

Statement by

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**Before the
United States Senate Committee on Commerce, Science, and Transportation
Subcommittee on Communications, Media, and Broadband**

**Hearing on
The State of Universal Service**

May 11, 2023

Chairman Luján, Ranking Member Thune, and members of the Subcommittee, thank you for the opportunity to participate in today’s hearing focused on the state of universal service.

I am Denny Law, Chief Executive Officer of Golden West Telecommunications Cooperative, Inc. in Wall, South Dakota. For over a century, Golden West and its subsidiaries have provided communications services to rural South Dakota, starting in 1916 with the stringing of a telephone line along fence posts. Today, Golden West provides service to over 32,000 locations across 24,500 square miles – a geographic area larger than the states of Maryland, New Jersey, Connecticut and Delaware combined—which equates to fewer than 2 customers per square mile. In addition to robust service for consumers and businesses within our territory, we serve numerous anchor institutions, including 73 K-12 schools, 56 health clinics and hospitals, 19 libraries, six Veterans Administration facilities, and five Public Safety Answering Points.

While Golden West’s service area may be relatively larger and more sparsely populated than the geographies served by most other providers, there are many other small community-based companies and cooperatives like Golden West serving the most rural and remote parts of America. For example, Golden West is a member of NTCA–The Rural Broadband Association (“NTCA”), which represents more 850 rural, community-based broadband providers like Golden West that have deployed cutting-edge networks and offer advanced communications services in deeply rural spaces. These operators collectively serve less than five percent of the population of the United States but nearly one third of its landmass – including more than 54% of the geography of New Mexico and more than 80% of South Dakota. We operate in rural areas left behind decades ago when then- voice telephone networks were first being built out by other service providers because the markets were too sparsely populated, too high cost, or just too difficult to serve in terms of terrain. Many of these areas remain just as challenging to serve today and, in most of these rural areas, companies like Golden West offer the only full-service fixed communications networks available.

Despite the challenges of distance and density, Golden West and its fellow small broadband providers have led the charge in deploying advanced communications infrastructure that responds to consumer and business demands and connects rural America with the rest of the world. For example, in its most recent survey of the broadband deployment efforts of rural community-based operators, NTCA found that nearly 80% of its members’ customers on average are connected by fiber-to-the-premise (“FTTP”) networks and that more than 80% of those customers on average can receive at least 100 Mbps broadband service.¹ This progress far outpaces the work of other providers in connecting other parts of rural America – and, as I will discuss further below, it highlights how a mix of community commitment, entrepreneurship, and effective programs like the federal Universal Service Fund (“USF”) can overcome connectivity obstacles even in areas where the average density is only a few households per square mile and the drives for service calls alone are measured in hours rather than minutes

¹ NTCA Broadband/Internet Availability Survey (Dec. 2022), at 2.

Yet, for all this progress to date, we still have much more work to do in deploying and operating this critical infrastructure and delivering robust services at affordable rates. Even as I am proud of the work that Golden West and its fellow rural broadband providers have done in connecting vast swaths of the most rural parts of America with the best possible broadband, the figures above cited for this success also indicate that, on average, we still need to connect the remaining 20% of customers to better broadband – with many of these customers located in the hardest-to-serve pockets of outlying rural areas. And, in other rural areas not fortunate enough to be served by community-based operators, the connectivity gap is far greater and more widespread in terms of the numbers and percentages of locations still needing just basic connectivity. Finally, even where robust and capable networks exist, operators face the challenges of sustaining and upgrading them to keep pace with user demand and delivering affordable services that rural Americans can rely upon to participate in today’s increasingly online world.

Indeed, if there is a singular point that I hope this Subcommittee will take away from my testimony today, it is this last one – that the mission of universal service is not accomplished merely when the network has been built. The objective of universal service is not defined as the one-time act of network construction. Instead, Congress rightly defined universal service by law as an ongoing state of affairs; it is described by reference to *both* “access” *and* “services.” Specifically, universal service is described as “an evolving level of telecommunications services,” and Congress directed the Federal Communications Commission (“FCC”) in creating the USF to ensure “access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.”

