



Statement by

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INTRODUCTION AND BACKGROUND

Chairman Wicker, Ranking Member Cantwell, and members of the Committee, thank you for this opportunity to testify today to discuss the incredible work our small, community-based broadband providers are doing to both connect rural Americans and keep rural Americans connected during the COVID-19 pandemic.

I am Shirley Bloomfield, CEO of NTCA–The Rural Broadband Association, which represents approximately 850 small businesses deploying broadband infrastructure in 45 states.

These cooperatives and small commercial companies serve the most rural parts of the United States, reaching areas that contain less than five percent of the U.S. population, but which are spread across nearly 35 percent of the U.S. landmass, or roughly seven subscribers per square mile.

The hearing today is well-timed. Now more than ever before, Americans realize just how essential high-speed broadband is to our everyday lives. This pandemic has highlighted that having the connectivity enabled by high-speed download and equally important upload speeds in your home is one of the most important elements of everyday life. For years, NTCA members have seen that high-speed broadband facilitates so much more than just streaming video entertainment or playing video games. Having broadband means having the ability to connect to your doctor when you have a high fever without traveling to the office or hospital; it's the ability for students to continue their education even when the classroom is hundreds of miles away or just right down the street but shut; it's the ability for people to continue receiving paychecks by working remotely using secure and bandwidth-intensive virtual private networks; and it's the ability for all of us to maintain social interactions with our loved ones during these trying times.

Thanks in part to the hard work of this Committee and programs like the FCC's Universal Service High-Cost Program, NTCA's smaller, community-based broadband providers were well-prepared to keep Americans connected during a pandemic through robust networks sized to meet future demand and a spirit of customer service that is second to none.

COMMUNITY-BASED PROVIDERS HELPING STRUGGLING CONSUMERS AND COMMUNITIES

The COVID-19 pandemic has altered society as we know it. All of us understand that regardless of how quickly we may come out of stay-at-home orders and evolve in social distancing practices, Americans are witnessing a shift in the conduct of everyday lives and new ways of doing so many things.

Today, communities across America are struggling to battle new realities unfathomable just a few months ago. While 33.5 million Americans have filed for unemployment in recent weeks and we are rightfully concerned about the health of our families and loved ones, the daily stories of selfless acts and community service we see on the news serve as constant reminders that when the going gets tough, the tough get innovating.

I have never been prouder of NTCA’s membership than I have over the past several months. As “hometown providers” based largely in the areas they serve, their community commitment in the face of the coronavirus pandemic has been heartening. We estimate that more than half of the signers of FCC Chairman Pai’s pledge to “Keep Americans Connected” are NTCA members – and, in so many cases because of their hometown presence, our members have gone above and beyond the terms of the pledge to help their families, friends, and neighbors.

The following are just a few examples of their efforts to get and keep homes, schools, libraries, and medical facilities connected in rural America:

1. Big Bend Telephone (BBT) (Alpine, Texas): BBT Engineering developed a solution to extend school districts’ networks to students’ homes in a scaled back temporary installation package that provides synchronous connectivity and basic home Wi-Fi. The student experience completely mimics the classroom without actually being in the classroom. All of this has been provided at no cost to the school district or the students’ families.
2. Rainbow Communications (Everest, Kan.): Rainbow Communications has installed 30 community Wi-Fi hot spots throughout its service area that provide free internet access to students. The company also increased the internet plans at the local libraries to accommodate higher usage demand and has worked with school districts to identify and promote improved access for students in need at home.
3. NineStar Connect (Greenfield, Ind.): NineStar Connect connected a COVID-19 triage clinic in just three days – a process which usually takes weeks. NineStar also partnered with the hospital to offer customers e-visits to serve more people and reduce risk of infection.
4. Consolidated Telephone Company (CTC) (Brainerd, Minn.): To maintain proper social distancing, CTC created “Broadband in a Box” where a CTC technician will complete pre-installation tasks outside of the premises and then leave a self-installation kit on the customer’s doorstep to allow for completion of the activation work. The standardized kit includes step-by-step instructions on how to complete installation and other helpful resources.
5. Scott County Telephone Cooperative (SCTC) (Gate City, Va.): SCTC is upgrading broadband connections for any customer with students and/or teachers in the home. The company is also upgrading any displaced workers for free. Additionally, SCTC set up Wi-Fi at 12 locations to provide free access for school age kids, and available to use by all.

