The State of Broadband Amid the COVID-19 Pandemic

Testimony of Steven K. Berry

President and CEO

Competitive Carriers Association

Before the

United States Senate

Committee on Commerce, Science, and Transportation

May 13, 2020

Chairman Wicker, Ranking Member Cantwell, and Members of the Committee, thank you for the opportunity to testify about how competitive carriers have gone above and beyond to keep Americans connected during the COVID-19 pandemic.

I am testifying on behalf of Competitive Carriers Association ("CCA"), the nation's leading association for competitive wireless providers. CCA is composed of nearly 100 carrier members ranging from small, rural providers serving fewer than 5,000 customers to regional and nationwide providers serving millions of customers, as well as vendors and suppliers that provide products and services throughout the mobile communications ecosystem.

As the country comes together to face the largest public health crisis of our lifetime, it is now painfully clear that there are many areas of the country where more work needs to be done to provide and extend wireless services. We cannot ignore the undeniable fact that the digital divide persists, both in terms of areas of the country without access to broadband and in individual consumers' ability to maintain broadband connections in this challenging economic climate. Broadband access has been put to its greatest test as a vast swath of the country—and world—is under stay-at-home orders. Unfortunately, we have confirmed nearly overnight that access to broadband is imperative to support all aspects of everyday life, from distance learning to remote work, healthcare, grocery shopping, family and virtual social gatherings, and more.

I am proud of how CCA members have worked to maintain connectivity in the face of an unprecedented transformation in how and where consumers are using telecommunications services. Our members have seen significant increases in network traffic reflecting seismic shifts across critical aspects of day-to-day life, as economic, educational, health, and social connections move online to stay connected while apart. Despite the increase in network usage, I can report that competitive carriers have proven to be up to the task and have taken extraordinary measures to maintain connectivity to

serve these demands. Additionally, CCA members have taken steps to work with their customers, through formal processes and on a person-to-person basis, to maintain services even when customers face financial hardships. After all, CCA members have a well-deserved reputation for putting customers first and have been a vital part of their communities for years, and that is what you do for your friends and neighbors.

While it is important to focus today on the steps being taken to maintain connectivity for those where services are available, we must also recognize how the pandemic has confirmed the significant disconnect experienced by those on the wrong side of the digital divide. New network planning has slowed substantially, and carriers are facing new challenges navigating the permitting process at state and local levels due to the pandemic. CCA stands ready to continue to work with Congress and the Federal Communications Commission ("FCC") to preserve and expand the latest mobile broadband services throughout the nation, both to support continued relief during the current health crisis and to promote recovery going forward with expansion of wireless connectivity and the deployment of 5G.

Maintaining Connectivity During the COVID-19 Pandemic

All carriers have experienced increased network use over the last few months because of the COVID-19 pandemic. Increased network utilization for mobile broadband networks has also included a shift in where traffic occurs and the type of use, with greater traffic in residential areas as we all have complied with directions to stay home. CCA members have reported overall increases in data traffic and notable increases tied to certain categories, including messaging, food delivery applications, gaming, and video streaming. Tethering use is up significantly, and one CCA member reported educational app usage up nearly 150%. Even in cases where the number of voice calls has declined, the average length of calls has increased, as Americans are using communications services to stay connected.