Network deployment is an essential goal and a condition precedent to achieving national connectivity objectives. Golden West expends substantial amounts of time, energy, and resources to building networks in some of the most challenging parts of rural South Dakota, including the Black Hills. And the USF is critical to making the business case for such deployment as I will describe further below. But, as community-based providers like Golden West and other smaller rural broadband providers know all too well, the job is just starting when network construction is “done.” Living in the communities we serve, we see firsthand how the decisions we make and the measures we implement affect our neighbors, friends, and family, and we therefore have substantial incentive to do what we can to make sure they have *ongoing* access to the best possible communications services. It is essential therefore that the comprehensive mission of universal service and the job of the USF is not lost in the race to connect all Americans. If we only get Americans connected and neglect the ongoing responsibility to *keep* them connected, this effort will ultimately be for naught in many rural places – and the mission of universal service will fail.

What Universal Service Means – and What its Objectives Should be

Connecting every American is not an easy challenge to overcome, but it is not terribly hard to identify the primary barrier to rural broadband – the economics of deploying and sustaining broadband are difficult, if not impossible, in many rural markets. The rates that rural consumers pay are rarely sufficient to cover even the costs of operating in rural areas, much less the upfront capital expenditures required to deploy reliable, high-speed broadband in rural America. To be sure, there are other issues that affect the economics of rural broadband, such as obtaining permits

to build or upgrade infrastructure and navigating complex bureaucratic application processes, and I will discuss some of these later in this testimony. But it is clear nonetheless that the single biggest challenge to connecting rural America and keeping it connected is simply making the business case to build any broadband at all. Put another way, permitting barriers and other impediments to construction are no barriers at all if one cannot justify even building a network in the first place.

Without a reasonable business plan, providers are hard-pressed to justify borrowing funds or using their own capital to build, and then harder-pressed still to sustain networks in areas where densities are low, distances are great, and terrain and topography complicate operations. This is where the federal high-cost USF program makes its mark – ongoing support from the high-cost USF initiatives overseen by the FCC are critical for providers like Golden West to make the business case for investing in and then sustaining broadband for the benefit of rural communities. The high-cost USF programs help providers to keep rates more affordable and to justify either use of a provider’s own cash or obtaining financing from the few lenders that tend to serve rural Internet service providers on a widespread basis – the Department of Agriculture’s Rural Utilities Service (“RUS”), the Rural Telephone Finance Cooperative, and CoBank. It should also be noted that most of the fiber already connecting wide swaths of South Dakota and rural areas served by community-based providers today as described earlier in my testimony was *not* grant-funded. Rather, these investments were propelled by private capital and loans that must be repaid. The recovery of this capital would be at substantial risk, along with the ongoing delivery of high-quality services at affordable rates, if high-cost USF support were cut or eliminated.

Even where grants are available, most of these programs include matching requirements, meaning providers still must borrow or bring their own capital to the table. Moreover, there are some places so deeply rural and with populations so sparsely scattered that, even if a grant were to cover 100% of initial construction costs, the costs of operations alone still deter investment without ongoing USF support. At times, some confuse the roles of, and the interplay between, various grant programs and the high-cost USF program, thinking of them repetitive or redundant. But this reflects a fundamental misunderstanding of the unique and distinct role each type of program has played and continues to play. Unlike grant or loan programs, USF does not provide upfront capital or finance networks. On the other hand, grant programs like ReConnect at RUS, the various Treasury broadband funding initiatives, and the upcoming Broadband Equity, Access, and Deployment (“BEAD”) program will neither *sustain* networks nor make services atop them affordable for consumers. BEAD will not cover the costs of hours-long “truck rolls” or cover the portion of investment that still must be covered by matching funds. ReConnect by itself will not assure that rural customers pay rates that are affordable and roughly equivalent to what urban communities pay. While incredibly valuable to promote network deployment, these grant programs in the end typically presume and expect a self-sustaining business case after networks are built and provide no support for ongoing operations or affordability measures.