These stories are just a tiny sampling of what our hundreds of providers are doing to help their rural communities navigate the many difficulties brought on by the pandemic. In the end, whether by pledge or by DNA, because they so often live in the small towns and very rural areas they serve, NTCA members are simply focused on doing the right thing by their customers and community.

And despite the pandemic, we continue to move full speed ahead on deploying new broadband infrastructure. A recent NTCA survey revealed that 90% of our members remain focused on fulfilling network deployment plans this year, and even in the past month, we have heard a number are using responsible socially distant practices and the relatively lower traffic on roadways to complete as much construction activity as possible. This being said, as I will discuss below, some concerns are beginning to emerge with respect to the supplies necessary to complete this important work.

Finally, I would be remiss if I failed to note how our members' networks have held up in the face of unprecedented shifts in how they are used. In a recent survey, 145 NTCA members from 38 states serving more than 650,000 broadband connections reported that their networks continue to perform as designed and without disruption despite changes and increases in demand. Key findings from our network status survey include:

- From March 13 (the date that a national emergency was declared) through March 31, members indicated on average their networks experienced:
 - 23% increase in *overall* downstream bandwidth demand
 - 24% increase in *overall* upstream bandwidth demand
 - 21% increase in *peak* downstream bandwidth demand
 - 21% increase in *peak* upstream bandwidth demand
- An overwhelming majority of respondents (93%) indicated no material shift in peak utilization windows, but nearly all respondents stated that the average utilization of their networks is much higher over the course of the day.
- More than 40% of respondents reported taking steps since March 13 to augment capacity on middle mile, transit, or other backhaul connections to anticipate and accommodate increased overall demand, but there have been no reports of congestion or disruption arising out of the increased demand.

In short, as our annual broadband survey has confirmed year after year, NTCA members have led the charge in rural broadband for years, with over 60% of their rural customers have access to fiber-to-the-premises connectivity and speeds in excess of 100 Mbps. And, as our more recent network status survey confirms, these investments have paid off by giving rural communities reliable and robust access to broadband when they need it most, without congestion or disruption.

CHALLENGES PERSIST

While NTCA members continue to do their very best to keep their friends and neighbors connected, the ability to sustain these efforts over time is jeopardized by the devastating economic impacts of COVID-19. Providers are doing all they can to keep the internet lights on for all, but in order to do that, they need to keep their own lights on as well.

NTCA members are both crucial providers of critical infrastructure to millions of Americans in rural America and small businesses that face many of the same concerns as other American small businesses. Because of this unique status, and because they serve not only small rural towns but outlying areas where there may be only one customer every few miles, NTCA members and providers like them face some relatively significant challenges in sustaining their mission of universal service.

Uncollectibles Rising

It is estimate that approximately 33.5 million Americans have filed unemployment claims since the start of the pandemic. It is therefore perhaps not surprising that NTCA members report that customers are increasingly raising concerns about an inability to pay for their communications services in recent

weeks; a recent survey of our members found that 54% of members have seen “uncollectibles” – unpaid accounts receivable – increase by up to 20% since March 13 (the date that a national emergency was declared), with another 20% reporting that it was simply too soon to tell what sorts of payment shortfalls might arise given billing cycles. To put such impacts into perspective, we heard from one rural cooperative who is nearly \$60,000 in the red already in keeping voice and broadband service on for customers who have become unable to pay these past several weeks. We are in the process of conducting an updated survey of members now to determine whether and to what degree these figures may have changed, but I have no reason to believe that the situation will have improved given the steady and unfortunate increase in unemployment claims nationwide.

