

**Testimony of Jonathan Spalter
President and CEO, USTelecom – The Broadband Association
Before the Senate Commerce Committee
“The State of Broadband Amid the COVID-19 Pandemic”
Wednesday, May 13, 2020**

Chairman Wicker, Ranking Member Cantwell, and distinguished Members of the Committee, thank you for the opportunity to testify at this timely and important hearing. My name is Jonathan Spalter, and I am the President and CEO of USTelecom – The Broadband Association.

I want to start with a big thank you to each and every one of you for your tireless work during this unprecedented time on behalf of your constituents who are living through such uncertainty and disruption in their day-to-day lives. And to those of you who have been personally affected by COVID-19, I sincerely hope that all of our friends and family return to good health in short order.

USTelecom’s members include broadband providers, suppliers, and technology innovators connecting our families, communities, and enterprises to the future. Our diverse membership ranges from large publicly traded global enterprises to local, Main Street companies and cooperatives – all of whom have stepped-up and stood tall during this emergency to ensure continued access to communications services for all citizens regardless of where they live and work – urban, rural and everywhere in between. I have never been more proud and humbled to serve as the CEO of USTelecom.

This pandemic is unprecedented for broadband companies and their customers in so many ways, in particular the increased and sustained use of and reliance on residential broadband networks for virtually every critical function, and also the severe economic impacts felt by so many people and businesses affecting their ability to pay for service. These realities have shined an even brighter light on what we already knew – broadband connectivity is reshaping the delivery of 21st century education, healthcare, access to government services, entertainment, civic participation, and commerce. It has also shined a light on the significant impact on those of our fellow citizens who still are unable to access these critical networks – whether due to a lack of availability or an inability to afford the service.

With these realities in mind, it is incumbent on all of us to meet these challenges head on with immediate actions to address the near-term impacts of the pandemic and to simultaneously set a bold course toward connecting every home and business in America with high-speed fiber broadband service – including providing the resources necessary to meet that vision.

Before turning to what we should do, let me start by telling you what our members are already doing to meet the broadband needs of the communities and enterprises they serve.

USTelecom's member companies were among the first to commit to maintaining connectivity during this time for customers faced with financial hardships. USTelecom endorsed the FCC's Keep Americans Connected Pledge and our members are committed to working with their customers going forward. As the first billing cycle since the outbreak of COVID-19 comes to an end, many are starting to see that doing the right thing (maintaining service, in some cases without payment) is coming at a substantial cost. While their spirit and their networks remain strong, these companies are comprised of people, of your constituents, proud to serve – often in harm's way – on the frontlines of our global battle against this crisis, and dedicated to the communities, families, and enterprises they connect and serve. That said, several in our industry are struggling with the same financial challenges and uncertainties that many of our fellow Americans are facing. Programs like the Paycheck Protection Program have been helpful, but I encourage Congress to continue to look for ways to both ensure customers can afford the broadband they need and keep providers on sound financial footing as they continue to do everything possible to keep our nation connected.

To that end, we appreciate the leadership of Senator Klobuchar and Senator Cramer for their focus on direct assistance to companies requiring support as a result of the pandemic. We also appreciate the consideration of proposals that would provide support to consumers unable to pay for broadband as a result of the pandemic. USTelecom was honored to join virtually every association from our sector in a recent letter to the leadership of this Committee, including my colleagues at the table today, calling on Congress to assist consumers and businesses most impacted by the pandemic by providing significant funding. Broadband providers are doing everything they possibly can on their own initiative to help customers proactively through this uncertain time, and keep them as customers for the long haul. At the same time, we are encouraged to see serious proposals emerging in Congress on how best to provide support to those consumers and companies in greatest need as a result of the pandemic. We stand ready to work with you and other stakeholders to develop the effective, achievable, and practical mechanisms to do so.

Despite the challenges COVID-19 has presented for our citizens, our workforce, and our companies, USTelecom members continue to rise to the challenge, and are doing extraordinary things to meet the needs of their communities. USTelecom member Smart City, based in Orlando, Florida, continues to face unprecedented challenges as much of its business is tied to connecting the devastated convention and hospitality industries. In the first month of the pandemic, Smart City lost over 75 percent of its revenues, and was forced to furlough much of its workforce, reduce management salaries, and seek emergency credit lines. Yet, in the face of adversity, and despite its mounting losses, Smart City soldiers on, and continues to deploy network engineers and specialists at 38 major convention centers across the country which have been or may be transformed into hospitals, homeless shelters, and COVID-19 testing centers. Just a few blocks away, at the Washington Convention Center, four Smart City technicians as we speak are deploying state-of-the-art broadband connectivity to support the U.S. Army Corps of Engineers and the DC government for the emergency field hospital it has

now become. And at the San Diego Convention Center, Smart City team members are providing connectivity for the 1100 neighbors in need in the homeless shelter it houses.