The federal high-cost USF program is therefore essential to ensure that every consumer can obtain reasonably comparable services at reasonably comparable rates atop rural networks once built. In other words, USF is the linchpin of making the business case in the first instance to obtain and use financing from any source – whether grants, loans, or private capital – to build networks in rural areas. To be clear, there are places where a grant alone can make all the difference in the business case for investment. But this is not the case throughout rural America, and these are the places

where the high-cost USF program still makes a critical difference. Indeed, Congress itself recognized this dynamic in creating the BEAD program in the Infrastructure Investment and Jobs Act, directing the FCC to prepare a report on the “future of universal service” and further stating affirmatively that the call for a report and the creation of BEAD should not be read to “in any way reduce the congressional mandate to achieve the universal service goals for broadband.”²

Against this backdrop, I submit that the objectives of the high-cost USF can rightly be summarized as four essential components, reflecting the uniquely comprehensive role that USF plays as compared to one-time grant or other capital programs in promoting universal connectivity:

- **Availability** – As discussed above, while not providing upfront capital for the construction of networks, the high-cost USF program unleashes investment by making the business case possible in rural areas; providers can seek and use investment capital with reasonable assurance thereafter of recovery of capital costs and the ability to recover ongoing costs without needing to charge rates that consumers would find utterly unaffordable.
- **Capability** – Rather than investing resources in “barely broadband” – cheaper networks that provide initial coverage but struggle to keep pace with evolving consumer demand – the high-cost USF program should require and enable delivery of services that are and will remain “reasonably comparable” to those available in urban areas, meaning that rural Americans can participate meaningfully in today’s and tomorrow’s online world. One can clearly see the difference that the high-cost USF makes in promoting more efficient long-term investments and better networks in rural areas when one compares: (1) the levels of service available in areas where community-based providers have leveraged a mix of private capital, loans, and USF support as described earlier in this testimony; and (2) the levels of service available (or utter lack thereof) in other rural areas lacking a similar mix of provider commitment and well-designed USF support mechanisms that promote scalable investments. It is essential that we avoid “incrementalism” in setting goals for universal service; we must not aim merely to meet current expectations and we should instead plan for the evolution of demand and need over the life of the supported networks.
- **Affordability** – It is far too often overlooked that the high-cost USF is an affordability program. While so much focus is on deployment and availability of services (and the high-cost USF program enables these too as discussed above), the ultimate statutory goal of universal service is that rural customers pay rates that are “reasonably comparable” to those paid by urban users. It is the high-cost USF that ensures this happens by helping to cover some (but not all) of the difference in costs between serving rural and urban communities.
- **Sustainability** – By covering ongoing costs of maintaining and upgrading networks in deeply rural areas, the high-cost USF program aims not only to make sure that customers are connected in the first instance, but that they stay connected and that the services they receive are “reasonably comparable” in price and quality both on the day that the network

² Infrastructure Investment and Jobs Act, Pub. Law 117-58, at § 60104(c).

is turned on and over the life of that network.³ As Congress itself recognized in directing the FCC to develop a report and admonishing the agency to carry on the mission of universal service even in the wake of substantial broadband grant funds being appropriated, the act of connecting customers takes ongoing effort. Indeed, as stated earlier in this testimony, this work is just starting when the network is “done.” The USF is essential to support this continuing work.