To continue delivering critical connectivity to more than a third of the nation’s landmass, these smaller rural operators must be able to pay suppliers for things like routers and fiber. Our members are seeing unprecedented demand for new installations, and this takes not only the kinds of innovation I described earlier in terms of installation techniques but also the costly network supplies needed to put those connections in place. NTCA members also need to pay larger national and regional operators for the connections between the very rural markets they serve and internet points of presence around the country – these are costs that only grow larger in the face of increased network demands as described above, and no one is asking those larger national or regional providers to make their backbone and transit capacity available for free during the pandemic. Finally, and most importantly, they must pay their own employees – the front-line essential workers who are being sent out despite the risks to make sure that those without voice and broadband services or those in need of upgraded services get such access.

Personal Protective Equipment

Our providers are doing all they can to protect themselves and their customers. Many members have moved to work-from-home operations for the bulk of their employees, and for even those essential employees that must be in the field or at network locations, our members are taking care to promote proper distancing and protocols to limit contact between employees to the greatest extent possible. Members are also taking further precautions when it comes to work in the field. In addition to adopting procedures associated with any interaction with customers prior to entry of any premises, many of our members are finding innovative solutions to connect customers from outside such as videoconferencing, self-installation kits, or even temporary drops of fiber and conversations through doors and windows to guide customers through the process. Indeed, a recent survey showed that, as of mid-April, more than 25% of our members will no longer enter households under any circumstances, and I expect that this figure will only grow as we survey our members again now.

However, even with preventative measures in place to limit contact, there are many cases where frontline workers have no choice but to enter certain locations, whether it is for mission-critical repairs or to enable much-needed connectivity at locations such as nursing homes and hospitals. For this reason, personal protective equipment (PPE) is more important now than ever before.

Unfortunately, sourcing PPE for employees continues to be a struggle. Employee health is of utmost importance to our providers, and it is critical that they continue to have the equipment needed such as masks, disinfectant wipes, gloves, and hand sanitizer. As small businesses, if even just one employee falls ill, depending on exposure, this can wreak havoc on operations and disrupt installation and repair

activity for an entire rural community. We appreciate the efforts of federal and state agencies in attempting to help members locate PPE as operators of critical infrastructure, but I am sorry to report that this remains a top-level concern and that I hear nearly daily from members desperate for masks, sanitizer, or other supplies as the pandemic persists.

Paycheck Protection Program

We thank Congress and the Administration for their work on the Paycheck Protection Program. Unfortunately, even as the program could be so helpful to small businesses in need, one of our greatest frustrations has been the lack of clear public guidance on whether 501(c)(12) nonprofit cooperatives qualify for the program. As small businesses, we wholeheartedly believe these cooperatives fit within the Congressional intent of the Paycheck Protection Program, and we ask both Congress and the Administration to clarify that these small cooperatives are eligible for the program. To be clear, this request is urgent and time-sensitive, as the date for declining a program loan and returning funds is May 14; while we have been asking for a clear affirmative statement – one way or the other – as to cooperative eligibility for several weeks now, there only a few days for this to be addressed.

Supply Chain

As mentioned earlier in this testimony, NTCA members are eager to do whatever they can to advance broadband network deployment, and many of them are doing what they can to move forward with deployment plans in 2020. We have started to hear, however, of concerns regarding the timing of their supply chain. In particular, for key pieces of network transmission equipment and routers necessary for installation and activation of services at customer premises, we are hearing that suppliers are beginning to ration distributions and that lead times are growing from weeks to months for delivery.

This obviously presents a significant challenge in executing on immediate capital investment plans for individual operators, but it also has the potential to become a national crisis – it would be ironic indeed for Congress and federal agencies to pour billions of dollars into broadband infrastructure only to find that the gear necessary to meet buildup milestones and deployment goals will be delayed far beyond anyone's reasonable expectations.