But Smart City is by no means alone among our nation's broadband providers in this collective and fierce commitment to keep our citizens, students, our emergency responders, and our enterprises connected through these anxious days.

BBT, a third-generation, family-owned business based in Alpine, Texas, has worked to reallocate currently unused broadband resources at the closed schools it serves to ensure students in need have the connectivity required for online learning at home.

South Carolina-based Hargray is partnering with educators, including Beaufort County Schools, to ensure students have the necessary internet connectivity to continue their studies during school closings. The company launched programs to support remote learning for students in grades K-12 and college with free internet service to households in its service area with students who do not already have a Hargray internet subscription.

To note just one of the company's many initiatives, Washington State-based Rainier Connect collaborated with Tacoma Public Schools and the Foundation for Tacoma Students to help get laptops and high-speed internet service into the homes of Tacoma students. With the help of Rainier Connect, the partnership made free high-speed home internet service available for student households who currently do not have access. These connections will be for up to one year at no cost to those who receive them. They are prioritized for students who have the most need, based on graduation requirements, advanced classes, and a lack of existing connections at their residence.

Blackfoot Communications serves homes and businesses in eastern Idaho and throughout Montana, which has the highest percentage of rural schools in the United States. Blackfoot is making available free Wi-Fi hotspots in key areas to help ensure all students are able to participate in remote learning, download course materials, and stay on top of their classwork.

From our local and regional providers to our national and global technology leaders, USTelecom's members are contributing massively. AT&T's \$10 million Distance Learning & Family Connections Fund is committing more than \$500,000 to organizations focused on connecting young people with meaningful mentor relationships – online. Verizon's total COVID-19 crisis commitment now stands at over \$55 million in contributions and donations to nonprofits around the globe. And, in a mere 48 hours, CenturyLink deployed 1,000 feet of fiber line to connect the USNS Mercy hospital ship to a nearby network terminal, waiving all installation fees and donating 12 months of free service.

These are but a few of the countless stories across the country of USTelecom members serving and connecting their communities and their country in a time of need. Though the tools and technologies USTelecom members use to connect Americans have greatly changed since the association's founding in 1897 as a business league of independent rural telephone companies,

this commitment to service and to community has remained constant – in good times and bad, through wars, depressions, and earlier public health emergencies. This commitment is no less enduring today, in the broadband era. There are many more examples of how USTelecom members are going above and beyond to support their customers during this crisis at www.ustelecom.org.

The internet has emerged as the central means of keeping Americans connected during the COVID crisis and our nation's broadband networks remain strong. As the world has shut down around us, the internet remains open. This resiliency and openness is not an accident; it is the direct result of our nation's broadband providers investing between \$70 and \$80 billion dollars annually to connect new communities, upgrade infrastructure, and innovate in their networks. Broadband providers made these investments as a direct result of smart bipartisan policy decisions allowing companies to compete, invest, and innovate in a lightly regulated marketplace. As a direct result, USTelecom members had the incentive and flexibility to build, maintain, and enhance their networks, which produced today's dynamic and secure networks that so successfully and seamlessly have met the increased demand during this crisis. While some unwisely have called for imposing utility-like regulations on broadband networks, the success we have seen during the COVID-19 pandemic in how the networks have adapted and are efficiently supporting the sharply increasing traffic demands of our citizens illustrates exactly why smart, forward-looking bipartisan policies made today's connectivity possible.

We continue to closely monitor network traffic trends, and even as traffic has at times soared more than 25 percent higher than pre-crisis levels, the performance of our networks remains seamless for our nation's citizens. Indeed, according to one recent study, "[o]f the top 10 countries in the world by population, the U.S. is the only [country] that recorded no download speed degradation on average in the month of April." The same cannot be said for those countries which took a different path toward more heavily regulating and underinvesting in broadband networks. The essentiality of broadband service and the performance of American broadband providers during this pandemic is Exhibit A for a continuation of our smart, nimble, consumer-focused, light-touch policy approach.

COVID-19 has removed any lingering doubts about the important role broadband plays in today's society, but it also magnifies the need for actions that make broadband accessible for all, including policies designed to address increased adoption, affordability for low-income households, and access to expanded opportunities for online education and healthcare applications. We appreciate the \$200 million Congress set aside in the CARES Act for telehealth programs which, thanks to the extraordinary efforts of the FCC, is already proving to be a vital resource for many healthcare providers around the country. USTelecom is also encouraged by the \$13.5 billion in the CARES Act for the Education Stabilization Fund, which schools can use to purchase technologies to support online learning.