Specific Recommendations Regarding Universal Service Programs

If one is looking for a proven roadmap for success in rural broadband, there is no better template than three specific high-cost USF initiatives overseen by the FCC: (1) the Connect America Fund-Broadband Loop Support (“CAF-BLS”); (2) the Alternative Connect America Cost Model (“ACAM”); and (3) the “Alaska Plan.” If one looks to see where broadband has made the greatest strides in deeply rural areas – not just in the small town centers where some density exists but for the farms, ranches, and other homes and businesses scattered across rural America – a common thread is that the vast majority of these well-served rural places are served by providers receiving one of these three kinds of high-cost USF support. While there is often an inclination to focus on creating new things and to solve problems through the creation of new programs from whole cloth, the track record of success is already there. We should be looking to build upon, enhance, and expand such efforts as we consider how to address remaining broadband challenges. Moreover, as discussed above, continuing to support these programs will be essential to sustain the good work already done and to keep rates affordable for services on these networks.

The FCC has been considering for some time now how to update these three programs and ensure they are coordinated effectively with grant programs already in place and the BEAD program still to come. Over the course of more than a year, a robust record has been developed indicating how specific updates would both help achieve this objective of interagency coordination and better promote the four core universal service objectives noted above. We are deeply grateful that members of this Subcommittee and other leaders in Congress have long been supporters of and advocates for these three programs, and we are hopeful that the FCC will respond to the continuing interest of Congress and other stakeholders by completing the updates to these programs in coming weeks and months.

In particular, it is important that the FCC update these mechanisms as soon as possible to reflect the levels of service that customers expect from their broadband services. Even as community-based providers like Golden West have surpassed 100 Mbps or even Gigabit service for many of their rural customers, the high-cost USF programs currently have stated performance objectives for only 25/3 Mbps speeds as set in 2018. Meanwhile, the BEAD program will aim to fund deployment of networks in underserved areas that lack 100/20 Mbps access or where there is no enforceable commitment by a provider to deliver at least that level of service in the future. If the FCC can soon complete updates to these three high-cost USF programs that demand delivery of higher speeds and provide predictable and sufficient support to do so, this will ensure effective coordination between BEAD and the high-cost USF mechanisms – allowing BEAD funds in turn to go further in serving areas in greater need. Such an outcome would represent effective

³ See 47 U.S.C. § 254(b)(3).

coordination and efficiently leverage existing networks and high-cost USF programs to realize the comprehensive mission of universal connectivity and universal service for millions of Americans in rural areas.

For these reasons, I would ask this Subcommittee and other leaders in Congress to encourage the FCC to finish the work to update these high-cost USF programs as soon as possible by: (a) identifying where support is needed under these programs based upon realistic, engineering-backed assessments of where reliable voice and broadband services can in fact be delivered today by a competitor at reasonably comparable rates; (b) identifying what levels of support are needed to deploy higher speed broadband than the programs currently require, to sustain broadband where it has been deployed, and to keep rates affordable for rural consumers in those areas where support is warranted; and (c) providing recipients of high-cost USF support under these programs an option to commit to serve every location in the areas for which they receive such support such that BEAD grant funds can be directed to aid other areas instead.

Finally, I recommend that Congress continue to work with the FCC to ensure that the ongoing mission of universal service is fulfilled throughout rural America – including in those rural areas where CAF-BLS, ACAM, and the Alaska Plan are *not* applicable and in effect. Specifically, in its report to Congress regarding the “future of universal service,” the FCC highlighted that, even in some areas where grants are awarded, there may be a need for ongoing USF support:

We recommend, in parallel with the rollout and completion of BEAD-funded projects, that the Commission evaluate the funding needs of existing and future providers that have already deployed high-speed broadband networks and consider the creation of new support processes. For example, the Commission could consider the creation of a process to support operating costs that are not recoverable from revenues earned when prices are set at just, reasonable, and affordable levels and from other sources of income, e.g., governmental grants. Such an approach is consistent with the universal service principles in section 254 of the Communications Act which requires that the Commission ensure continuing access to advanced telecommunications services that meet or exceed evolving consumer needs.⁴

The FCC should be encouraged not to await the “rollout and completion” of BEAD to begin (or complete) this process. In fact, there are areas right now where providers have used their own capital or have taken out loans to build broadband-capable networks that need ongoing USF support to help sustain those networks and keep rates for services affordable for customers served over them. Moreover, it will take time for the FCC to conduct the kind of analysis needed to identify those areas where such ongoing support is needed and to establish what level of support is necessary to recover capital expenses not already covered by grants as well as ongoing operations and maintenance costs. The work to examine these questions should not await the “rollout and completion” of BEAD, but should instead begin now.

