively priced, higher-quality broadband services. "This competition will improve the city's economy," he said.

## DRIVING COMPETITIVE CHOICE

Montana is set on improving its statewide broadband ranking. According to the research firm BroadbandNow, Montana is ranked 50th

in state broadband access. The firm attributes this to Montana's many rural and wilderness areas and small population, despite its large geographic size.

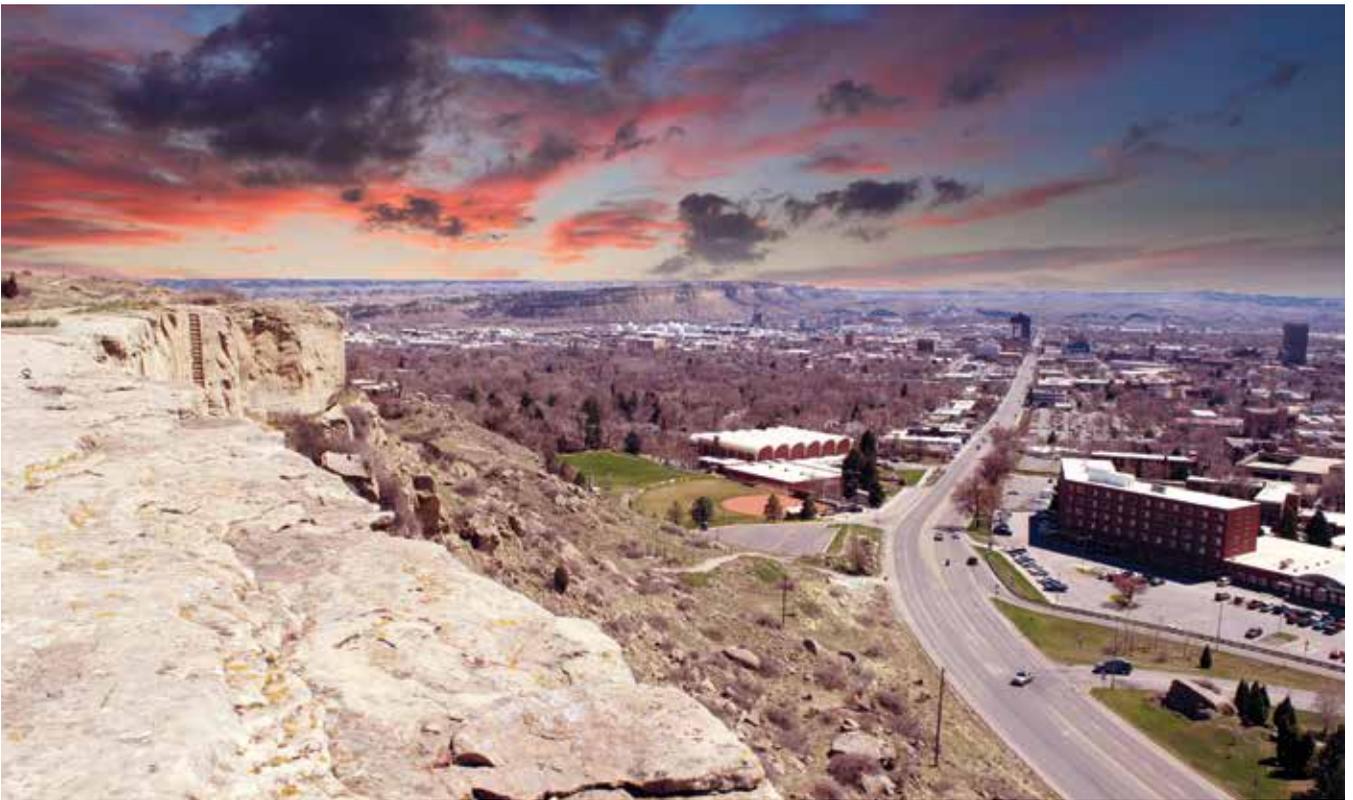
Within Billings, residents and businesses previously had access to cable modem service from Bresnan, now Charter Spectrum, and other incumbent telcos, but now they will have an all-fiber option.