Recognizing the financial hardship faced by so many during these challenging times, many CCA members have signed on to the FCC's Keep Americans Connected Pledge. Signatories to the Pledge have agreed not to terminate service for residential or small business customers because of their inability to pay due to the disruptions caused by the coronavirus pandemic, and to waive any late fees that these customers incur. Whether signatories to the Pledge or not, CCA members of all sizes are taking extraordinary steps to help their communities respond to the crisis. Beyond the pledge, I have heard from members who are providing bill credits, additional data capacity, standing up new sites to provide service for educational use, and even working with local health centers to develop triage applications that can provide vital information to citizens if they believe they are experiencing symptoms of COVID-19. Many CCA members automatically increased speeds and data allocations anticipating the enhanced demand. Crews have been working around the clock to enhance connectivity to schools, healthcare facilities, government offices and many businesses faced with remote work challenges. In fact, in polling CCA members recently regarding whether they signed on to the FCC's Pledge, one carrier responded yes, but that they found it unnecessary as they were going to work with and make accommodations for any affected customer regardless of the Pledge. These efforts come at no immediate cost to customers but can draw significant resources from the carriers providing these services. To be candid, small carriers that serve rural areas are experiencing many of the same economic challenges as every small business. These carriers want to help keep staff on payroll, keep networks up and running, and help keep their customers connected. But reduced revenues are starting to have a real impact and add strain on their ability to do all three.

I applaud the FCC for taking decisive action by working with carriers facing unprecedented capacity demands to supplement their networks by temporarily tapping into a pool of unutilized spectrum. Due to the FCC's prompt grant of Special Temporary Authority ("STA") licensing, carriers were immediately able to enhance capacity and coverage by deploying these additional airwaves. I

thank CCA members large and small who cooperated in this process, either by agreeing to lease spectrum to other carriers, including competitors, where it was needed or who leveraged these arrangements to best support Americans' urgent need for connectivity. Through this cooperative effort that showcased the public and private sectors at their best, carriers put the spectrum to work, sometimes within days, to provide consumers with additional capacity and increased speeds. I am optimistic that this experience will encourage additional innovative uses of spectrum partitioning and disaggregation going forward, especially in rural areas.

Of course, networks cannot function without the men and women who work every day to preserve and expand mobile broadband services, including tower technicians, engineers, retail employees, call center workers, and those who support Network Operations Centers ("NOCs"). Like many other industries, wireless carriers have rapidly transitioned as many workers as possible to work from home, placing the health and wellbeing of their employees first. But not all functions can be completed remotely, and CCA member's employees have had to improvise and innovate to ensure that their communities remain connected. I have always said that competitive carriers are innovators, and this has been true from a customer service standpoint in recent weeks, as members have converted to curb-side or drive-through service to provide customers with new devices or repairs and even added leveraged services like PayPal, through gift cards purchased at convenience or grocery stores, to process cash payments for customers even when retail locations are shuttered.

In recognition of the critical and essential work of these professionals who have continued to interface with the public, staff NOCs, and perform emergency operations to ensure network connectivity remains smooth and secure, I appreciate the inclusion of communications workers in the Department of Homeland Security Cybersecurity and Infrastructure Security Agency's Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response. Permitting these essential professionals to have access to the facilities needed to keep network services up and

operating. And the issuance of federal guidance on the essential status of communications personnel was extremely helpful in helping our members navigate varied state and local access requirements.

It is imperative that carriers have the means to keep this skilled workforce employed. Keeping these essential professionals safe and healthy is pivotal to maintaining wireless networks and ultimately sustaining connectivity for consumers. Like many Americans, the communications sector has scrambled to find sufficient Personal Protective Equipment ("PPE"). Normal supply chains for masks, hand sanitizer, wipes, disinfectant spray and even tissues have been disrupted or discontinued as supplies are redirected to frontline health care workers and first responders.

CCA has leveraged our membership in the Communications Sector Coordinating Council ("CSCC") to help our members mitigate the challenge of obtaining PPE. Through the CSCC, the telecommunications sector as a whole was able to secure PPE in the form of re-usable cotton masks from the Federal Emergency Management Agency ("FEMA"). At a time when PPE is scarce, obtaining this valuable resource will help CCA members maintain network operations and consumer connectivity.

FEMA guidance issued in April for non-health care sectors indicates it is unlikely they will provide additional PPE. Rather, they direct carriers to their regular supply chains, and then to state and local resources if they are unsuccessful. Efforts to reopen society and the economy will be dependent on essential workers, like communications professionals, having secure, uninterrupted access to PPE. CCA members continue to prioritize the health and safety of their employees as paramount as stay-at-home regulations begin to ease to ensure continued connectivity and the health of their workforce.

