

Opening Statement of Chairman Robert E. Latta
Subcommittee on Communications and Technology
“Connecting Every American: The Future of Rural Broadband
Funding”
September 21, 2023
(As Prepared for Delivery)

Good morning, and welcome to today’s hearing.

Americans rely on Internet connectivity for work, education, health care, and staying connected with loved ones. Yet, despite years of effort and billions of dollars, many Americans are still without a reliable broadband connection.

Closing this digital divide is a bipartisan priority and significant federal resources have been dedicated to this effort.

Unfortunately, a problem that requires a dedicated and efficient response spurred an **overwhelming and scattered** federal funding response. As Ronald Reagan rightly said, the “government is not the solution to our problem; government is the problem.”

In May 2022, the Government Accountability Office found that there are over 130 broadband programs spread across 15 federal government agencies. The largest of these programs—the Broadband Equity, Access, and Deployment, or BEAD, program, created in the Infrastructure Investment and Jobs Act—commits \$42.45 billion to broadband deployment.

One of this Committee's top priorities is making sure these programs are administered effectively so that money dedicated to closing the digital divide achieves its goal. I remain concerned about whether that will happen. Some of these programs, including BEAD, were created outside of regular order.

There was **no discussion** of whether \$42 billion is the right number or debate on how this program should be administered. Very little of this money, if any, will support rural wireless carriers that provide critical services. I am also concerned that rising costs for labor and equipment will create supply chain shortages, taking both additional money and time required for deployment. Given this uncertainty, I worry that the federal government **will waste this opportunity** to connect **all Americans**.

Oversight of these existing programs is crucial for their success, but we also need to look towards the future to consider what federal funding for broadband should look like once programs like BEAD conclude.

For example, the Universal Service Fund, or USF, was created in 1997 and distributes approximately \$8 billion per year. It supports four broadband programs targeting high-cost areas, schools and libraries, low-income households, and rural health care facilities. Many small, rural providers are dependent on the USF to support their deployment in unserved communities.

Over the past few years, however, Congress has also spent billions of dollars funding **these same efforts** through BEAD, the Emergency Connectivity Fund, the Affordable Connectivity Program, and COVID-19 Telehealth Program.

Given this duplication, Congress needs to address whether we still need the USF and, if so, what it should look like. This includes addressing what programs the USF should fund, how the USF should be funded, and what reforms are needed to ensure the programs are run effectively and without waste, fraud, or abuse.

These are important questions for Congress to consider. Answering them will require **serious bipartisan, bicameral discussions.**

That is why I am pleased to announce today that Ranking Member Matsui and I are joining the bipartisan Universal Service Fund Working Group, led by Senators Thune and Lujan. I look forward to hearing from stakeholders and working with my colleagues on both sides of the aisle and the Capitol to find a solution that will ensure **sustainable** universal service for years to come.

Today's hearing is a start of looking towards the future of federal broadband programs. I look forward to hearing from our witnesses. Thank you for appearing before us today.

I now recognize the Ranking Member of the Subcommittee, the gentlelady from the Seventh District of California.