⁴ *Report on the Future of the Universal Service Fund*, WC Docket No. 21-476, Report to Congress (rel. Aug. 15, 2022), at ¶ 42.

Paying for Universal Service

All four critical USF programs – the high-cost mechanisms, Lifeline, E-Rate, and the Rural Healthcare program – are paid for by contributions from certain service providers based on interstate and international telecommunications service and telecommunication revenues as directed by Congress in 1996 when it codified the mission of universal service in law. Congress rightly recognized that specific, predictable, and sufficient support would be difficult, if not impossible, to ensure if universal service programs were subject to the twists and turns of annual appropriations processes.⁵ Indeed, one now can see the prudence of Congress’ vision when considering the status of the Affordable Connectivity Program (“ACP”). Even as there appears to be nearly universal consensus that a program like this is needed and must be sustained to achieve important adoption goals, the ACP is at risk of running out of funding in short order. If one is looking for “a canary in the coal mine” when it comes to the perils of attempting to carry out a USF-style mission without a stable USF contribution mechanism to back it, there may unfortunately be no better case study than the ACP.

At the same time, the contribution mechanism itself unfortunately faces significant challenges, having failed to keep pace with the evolution of the communications marketplace. Specifically, the “contribution base” – the pool of revenues that are assessed a fee to pay for the various USF programs – continues to dwindle over time as consumers migrate from traditional telecommunications services (which are assessable under the current regime) to other services (such as broadband) that are not assessable today. Put another way, the contribution crisis is not one of demand in the USF programs, since the overall level of funding distributed through them has not increased substantially over the past decade-plus. Rather, the problem is one of supply, with the contribution base failing to match shifts in how consumers use the very networks and services that are supported by the USF.

To ensure that statutory mandates for universal service are met, and to comply with the directive by Congress that contributions be equitable and nondiscriminatory, updates are badly needed. We are grateful therefore for the increasing focus of Congress on this issue. NTCA has endorsed the “The Reforming Broadband Connectivity Act” introduced by Senators Klobuchar, Thune, Hickenlooper, and Moran and the House companion bill introduced by Representatives Neguse, Fletcher, Craig, Rogers, Grothman, and Gallagher to direct the FCC to reform the USF contribution system within one year by expanding the contribution base. NTCA has also endorsed “The FAIR Contributions Act” introduced by Senators Wicker, Lujan, Young, Kelly to direct the FCC to study the current and projected data transmission demands on rural broadband networks and the costs to rural broadband providers for transmitting data.

Ultimately, in addition to consideration and passage of legislation like that described above, I would urge action consistent with recommendations that have been previously made by NTCA with respect to contribution reform. These recommendations proceed from the singular premise that all of those that use or benefit from advanced communications networks and services should contribute in some manner to ensure their availability, capability, affordability, and sustainability. For this reason, NTCA has taken what might be considered a “middle ground” or “all of the above”

⁵ 47 U.S.C. § 254(b)(5).

approach between those that look to reform contributions only to assess one group of users or another group of beneficiaries. We submit that this comprehensive perspective best tracks to the congressional directive to ensure that contributions are equitable and nondiscriminatory by including all potential users and beneficiaries, and would promote “broadening the base” in a more resilient way that minimizes the likelihood of facing another contribution crisis in short order based upon future evolutions in the communications marketplace. Specifically, NTCA has recommended taking two steps to update the contribution mechanism:

1. **Include Broadband Internet Access Services Within the Contribution Base Now** – NTCA helped to lead more than 330 parties in submitting a “Call to Action” to the FCC in February 2022, urging the FCC to use its existing statutory authority to update the contribution mechanism to include broadband Internet access service revenues within the contribution base.⁶ As that letter and the associated *USForward Report* explained, such reforms would reduce the contribution factor from a figure that hovers currently around 30% to less than 4% - substantially broadening the base of contributors. Moreover, as several economic reports filed with the FCC have detailed, an assessment at this approximate level would have no material impact on broadband adoption or retention; in other words, customers would be highly unlikely to cancel 100 Mbps broadband service simply because they might face the prospect of a \$3 contribution fee attached to that purchase.

The *USForward Report* also highlighted several other policy justifications for adopting such reform, including:

- a. All four programs in the USF promote universal broadband. The revenues from broadband internet access services should therefore contribute to the USF programs that support the expansion of such services to all. This will better reflect the value of broadband internet access service in today’s marketplace for both consumers and businesses.
 - b. Broadband internet access service revenues are expected to be stable in the future, with the potential for some modest growth. This would stabilize the funding mechanism and stop the death spiral in the current USF contribution methodology.
 - c. This solution can be implemented quickly under existing authority even as other measures are explored as well by Congress and the FCC.
 - d. Assessing broadband revenues would provide a greater degree of transparency and minimize incentives currently in place for providers to allocate revenues from “bundled” offerings between assessable and non-assessable categories.
2. **Include Other Beneficiaries of Robust Broadband Networks Within the Contribution Base** – as noted above, NTCA has expressed support for the overarching proposition that *all* users and beneficiaries of our nation’s broadband networks and services should contribute to the mission of universal service, and this should include large Internet-centric

⁶ *Ex Parte* Letter from Carol Matthey, Matthey Consulting LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 21-476 and 06-122 (filed Feb. 14, 2022) (submitting Matthey Consulting, FCC Must Reform USF Contributions Now: An Analysis of the Options (Sept. 2021)) (“*USForward Report*”).

firms whose business model depends heavily upon the networks used to deliver content to users. To be clear, NTCA has never indicated that these entities should bear the cost of this mission solely, nor has NTCA expressed support for unilateral assessment of fees by individual broadband network operators upon such firms. But it is clear that these “edge providers” benefit from being able to transmit content and data without having to pay for the full costs of delivery, and they should at the very least be called upon in the public interest to share in the support of these networks and services through equitable and nondiscriminatory contributions to universal service in a manner established by the FCC. We therefore appreciate the attention of Congress as to how this might be achieved and the FCC’s authority to do so, and we likewise hope the FCC itself will build upon its initial discussion of these issues in its report to Congress to examine these matters further.

Other Factors that Can Affect the Mission of Universal Service

While high costs represent the most imposing obstacle to deploying and maintaining reliable broadband in rural areas, and while the high-cost USF program is the linchpin to overcoming this obstacle, other factors affect the mission of universal service as well. Several of these are discussed below.

Permitting Delays

Infrastructure investment depends on prompt acquisition or receipt of permissions to build networks. Roadblocks, delays, and increased costs associated with permitting and approval processes are particularly problematic providers of service in rural areas. The review procedures can take substantial amounts of time, undermining the ability to plan for and deploy broadband infrastructure – especially in those areas of the country with shorter construction seasons due to climate. Moreover, in some areas of the country, obtaining reasonable terms and conditions for attaching network facilities to poles that are owned and operated by other entities or crossing railroads can result in long delays and costly fees charged to providers seeking to build out networks to rural communities lacking service. These can all affect both the timing for and economics of deploying networks and ultimately delivering on the mission of universal service.