Keeping Americans Connected Going Forward

While many actions taken by carriers addressed above are at no immediate cost to consumers, they are not free and have costs to providers. As the national emergency continues, those who are unable to pay their bills in in full or on time may accrue significant balances on accounts for communications services. To address these concerns, CCA supports the Stay Connected Voucher proposal. The Stay Connected Voucher would help customers remain connected without later facing bill shock, undue hardship, and potentially negative impact to their credit. It is a technology-neutral approach that empowers consumers by giving them the ability to determine which services are most important to them during these difficult times. Importantly, it builds on Congress's work in the CARES Act and so would not require new eligibility or verification processes. Briefly, here's how it would work:

Qualified households would receive two $50 vouchers during each month of the declared COVID-19 crisis to apply to communications services bills or at the point of sale. Vouchers would expire six months after the end of the emergency period. Eligible consumers could choose to apply their vouchers to one or more communications providers, according to their household's unique communications needs – broadband, mobile, video, or voice. Further empowering consumers, vouchers could be used separately (one for each of two different providers) or combined to pay a single provider. The vouchers could be used for prepaid or postpaid services. Upon receipt of a voucher from an eligible consumer, providers would redeem the voucher for reimbursement from a fund established by the voucher legislation.

Every household with an individual that received a full rebate check under the CARES Act would receive the vouchers. By building on the CARES Act, the voucher program also recognizes that the economic strain imposed by the emergency is being felt by a wide range of households beyond those served by the traditional support programs. Using the CARES Act model also avoids the need to create new eligibility and verification processes. The program would also utilize the existing distribution mechanism that Treasury has set up for CARES Act checks.

The Stay Connected Voucher Program would be implemented and administered by the FCC, but the program would complement and not replace efforts to expand the existing Lifeline and E-rate programs, which focus on low-income households. Many consumers impacted by the pandemic are not eligible to participate in these programs. Likewise, Stay Connected would complement other efforts to provide more targeted support, including the Keeping Critical Connections Act.

The current crisis calls for creative solutions. CCA believes that the Stay Connected Voucher Program meets this objective. Congress turned to a voucher program to help consumers navigate the transition from analog digital television. That experience can serve as a model, tailored to today's needs. Respectfully, we urge the Committee to give it serious attention and would be happy to work with you to address any questions you may have.

Bridging the Digital Divide

As previously discussed, the current emergency has revealed the extent to which society has become increasingly dependent on communications services for telework, telehealth, distance learning, and critical connections with friends and loved ones. This shift has underscored the imperative need to close the digital divide. To do so, policymakers in Congress and the FCC must focus on updating our nation's mobile broadband coverage maps, reform deployment policies to support a 5G future, and provide resources to ensure that ubiquitous mobile services are available in urban and rural areas alike.

I congratulate Chairman Wicker, the Commerce Committee, and Congress for your work to enact the Broadband DATA Act into law this year. It is impossible to solve any problem without knowing its contours, and this overwhelmingly bipartisan law is critical to identifying the areas that do, and do not, have reliable mobile broadband coverage. The FCC should begin work immediately to implement the mobile provisions of the law in accordance with the Congressional mandate, and in any event prior

to moving forward with determining which areas will receive support for the next decade. The FCC is

currently considering options for a $9 billion 5G Fund that either would rush forward without updating

coverage data to identify areas lacking unsubsidized mobile service, or would insert unnecessary delay

as the FCC works to collect new, more reliable data but postponing distributing support for years. These

options are a false choice, and I strongly urge the FCC to expeditiously implement the mobile provisions

of the Broadband DATA Act in accordance with the mandate from Congress while keeping the auction

for support on a reasonable timeline.

