Association of Missouri Electric Cooperatives

2722 East McCarty Street, P.O. Box 1645
Jefferson City, Missouri 65102
Telephone: (573) 635-6857
Fax: (573) 635-2314
www.amec.coop

The Honorable Billy Long
2454 Rayburn House Office Building
Washington, DC 20515

Dear Representative Long:

We applaud the Subcommittee on Communications and Technology for holding today's hearing *"Realizing the Benefits of Rural Broadband: Challenges and Solutions."* Access to broadband for rural Missourians is a priority issue for Missouri's Electric Cooperatives.

The Federal Communications Commission estimates that 23 million rural Americans lack access to high-speed internet. The vast majority live in electric co-op service territories. High-speed internet access is essential to a healthy 21st century rural economy. Broadband access plays a vital role in health care, education and access to global markets.

For more than 75 years, America's electric cooperatives have powered local economies across 56 percent of the nation. Now, nearly 100 electric co-ops across the country are reinvesting in rural America by bringing high-speed internet access to rural homes, businesses, schools and farms. This connectivity serves two key purposes: bridging the digital divide for co-op members and enhancing the co-op business operation network, allowing the co-op and members to adopt emerging energy management technology.

In Missouri, seven of the state's electric cooperatives — United Electric, Ralls County Electric, Co-Mo Electric, Callaway Electric, Barry Electric, SEMO Electric and Pemiscot-Dunklin Electric — are providing or building fiber-to-the-home high speed internet services. In addition, Intercounty Electric Cooperative has purchased an internet provider with plans to expand its service to its members when feasible.

Elsewhere, broadband has been a hot topic at just about every electric cooperative board meeting in the state. Many studies have been undertaken to determine the feasibility of supplying fiber optic internet service to unserved or underserved parts of rural Missouri. In many cases, the numbers just don't work because of extremely low population densities of three people per mile of line or less. Also, the presence of other internet providers already serving any area of higher density makes offsetting these low-density areas impossible.

Even if a Missouri electric cooperative can't provide the service, they are working behind the scenes to eliminate barriers that would prevent others from providing the service. For example, the passage of House Bill 1880 supported by the state's electric cooperatives removes uncertainty for those existing and new services.

The electric cooperatives are motivated by pleas for help like this one from a woman who lives less than a mile from where high-speed internet is available yet is denied service: "The only internet we can get is Century Link which only allows one device at a time. My husband has heart failure and is monitored every evening. My grandchild who is a college student could not use the slow service to connect for online college courses and had to move back to Kansas City to continue his schooling. I am starting an online business in the fall, high speed internet access is a must have to make a rural based company successful."

Existing federal programs have failed to solve the rural broadband problem. We need a new approach. The FCC relies on self-reported and unverified data to determine broadband availability across the nation. This data overestimates the level of service available in rural areas and should not be the sole point of reference to determine if an area is served or unserved. Bridging the digital divide requires an all-inclusive approach to solutions in unserved and underserved areas.

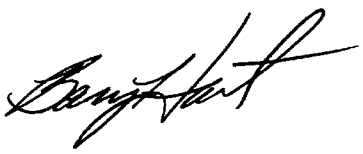
It is critical that these solutions recognize the need for broadband systems to remain viable for years into the future.

Broadband Policy Recommendations: 4 Success Factors

1. Additional financing support with a combination of grants and loans.
2. All capable providers with experience in serving rural infrastructure needs should have equal access to federal funding, regardless of technology.
3. Grants should prioritize projects in areas with the lowest population density given that is a prime cost driver for rural broadband deployment.
4. Broadband systems funded with federal money should meet the growing speed and data consumption needs of today and into the future. In today's 21st century economy, broadband systems built to 10/1 or slower speeds cannot support a modern household much less attract and retain new businesses.

Missouri's Electric co-ops are committed to improving the quality of life for rural citizens that we serve. We want the flexibility to pursue meaningful solutions for those who lack broadband access. We look forward to continuing the conversation and working together on technology and funding solutions that will enrich the lives of rural American families and businesses.

Sincerely,



Barry Hart
Executive VP/CEO
Association of Missouri Electric Cooperatives