HOW CONGRESS CAN HELP

NTCA believes it is most effective to conceive of potential responses to the challenges presented by the COVID-19 crisis in the form of near-term and longer-term measures. In the near-term, we need both to make sure that those who *are not* yet connected get connected and to make sure that those who *are* connected today stay connected. In the longer-term, we need to think about how we can develop a coherent and coordinated national broadband infrastructure policy so that we are not back here again someday, staring at the next crisis and wondering why some customers lack broadband altogether, why other customers have unreliable access that does not enable effective use of virtual private networks or distance learning platforms, and why still other customers might have access to robust, future-proof networks but lack the ability to afford services atop those networks.

Near-Term Initiatives

First, to help those who are unable to afford a connection get and keep one, an emergency broadband program should be established that provides financial support for consumers facing economic hardship due to the coronavirus pandemic. This program should provide a specified amount of funding per month for each such consumer during the pandemic, and for a period thereafter reflecting the likelihood of a lingering economic crisis, to allow that customer to purchase a broadband service at a speed and performance level of his or her choosing. To this end, we applaud the FCC for taking quick action to make its Universal Service Fund Lifeline programs more accessible to those in need. But with rural areas having higher costs to deliver broadband services, and with the prospect that even a Lifeline subsidy or something like it may not cover the full cost of a broadband bill for any given consumer, more is needed to ensure we can keep every American connected.

Second, in addition and as a complement to an emergency broadband benefit program for lower-income consumers, Congress should provide funding to help ensure that *all* customers can remain connected. For example, some customers who just recently lost jobs or suffer from reduced wages may not qualify for the emergency benefit described above but still face difficulty paying their broadband bills; similarly, health care providers, students, and small business customers covered by the FCC Chairman's pledge would not necessarily be eligible for such a program despite also desperately needing connectivity. Moreover, even those broadband customers that *do* qualify for the emergency benefit program may find that the amount of support received does not cover the full amount of their broadband bill (especially if the customer decides that he or she needs a more expensive higher-speed service for work or distance learning), leaving those customers still very much at risk for a loss or downgrade of service. Creating a program that provides dedicated funding to "help cover" bills that go unpaid by such broadband users therefore represents a logical and necessary complement to the emergency benefit program described above, and is ultimately essential to help ensure that broadband providers can "keep the Internet lights on" throughout this crisis and keep Americans connected consistent with the goals of FCC Chairman Pai's laudable pledge.

S. 3569, The Keeping Critical Connections Act, introduced by Sens. Amy Klobuchar of Minnesota and Kevin Cramer of North Dakota, represents the kind of measure that could work very well as complement to an emergency broadband benefit program for consumers suffering from economic hardship due to the crisis. This bipartisan, bicameral bill, which to date has 30 Senate sponsors including nine members of this Committee, would direct the FCC to create a temporary emergency fund for reimbursing small broadband providers only when an operator: (1) provides households with students with free or discounted broadband or free upgrades to meet distance learning needs; or (2) keeps low-income customers connected who cannot pay their broadband bill due to the economic impact of the COVID-19 national emergency. NTCA requests that Congress include this legislation in any upcoming stimulus bills related to the pandemic. Companion bi-partisan legislation has also been introduced in the House (H.R. 6394) by Reps. Peter Welch of Vermont and Roger Marshall of Kansas.

Third, Congress should give additional flexibility to providers struggling to repay outstanding loans issued by the United States Department of Agriculture's Rural Utility Service Program (RUS). Options such as the ability to fully refinance RUS loans at the current interest rate and a congressionally directed blanket suspension of principal and interest payments for several months would help alleviate the pain

and strain that many providers will face due to reduced revenues from customers using those providers' voice and broadband services.

