

Feb. 17, 2021

The Honorable Michael F. Doyle
Chairman, House Energy and Commerce
Committee Subcommittee on Communications
and Technology

The Honorable Robert E. Latta
Ranking Member, House Energy and
Commerce Committee Subcommittee
on Communications and Technology

*Re: House Energy and Commerce Committee Subcommittee on Communications and Technology
Hearing on "Connecting America: Broadband Solutions to Pandemic Problems"*

Statement for the Record of the Utilities Technology Council

Dear Chairman Doyle, Ranking Member Latta, and Members of the Subcommittee on Communications and Technology:

Thank you for the opportunity to submit this statement for the record regarding today's hearing on Connecting America: Broadband Solutions to Pandemic Problems. This is a timely hearing as broadband is fast becoming an essential service for all Americans. Indeed, broadband is as important today for a community's economic survival as electricity was in the early to mid-1900s. The difference between a thriving community and a failing one can often come down to access to broadband. This is why electric utilities of all kinds are empowering broadband deployment in numerous ways.

Established in 1948, UTC is the global association for energy and water utilities' information and communication technology (ICT) interests. Energy and water utilities use ICT networks as the backbone for the infrastructure that delivers safe, reliable, and secure energy and water services. Utilities are also using ICT networks to deploy creative broadband solutions and services. The decision for many electric utilities to provide broadband is a natural progression, because in most cases, these utilities have already built, and are upgrading, communications networks to modernize the electric grid, and to enhance electric reliability and resiliency.

Unfortunately, but not surprisingly, the COVID-19 pandemic has laid bare that not enough Americans have access to broadband connectivity. This lack of connectivity is a result of economic and market failure. It is universally agreed that the high cost of deployment of broadband infrastructure and low population density are the main reasons that many areas of the country lack broadband access.¹ In response, many utilities have either deployed their own broadband networks or partnered with commercial service providers to offer broadband to areas that previously lacked access.

Electric utilities of all kinds—from large, multi-state investor-owned utilities to smaller, non-profit electric cooperatives and public power utilities—are helping to bring broadband to all Americans. Approximately 100 electric cooperatives in several states provide broadband service directly to their customers. Many of these utilities have created standalone subsidiaries to provide broadband service. As an example, Mid-Carolina Electric Cooperative, based outside Columbia, S.C., has established

¹ See Brian O'Hara, "Rural Electric Cooperatives: Pole Attachment Policies and Issues," available at https://www.cooperative.com/programs-services/government-relations/regulatory-issues/Documents/2020.01.06%20Updated%20NRECA%20Pole%20Attachment%20White%20Paper_FINAL.pdf See also, Steve G. Parsons and James Stegeman, "Rural Broadband Economics: A Review of Rural Subsidies," <https://www.ustelecom.org/wp-content/uploads/documents/Rural%20Broadband%20Economics-A%20Review%20of%20Rural%20Subsidies%20%5B1%5D.pdf>

CarolinaConnect to provide broadband service to customers in the utility's service territory. United Electric Cooperative in Missouri created United Fiber for its customers.

In addition, numerous public-power utilities also provide broadband services to the communities that they serve with electricity. For example, Cedar Falls Utilities in Iowa, BrightRidge (formerly Johnson City Power Board) in Tennessee and Huntsville Utilities in Alabama have deployed broadband networks to provide robust, reliable and affordable broadband services in unserved areas. These utilities provide some of the fastest broadband available anywhere in the country. Moreover, studies have shown that broadband has created billions of dollars in economic benefits to their communities.²

Several investor-owned utilities are also deploying middle-mile broadband networks by partnering with communications service providers, that are in turn offering broadband services in unserved areas. Under this arrangement, a utility will build out its communications network and connect it to a local ISP's system to reduce the costs of stringing lines and fiber in difficult-to-serve areas. Utilities in Virginia, West Virginia, Alabama and elsewhere are pursuing these kinds of arrangements.³ In Mississippi, the state's largest utility reached a deal with a regional ISP to deploy smart meters to homes and businesses in unserved parts of its electric service territory.⁴

Because these utilities are already providing electric service in areas that lack broadband access and they have the resources and staff engineering expertise to build and operate communications networks, providing broadband service is a natural extension of their commitment to serve their customers. Moreover, they understand that access to broadband promotes economic growth to the communities they serve, and provides better jobs, healthcare and education. Broadband has helped stem population declines in rural areas by attracting new businesses and improving the overall quality of life, while allowing residents in those areas opportunities they would not otherwise have without broadband access.

UTC once again thanks the Committee for holding this important hearing and appreciates the opportunity to submit this statement. Electric utilities, more than most industries, understand the importance of broadband connectivity. Access to reliable broadband means more jobs and more businesses, which in turn means economic growth. Utilities empower broadband deployment and are natural partners in bringing internet connectivity across the country. We look forward to working with the Committee in ensuring that all Americans have access to robust, affordable and reliable broadband networks and services.

² Bento J. Lobo, "Ten Years of Fiber Optic and Smart Grid Infrastructure in Hamilton County, Tennessee" (Aug. 31, 2020) available at https://assets.epb.com/media/Lobo%20-%20Ten%20Years%20of%20Fiber%20Infrastructure%20in%20Hamilton%20County%20TN_Published.pdf.

³ <https://utc.org/utility-broadband-deployment/>

⁴ Rob Thormeyer, "Utilities Step In When Others Step Out: Bridging the Broadband Gap," UTC Journal, Q4, 2018 <https://www.bluetoad.com/publication/?m=4751&i=575916&p=26>