Armed with reliable data on where mobile broadband services are available, we must continue

to support processes for carriers to preserve, expand, and upgrade mobile services, particularly as

wireless networks transition to 5G. CCA strongly supports ongoing review of the regulatory steps that

are required to upgrade existing infrastructure or deploy new services, including requirements and best

practices regarding historical and environmental review, compound expansion, and power delivery. As

state and local resources are strained from pandemic response efforts, any steps that streamline

processes and appropriately tailor fees present win-win scenarios for state and local officials and

carriers seeking to deploy services. Deployment on federal lands continues to be a persistent problem

and should not be a roadblock preventing access to wireless services in rural and tribal communities.

Finally, as our nation shifts from relief to recovery, Congressional efforts should support

providing additional resources to support mobile broadband deployment. Any recovery package should

include significant funding to deploy the digital infrastructure that will power our economy going

forward. This investment will support job growth and expanded connectivity so that our nation remains

competitive and has the required network functionality in place to deal with challenges in the future.

<u>Increased Access to Spectrum</u>

As previously noted, I commend the FCC for steps to make additional spectrum available during the pandemic through STAs and leasing agreements. This has helped carriers meet immediate demands. However, as states reopen and economic activity resumes, network usage will not decline. Competitive carriers needed access to additional spectrum resources before the pandemic to keep up with consumer demands and enable advanced connectivity for future generations of technologies and services.

To meet these spectrum needs, policymakers must embrace an all-of-the-above approach, and specifically:

- Ensure competitive access to mid-band spectrum, including upcoming auctions of CBRS and C-Band spectrum.
- Identify additional spectrum bands that can be reallocated for mobile use, including looking at federal spectrum holdings to ensure all spectrum is used efficiently.
- Include reasonable aggregation limits to promote participation in auctions and competition in the market.
- Require interoperability within spectrum bands to promote economies of scale and competition.

I commend this Committee for previous work to support increased access to spectrum for mobile use, and CCA stands ready to continue as a partner in those efforts.

<u>Securing Communications Networks</u>

I would be remiss if I did not mention the critical need for our nation's communications networks to be secure. While many competitive carriers are taking steps to ensure their communities

remain connected during the pandemic, continuity of service can be particularly challenging for those who are "on-the-clock" to remove covered network elements that are deemed to pose security risks and replace them with alternative equipment. CCA thanks Congress for creating the Secure and Trusted Communications Networks Reimbursement Program and commends your work to enact the Secure and Trusted Communications Networks Act this year. We join with FCC Chairman Pai in urging Congress to fully fund this program to provide these carriers with the resources necessary to maintain connectivity for their customers while completing the steps required by Congress. While all carriers want to comply with national security directives, the lack of funding to begin the enormous task of removing covered equipment from networks is a huge impediment to achieving this priority. While our nation works internationally to encourage our allies to implement similar national security telecommunications policies, the United States must show the way and provide critical funding for this effort. We all want solutions to these challenges, and funding the Secure and Trusted Communications Networks Reimbursement Program is imperative. As this process moves forward, I urge policymakers to provide carriers with clear guidance regarding the national security needs for communications networks.

Further, as I have previously discussed with this committee, 5G wireless services provide increased potential to transfer network services from physical equipment to software, and new technologies are increasingly coming to the market, including Open Radio Access Network equipment. We find ourselves at a unique junction of challenge and opportunity, with the onset of a new generation of technology meeting the need to secure our networks for the future. These new opportunities, with the potential to disaggregate functionality to increase efficiency and reduce costs, should be explored, without mandating specific technologies for carriers.

* * * * *

We are all facing unprecedented times, but those who are on the fortunate side of the digital divide have maintained many aspects of life through their broadband connections. CCA stands ready to work with you to ensure that all Americans have the ability to benefit from the latest mobile services today and the potential of 5G in the years ahead.

Thank you for the opportunity to testify at this important hearing, and I welcome any questions.