Fourth, Congress should finish last year's hard work by fully funding Chairman Wicker's *Broadband DATA Act* as well as the *Secure and Trusted Communications Networks Act of 2019*. Both pieces of legislation are critical for the future of our broadband programs, and Congress and the President have already of course recognized their immense value by enacting and signing them into law. The final steps now must be taken to fund these efforts.

Finally, providers have learned a lot about network resiliency during these times. While NTCA contends that fiber-based infrastructure has outperformed other technologies, we have also seen the strain third parties can place on our rural networks. As Congress looks toward the future of how networks handle increased demand during times of crisis, we believe the outside sources of congestion and strain on rural networks should be studied. To this end, NTCA recommends that Congress direct the preparation of a study to assess how different services and applications and web-enabled businesses place data demands on networks and the costs that follow from accommodating such demands.

A Long-Term 'Forever Connected' Broadband Plan

As for the long-term – the question is how do we avoid ending up here again, where some rural customers still lack sufficient broadband? While NTCA is proud of our members for providing hotspots and other innovative ideas such as drive-in Wi-Fi in the face of the immediate crisis, these are not long-term solutions to eliminating the homework gap or addressing America's digital divide. The homework gap, for example, begins at home – meaning that we should focus on programs that drive the delivery of world-class networks to every American home throughout a community so that students can engage in synchronous learning; as the pandemic has shown, we also need networks with robust symmetrical capability that truly enables virtual private networks and other applications that make effective and productive teleworking possible.

From the Alaskan Bush to the Mississippi Delta, no American should get second-class broadband service, or worse yet, no service at all. That is why NTCA recommends that Congress adopt a "Forever Connected" approach to promote the deployment of future-proof networks and ensure the next time we find ourselves in a national disaster, no student, senior citizen, or rural or urban American is left in the digital darkness.

There are many ideas out there for how to fix this complex problem, and NTCA applauds members of Congress for prioritizing this issue. While NTCA appreciates the innovative ideas put forth already, our ultimate recommendation to Congress is that there is actually no need to reinvent the wheel with new programs, but to instead simply enhance, improve, and direct any new funding to existing broadband programs that have been improved over years and even decades.

More specifically, programs such as the FCC's Rural Digital Opportunity Fund and the USDA's RUS ReConnect Program are better equipped to receive and then distribute additional funds. Creating yet another program from whole cloth at yet another agency could take years to get right and would risk duplicating the work of the more established federal broadband support programs at best, and conflicting with the work of these programs at worst.

We recommend following these simple guidelines when crafting legislation for long-term broadband solutions:

1. Leveraging existing broadband programs is the best way of getting the most immediate return on investment while also avoiding confusion and potential inter-agency conflicts.
2. Prevent duplication of scarce federal resources by requiring all agencies to strictly coordinate use of their broadband programs.
3. Require all agencies to use updated broadband maps and meaningful challenge processes to ensure that unserved areas are accurately identified.
4. Invest in technology that can be readily upgraded to deliver the fastest speeds over the long-term life of the asset being built, rather than supporting technologies that look cheaper to deploy now but are unable to provide meaningful internet access over time and thus will in fact cost more over time to upgrade to keep pace with increased demand. We would not use our highway program to create a two-lane road when we know an eight-lane highway will be needed in 5 or 10 years – that would be a terribly inefficient use of funds – and we should think of our broadband infrastructure the same way.
5. Remember that any program must focus not only on building the broadband network itself, but also sustaining that network over time once it has been built. In many cases, rural operators are serving roughly one subscriber per square mile, and operating a network with so few users takes not only capital for initial deployment but continued support to maintain over the long-term and keep services affordable on that network.

NTCA–The Rural Broadband Association is grateful for this committee’s ongoing leadership and focus on identifying and solving barriers to broadband deployment – especially during the COVID-19 Pandemic. We are all in this together, and the work that Congress will do over the next several months can make a lasting impact on broadband policy in America for future generations to come. Thank you for inviting me to be with you today and I look forward to the chance to converse further with you on these topics.