Leveraging a mix of GPON and XGS-PON technology, TDS Telecom will provide a mix of 2 Gbps internet service and video and voice services, with a host of different bundled and stand-alone packages. By implementing XGS-PON, TDS Telecom can incrementally offer other higher speed tiers, including 10 Gbps symmetrical based on demand.

Before TDS Telecom launched its plan, fiber penetration in Billings was low. "We perform extensive broadband availability reviews before engaging with communities and selecting new fiber-overbuild territories," says Drew Petersen, senior vice president of corporate



Drew Petersen



Billings will be the first city in Montana to receive a fiber network thanks to its partnership with TDS Telecom.

affairs for TDS Telecom. “Billings had less than 5 percent fiber in the city limits.”

Kukulski says that TDS Telecom approached Billings about enhancing the city’s fiber broadband prospects, particularly in the business sector. “To its credit, TDS Telecom knocked on our door,” he says. “We weren’t out shopping for [TDS Telecom] as much as we were interested in gaining some broadband competition and improving options for the business community.”

Now that TDS Telecom will establish a provider presence, the telco will give residents and businesses another option for broadband. “Charter Spectrum is staying in the community, and TDS will compete with them,” Kukulski says.

### **DRIVING ECONOMIC IMPACTS**

The city’s timing could not be better. The Billings metro area has grown to more than 170,000 and serves one of the largest U.S. trade areas, covering much of Montana, Wyoming and North and South Dakota. U.S. census data shows that Montana now has almost 1.1 million residents. Out of all

U.S. states, Montana is experiencing the 13th largest population growth.

It also boasts a rapidly growing health care sector employing more than 13,571 professionals. The Billings financial industry includes the First Interstate, Stockman, Wells Fargo, US, and Western Security Banks. Together, they employ more than 3,059 people.

“Billings is the largest city in Montana,” says Petersen. “The city is in the south-central part of Montana and is experiencing rapid growth and has a strong economy.”

The fiber build will make the city attractive to businesses and residents, particularly those who want to work remotely.

“Billings has been growing at a fairly slow but solid rate for several decades,” Kukulski says. “As the economy continues to provide opportunities for people to work remotely or provide service to businesses that might be located in other regions or states, a lot of people are coming to Montana and working for companies located on the West Coast or in the Midwest or South.”

Unsurprisingly, the COVID-19 pandemic has driven more residential growth throughout all of Montana over the past year. “Montana has benefitted from people being able to be more mobile relative to work, and the pandemic has accelerated that quite a bit,” Kukulski says. “Our growth rate has picked up quite a bit over the past 18 months.” He adds that other Montana cities, including Bozeman and Missoula, are also seeing population growth.

### **CONSTRUCTION UNDERWAY**

TDS is working with CEC Facilities Group in Irving, Texas, to construct the network. CEC began construction in August and started preparation work to place new fiber cables in downtown Billings. Construction in residential neighborhoods will begin in late November.

CEC, which is partnering with KLJ on the Billings project, began a three-year initiative in Montana to bring high-speed internet to 44,000 addresses. The company opened its newest facility in September in Billings, which will support CEC’s



A ribbon-cutting ceremony marks the start of the fiber installation project in Billings, Mont.

## TDS SETS BULLISH FIBER STRATEGY

TDS has set an aggressive fiber buildout strategy to expand availability in its traditional wireline footprint and its expansion markets. Through its multiyear fiber footprint expansion – which includes bringing fiber into incumbent markets and expanding into new markets – fiber serves 39 percent of its wireline service addresses.

As of the end of the second quarter, TDS Telecom had equipped 37 percent of its wireline footprint, or 338,000 residential addresses. The telco has a long-term goal of reaching 657,000 addresses in its wireline footprint and its expansion markets.

During the company's second-quarter earnings call, Vicki Villacrez, senior vice president and CFO of TDS Telecom, told investors the company plans to add fiber to an additional 322,000 addresses in the next few years. However, construction and permitting delays resulting from the COVID-19 pandemic could cut into that buildout timeline. "We continue to manage construction and customer equipment but are seeing lengthening lead times with suppliers," she said.

Although it is not naming the markets or the number of service addresses yet, TDS plans to announce additional fiber markets after signing construction agreements and launching its pre-marketing and sales efforts. During the second quarter, TDS Telecom completed the buildout of 31,000 fiber addresses, adding 18,000 in this period. Villacrez noted that construction and supply timelines slowed the progress of its plans.

