

May 6, 2021

The Honorable Mike Doyle
Chairman
Subcommittee on Communications and Technology
270 Cannon House Office Building
Washington, DC 20515

The Honorable Bob Latta
Ranking Member
Subcommittee on Communications and Technology
2467 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Doyle and Ranking Member Latta:

Thank you for holding today's important hearing, "Broadband Equity: Addressing Disparities in Access and Affordability," which will examine important questions essential to permanently solving the nation's digital divide. USTelecom submits this letter for the record in order to offer the considerable experience of our members, who are at the forefront of deploying broadband across the nation.

Expand Broadband Access

First, on the issue of broadband access, we stand today closer than ever before towards achieving our shared goal of high-speed broadband availability for every home across the nation. Private sector investment has fueled America's position as a global leader in broadband connectivity. In fact, America's broadband providers have invested over \$1.78 trillion over the past 25 years into the nation's broadband networks—the near equivalent of the recent American Rescue Plan to bolster the entire American economy. And in the last few years, broadband providers have invested approximately \$80 billion each year. Those investments are paying off:

- 92% of Americans have access to 100 Mbps speeds—up from only 10% a decade ago.
- 87% of Americans have access to Gigabit speeds today—this technology simply was not even available a decade ago.
- Broadband availability and adoption in the U.S. far outpaces our EU counterparts.¹

¹ USTelecom, No Contest: U.S. Leads Europe in Broadband Deployment, Adoption, Investment and Competition (Apr. 21, 2021) <https://www.ustelecom.org/no-contest-u-s-leads-europe-in-broadband-deployment-adoption-investment-and-competition/>.

Yet work remains to connect those areas that are simply uneconomic for the private sector to serve. Congress's recent commitments of billions of dollars for broadband deployment over the past year² plus the Federal Communications Commission's recent \$9 billion Rural Digital Opportunity Fund are slated to provide life-changing broadband connectivity to millions more Americans. President Biden has called for up to \$100 billion in additional funding to close the digital divide, and we support Congress providing the funds necessary to finish the job.

As it allocates money, Congress should establish clear definitions of which areas are "unserved" in order to best target funding towards the areas that need broadband the most—particularly those that lack 25 Mbps download/3 Mbps upload. While broadband needs are evolving—and the speeds required to fuel our broadband dependencies are too—it is important to focus first on serving unconnected areas before looking to upgrade areas where broadband exists today.

Focus on Long Term Affordability Programs

USTelecom commends Congress for recently launching and fast-tracking two major initiatives to ensure broadband is affordable for low-income students and those in need. The first, the FCC's Emergency Broadband Benefit program, provides a needed boost to ensure that all Americans have access to broadband at home during the pandemic, when the truly essential nature of broadband has never been more clear.³ The second, the American Rescue Plan, provides over \$7 billion to ensure no student is left behind because their family cannot afford broadband connectivity or the devices necessary to effectively use such networks.

USTelecom members and the broadband industry as a whole have been doing their part to boost broadband affordability. FCC and public data show⁴ that from 2015-2020 there were substantial reductions in price for the most popular and highest-speed broadband internet services in the U.S.:

- The most popular tier of broadband service in 2015 was priced about 20 percent lower (and offered nearly 16 % faster speeds) in 2020.
- These price reductions run counter to inflation, which increased consumer costs for overall goods and services by 9.3% over the same five-year period.
- When inflation is considered, the real price of the most popular tier of broadband service has actually dropped – 28% since 2015.

Although the cost of broadband is decreasing—while the cost of other consumer goods and services are increasing—too many remain without broadband connectivity.

² Congress has committed funding through various direct and indirect streams for broadband deployment as part of the CARES Act, Consolidated Appropriations Act, 2021, and American Rescue Plan over the past year.

³ Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, div. N, tit. IX, § 904(i), 134 Stat. 2130, 2135; *Emergency Broadband Benefit*, Report and Order, WC Docket No. 20-445, FCC 21-29 (rel. Feb. 25, 2021).

⁴ USTelecom, USTelecom Releases 2020 Broadband Pricing Report (Sept. 16, 2020) <https://www.ustelecom.org/ustelecom-releases-2020-broadband-pricing-index-report/>.

Congress must create a permanent solution for those who, without aid, broadband will always be out of reach. It is critical to engage across all sectors—public, private, and non-profit—to ensure support to help all unserved communities get connected and stay connected. USTelecom members are doing their part to activate the Emergency Broadband Benefit program, but a broad consensus is emerging⁵ that Congress should transition from an emergency program to a long-term investment in our nation’s connected future. As Congress contemplates how to help low-income families purchase broadband after the pandemic ends, the best way to refocus efforts on closing the affordability gap include these key aspects:

- **Flexibility:** Ensure that every American home has the ability to select the services that best fit their needs, be they fixed and/or mobile subscriptions.
- **Proven Success:** Use programs like the Supplemental Nutrition Assistance Program (SNAP) as a model for how broadband benefits can be confirmed and distributed simply and efficiently, including via debit cards loaded monthly with a predetermined amount that allow participants to make digital payments for the service that best fits their needs.
- **Ensure Sustainability:** Consider appropriating funds to ensure the long-term viability of any affordability program. This serves as an investment in America—universal connectivity makes the nation exponentially stronger.

Unfortunately, some current broadband legislative proposals forego long-term broadband benefits—which exist for nearly every other essential service—creating a potentially missed opportunity at meaningful progress.

Many broadband providers today already offer packages for low-income households.⁶ Further, as described above, broadband providers have already been doing their part to bring down prices. This is proof the market is working. Yet even with low-cost offerings, some of our fellow citizens are unable to afford broadband—and these may be the very households who will benefit most from a broadband connection for job opportunities, education and healthcare. The government should commit to a sustainable benefit to bring these Americans who deserve connectivity online.

Thank you again for your focus today on these important issues. USTelecom and its members stand ready to assist as you make important decisions that will impact the lives of millions of Americans by bringing them a connected future. We look forward to being a resource on this and other topics to you and your staff.

⁵ See Letter from ACA Connects, African American Mayors Association, American Association of People with Disabilities, *et al.*, to the Hon. Rosa DeLauro, Chair, Approps. Committee; Hon. Kay Granger, Ranking Mem. Approps. Committee, Hon. Frank Pallone, Chair, Energy & Commerce Committee, *et al.* (Apr. 6, 2021) available at <https://www.verizon.com/about/sites/default/files/2021-04/congress-letter-april-2021.pdf>. The letter, encouraging Congress to “comprehensively address the [broadband] affordability challenges facing low-income Americans” had nearly 50 signatures from civil rights and public interest groups as well as members of industry.

⁶ See, e.g., AT&T, Access from AT&T, <https://www.att.com/internet/access/> (offering \$10/month plans to certain qualifying customers); Verizon, Low Income Internet, <https://www.verizon.com/info/low-income-internet/> (offering \$20 discount in addition to Lifeline benefits).

Sincerely,

A handwritten signature in black ink that reads "Jonathan Spalter". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Jonathan Spalter
President and CEO
USTelecom – The Broadband Association

Cc: The Honorable Frank Pallone
The Honorable Cathy McMorris Rodgers