Navigating complicated application and review processes within individual federal land-managing and property-managing agencies can be burdensome for any network provider, but particularly for the smaller network operators that serve the most rural portions of the country. The lack of coordination and standardization in application and approval processes across federal agencies further complicates the deployment of broadband infrastructure. We have seen much agreement for some time now on solutions to simplifying the administrative barriers to deployment, and we were pleased by discussions at a recent hearing before this Subcommittee’s counterpart in the House of Representatives regarding a variety of draft legislative measures that would look, among other things, to streamline environmental and historical reviews and establish more meaningful “shot clocks” when review is needed.⁷ Such measures are critical to the timely and cost-effective

⁷ *Breaking Barriers: Streamlining Permitting to Expedite Broadband Deployment*, Hearing before the Subcommittee on Communications, & Technology, U.S. House of Representatives

deployment of networks in rural America, and these therefore should be seen as a critical component along with a well-functioning high-cost USF program in a comprehensive national universal service strategy.

ACP

The Affordable Connectivity Program (ACP), which was created and funded by Congress to address affordability barriers to broadband adoption, is a critical component to help low-income users in rural and urban areas alike adopt – and keep adopting each month – broadband service. Affordability, however, can be a special challenge – one that ACP cannot solve by itself in high-cost areas.

As previously stated, in rural America, it is often far more costly to deploy networks and deliver services, making it harder to deliver service that is affordable even to the average consumer, never mind for a low-income consumer. For this reason, even as ACP is a critical part of the affordability puzzle in rural areas, the Commission’s high-cost universal service initiatives are important as well in ensuring that, as a baseline matter, the average price in rural areas more closely resembles those in urban areas- such that ACP can better help solve challenges for rural low-income consumers specifically. In this regard, the high-cost USF program and programs to address low-income challenges are complementary, and we therefore encourage Congress to find ways to sustain funding for ACP as well to address the multi-faceted barriers to universal service in rural areas.

On the other hand, while some may claim we should scrap the high-cost USF program altogether and simply move to a system of distributing consumer vouchers or subsidies exclusively, this would undermine the comprehensive mission of universal service. Indeed, the idea of distributing high-cost USF support via vouchers has been raised repeatedly over many years, and at every turn Congress has wisely rejected such arguments.⁸ There is no business case to be made for millions of dollars of network deployment in areas like those that Golden West serves based upon the hope that individual customer vouchers will be available and used to pay for service. The high-cost USF program, in its fundamental design, provides the kind of predictable support necessary for any operator to build networks in deeply rural areas, just as Congress intended in first directing its creation.

(April 19, 2023) (available at: <https://energycommerce.house.gov/posts/chairs-rodgers-latta-announce-legislative-hearing-on-unleashing-u-s-communications-innovation>).

⁸ See, e.g., *S.1822: The Communications Act of 1994*, Hearings before the Committee on Commerce, Science, and Transportation, U.S. Senate, S. Hrg. 103-599, 103rd Cong., 2nd Sess. (1994), at 405 (Prepared Statement of Sen. Larry Pressler) (“Vouchers may be appropriate in some areas. However, in states like South Dakota, the problem is . . . financing build-out to sparsely populated areas.”); *Universal Service: What are we Subsidizing and Why? Part 1: The High-Cost Fund*, Hearing before the Subcommittee on Telecommunications and the Internet, U.S. House of Representatives, Serial No. 109-109, 109th Cong. 2nd Sess. (2006) (Response for the Record of Tony Clark, President, National Association of Regulatory Utility Commissioners) (“Connections-based limitations are almost always flawed from the onset because they ignore the reality of the telecommunications business, namely, that high cost areas are served by networks. Therefore, it is networks that must be the focus of support. A voucher-type system (which is encompassed in many of the connections-based proposals) would also be an administrative disaster in the making.”)

CONCLUSION

Community-based providers like Golden West are deeply committed to the customers we serve and, given our experience and track record of success in serving the most rural areas, small community-based providers should be seen as critical components of any strategy seeking to achieve universal broadband in the United States. We look forward to working with policymakers and other stakeholders to ensure that all Americans will experience the many benefits of broadband over the best possible networks both today and for decades to come.

Thank you for the opportunity to testify, and for the Subcommittee's commitment to universal service.