"This progress is slower than planned and is putting pressure on service address delivery on the back half of the year," she said. "The delays we see in construction could impact our ability to deliver our goal of 150,000 service addresses by the end of the year, but we are confident that we will still complete a substantial portion of our plan. We also continue to proactively manage construction and customer equipment inventory demands where we are seeing lengthening lead times with our suppliers."

ongoing long-haul fiber construction in the area.

During the 30-month project, CEC will install 531 miles of fiber for TDS Telecom.

Brad Smith, president of CEC, says that although the construction company "started the project several months ago, it only began digging and drilling fiber trenches in the first part of September."



Brad Smith

As a relatively new construction provider founded in 2009, CEC hopes to leverage its experience in Montana and win other TDS Telecom fiber projects in other markets. For instance, the company is looking to compete for TDS Telecom business in Helena and Great Falls, Montana.

"This is the first time we've been in Montana, and I know TDS is pursuing another 12 markets," Smith says. "We're on the hunt for several of those other markets, but the ones we're most interested in are those located in Montana."

Petersen says CEC has been a good partner for TDS Telecom. It was

“aggressive in its pricing and service quality guarantees, which are key considerations for TDS when selecting national contractors,” he says.

### DIVERSE TERRAIN

For this FTTH project, CEC will lay fiber underground. A small percentage of network construction will be done on existing aerial telephone poles. “The majority of the fiber build will be underground, so we’ll have our bore rigs there,” Smith says. “Maybe 5 to 10 percent of it could be aerial, which will be part of a construction strategy that gets us over industrial areas and railroad tracks.”

Constructing parts of the network aerially will enable it to go around areas

where there’s a lot of rock. In addition, Smith says, aerial builds are a “strategy in the wintertime so we can keep working and stay on schedule.” ❖



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## MONTANA BILLS TO ADVANCE MONTANA’S BROADBAND STANDING

In April, the Montana legislature passed three bills that state officials say are “designed to move Montana out of the bottom of the rankings among other states when it comes to access to quality broadband infrastructure.”

- **SB 297:** Sponsored by Sen. Jason Ellsworth (R-Hamilton), the ConnectMT broadband infrastructure program puts in place a grant and proposal process for enhancing and expanding broadband in Montana. The bill defines eligible nongovernmental broadband providers and sets out criteria for reviewing applications for broadband funding. Further, it prioritizes investment in “frontier,” unserved and underserved areas, and includes several criteria for reviewing broadband projects.
- **HB 632:** This bill, sponsored by Rep. Frank Garner (R-Kalispell), allocates more than \$1 billion appropriated by Congress in March from the American Rescue Plan Act (ARPA). Specifically, HB 632 appropriates \$275 million in broadband communications funding implemented by the Department of Commerce under SB 297. It requires matching funds from private entities and local governments and, like SB 297, prioritizes funding to unserved and underserved areas. The bill also creates an advisory commission of three senators, three representatives and three members appointed by Montana’s governor to review and recommend proposed broadband projects.
- **SB 51:** This bill, which Sen. Ellsworth also sponsored, provides a property tax moratorium on deploying new fiber facilities in Montana except fiber funded by SB 297.

Geoff Feiss, general manager of the Montana Telecommunications Association, said in a release that these bills are “designed to move Montana out of the bottom of the rankings among other states when it comes to access to quality broadband infrastructure.”

## Fast, Flexible FTTH Distribution Solutions



### Fiber Sealed Drop Closure (FSDC)

FSDC series closures are fully-sealed and may be strand, pole, pedestal or vault mounted. Built-in adapters support up to 16 connectorized drops, with 2 internal splice trays for up to 48 splices



### Fiber Transition Terminals (CFTT)

Ideal for low density fiber circuits, CFTT serve as a customer demarcation point and slack storage enclosure for fiber at the customer premises



### BDO Fiber Distribution Pedestals

Non-metallic fiber splice pedestals for both greenfield and brownfield FTTP, with a variety of sizes supporting 48 to 576 fibers and fiber-only or copper/fiber splice points

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