These are among several important initiatives to meet the immediate challenge, but we must also use this opportunity to meet the long-term connectivity needs of this country and to fully fund a bold, but necessary and fully achievable vision. One of the undeniable lessons from

COVID-19 is that the United States needs to once and for all roll up its sleeves and provide the funding necessary for ubiquitous, futureproof broadband. Our goal must be 100 percent connectivity for all Americans. We've pursued this public policy goal for some time, but incremental approaches with limited budgets, combined with rapid redefinitions of how we use and integrate broadband into our lives has left too many Americans still without the access they need. The economic challenges of this goal are well documented and connecting the last one to two percent of Americans is extremely expensive. Different entities and even Congress have identified various funding targets for ubiquitous fiber broadband, some of which exceed \$100 billion. This is a significant amount of money, but if that is what it takes to get the job done, then let's get it done.

To achieve this, Congress should adopt a legislative framework that capitalizes on the work, preparation, and foresight of the government agencies it has already charged with meeting our nation's broadband needs. The best programs are the ones that were implemented deliberately, well thought out with both government and industry input, and that can provide nearly immediate results. Rather than hastily standing-up unproven new programs in the face of an emergency, which in the recent past has shown to produce mixed results, duplication, and financial inefficiencies at best, Congress should leverage existing broadband programs in place today at the FCC and the Rural Utilities Service (RUS). Specifically, Congress should provide substantial additional funding to the FCC that it can allocate toward programs such as the Rural Digital Opportunity Fund (RDOF) which is set to launch later this year, as well as the Alternative Connect America Cost Model (ACAM) at levels that will achieve 100 percent fiber broadband connectivity nationwide.

As we work together to emerge from our current emergency and prepare all our citizens to meet the challenges of any similar events in the future, investing in our nation's broadband infrastructure at this moment is critically important, especially as doing so will only get more expensive in the future.

Together, we therefore have the opportunity to move decisively to put our nation's digital divide finally and forever in our nation's rearview mirror.

If not now, then when?

For our part, USTelecom commits to work in close partnership with Congress to do the critical work of evaluating what will be the necessary levels of support needed (in addition to substantial continued private investment) to realize this vision, at what speeds, and in which timeframe. We also commit to bedrock principles that must guide our work, including ensuring the security and resiliency of our networks; the need for supportive, flexible, and forward-looking policies to promote continued investment in the ever-evolving capacity, speeds, and architectures of our networks; and accelerating and sustaining critical public-private technology partnerships and federal programs fundamental to finishing the job of connecting all of our citizens in need to affordable and accessible internet service.

One hurdle in this challenge is knowing where to target these resources. While we are working toward implementing effective broadband funding mechanisms we can simultaneously develop a comprehensive broadband map showing precisely where broadband service is available and, most importantly, where it is not. Congress wisely passed the Broadband DATA Act earlier this year to do just that – but these maps have not yet been funded. Any Congressional broadband initiative to achieve 100 percent connectivity must start with funding the maps. We have to know where to target broadband funding in order to ensure no home is left behind.

As we look to meet the challenges and opportunities ahead together, we know there is nothing we can do without the dedicated women and men who are working tirelessly during this crisis to keep our networks functioning. Many of our employees in the field remain in dire need of personal protective equipment as they work on repairs and provide direct, often on-site assistance to customers. As its chair, USTelecom has worked through the Communications Sector Coordinating Council with agencies including DHS and FEMA to secure and distribute approximately 1 million cotton masks to broadband providers around the country. However, more and better equipment is needed. Congress should consider it a priority to provide additional protective equipment for these essential workers.

Finally, on behalf of USTelecom's members and their employees, I want to acknowledge the important work of our colleagues in Congress, your staff members, and numerous federal agencies that continue to press ahead with their important work. In particular, USTelecom appreciates the work of the FCC's staff who are keeping the pedal to the metal on important communications policy issues while simultaneously addressing COVID-19-related challenges. We have appreciated the FCC's foresight and willingness in providing extensions and waivers of various rules and to consider broader near-term policy requests. Local and tribal government efforts to assist, and not delay, deployment in these challenging times is also appreciated. For example, the Navajo Nation, which like many communities in America has been seriously impacted by COVID-19, worked with broadband provider Frontier Communications to expedite permitting and rights-of-way for deployment. Frontier is now laying fiber for new and improved broadband connections across the Nation to help connect residents and businesses to telemedicine, education, and economic opportunities.

To that end we urge state, local, and tribal governments to do the same by expeditiously reviewing pending requests for regulatory approval or relief to facilitate continued operations and investment, including, for example, pending change-in-ownership approval requests, permitting, tower siting and rights-of-way applications, and requests for relief of certain reporting and other administrative requirements. We encourage Congress' support of the same.

With your help, we can close the digital divide. With your help we can ensure all Americans have access to the connectivity that will open doors to their education, their healthcare, and their future. We must work together to ensure – in times both of pandemics and prosperity – that all Americans have access to the greatest resource of modern time, the internet.

Thank you for inviting me today. On behalf of the entire connectivity industry and our courageous and committed workforce, we appreciate all that you are doing. I welcome any questions.