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5 THE FISCAL YEAR 2025

6 NATIONAL TELECOMMUNICATIONS INFORMATION BUDGET

7 WEDNESDAY, MAY 15, 2024

8 House of Representatives,

9 Subcommittee on Communications and Technology,

10 Committee on Energy and Commerce,

11 Washington, D.C.

12

13 The subcommittee met, pursuant to call, at 10:39 a.m. in  
14 the Room 2322, Rayburn House Office Building, Hon. Robert  
15 Latta [chairman of the subcommittee], presiding.

16

17

18 Present: Representatives Latta, Bilirakis, Walberg,  
19 Carter, Dunn, Joyce, Weber, Allen, Pfluger, Harshbarger,  
20 Miller-Meeks, Obernolte, Rodgers (ex officio); Matsui,  
21 Clarke, Veasey, Soto, Eshoo, Cardenas, Craig, Fletcher,

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22 Dingell, Kuster, Kelly, and Pallone (ex officio).

23 Also present: Representative Griffith.

24

25

26 Staff Present: Sydney Greene, Director of Operations;  
27 Slate Herman, Counsel; Nate Hodson, Staff Director; Noah  
28 Jackson, Clerk; Alex Khlopin, Staff Assistant; Peter Kielty,  
29 General Counsel; Emily King, Member Services Director; Giulia  
30 Leganski, Professional Staff Member; John Lin, Senior  
31 Counsel; Kate O'Connor, Chief Counsel; Hannah Anton, Minority  
32 Policy Analyst; Keegan Cardman, Minority Staff Assistant;  
33 Jennifer Epperson, Minority Chief Counsel; Waverly Gordon,  
34 Minority Staff Director and General Counsel; Tiffany  
35 Guarascio, Minority Staff Director; Dan Miller, Minority  
36 Professional Staff Member; Michael Scurato, Minority FCC  
37 Detailee; and Johanna Thomas, Minority Counsel.

38

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39           \*Mr. Latta. The subcommittee will come to order, and  
40 the chair recognizes himself for an opening statement.

41           And good morning, and welcome back to the subcommittee,  
42 Assistant Secretary Davidson. Thank you for appearing before  
43 us today, and we look forward to today's discussion.

44           Today members of this committee expect an update on  
45 America's largest investment to bridge the digital divide,  
46 the BEAD program. This \$42.45 billion fund is statutorily  
47 obligated to connect unserved and underserved Americans to  
48 reliable broadband Internet, so that they are able to reap  
49 the benefits that come with connectivity.

50           Since we last spoke, states submitted their initial  
51 proposals for this funding. Louisiana, the first state to  
52 submit their volume two application, celebrated the approval  
53 of their initial proposal on December the 15th, 2023. Now,  
54 over four months later, NTIA has only approved the volume two  
55 applications for three additional states: Kansas, Nevada,  
56 and West Virginia. I hope that NTIA will not miss the  
57 statutory timeline for this program. It is essential for you  
58 to work diligently to keep the program on track to close the  
59 digital divide.

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60           While it is important to have reasonable processing  
61 timelines for this program, ensuring that BEAD is a program  
62 that broadband providers will be willing to participate in is  
63 also essential. In February the Department of Commerce  
64 Office of Inspector General echoed what some of the  
65 Republicans' have stated since the passage of the  
66 infrastructure law: the BEAD program must be technologically  
67 neutral to fit the broadband needs of the different states  
68 and territories.

69           The OIG warned that NTIA must relax the fiber preference  
70 in extremely high-cost -- to take into consideration the  
71 limited availability of resources to support a fiber  
72 preference. Ignoring innovations in unlicensed fixed  
73 wireless and satellite technologies will make the BEAD  
74 program a -- deploy as much fiber as possible, programs that  
75 connect every American program that Congress directed.

76           In addition, members of this committee have expressed  
77 concern about NTIA forcing states to regulate broadband  
78 rates, imposing burdensome labor requirements, and ignoring  
79 other congressional directives.

80           Now that OIG has confirmed our earlier fears, we hope

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81 you will finally listen to other concerns we have raised.

82 I expect we will hear today from the Assistant Secretary  
83 and my Democrat colleagues about the need to provide a  
84 funding for the Affordable Connectivity Program, ACP. I  
85 would just note that the Senate is controlled by the  
86 Democrats, and has yet to send a solution to the House. We  
87 have also not been asked to work on reforms to the program  
88 that would earn our support to fund.

89 However, I am actively participating in a bipartisan,  
90 bicameral USF Working Group, which is working on a long-term,  
91 sustainable solution to ensuring that the Affordable  
92 Connectivity Program is sustainable long term, and I would  
93 encourage all my colleagues to support that effort.

94 Broadband is only one facet of our conversation today.  
95 NTIA's work spans from leading the executive branch and  
96 studies on Federal spectrum use reports on artificial  
97 intelligence and quantum computing to spurring innovation in  
98 public safety and open radio access networks. As NTIA's  
99 mission continues to expand, it is important Congress's  
100 intent for the agency remains clear.

101 Reauthorizing the NTIA is still a top priority for this

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102 committee, and I look forward to my bill with the ranking  
103 member of the subcommittee being considered by the full House  
104 this week that will do just that. It has now been over 30  
105 years since the NTIA was last reauthorized. It is our duty  
106 to provide direction to the executive branch agencies within  
107 our jurisdiction, and this committee takes that role  
108 seriously. We must move H.R. 4510, the NTIA Reauthorization  
109 Act, through the Senate and to the President's desk.

110 Now I must note I was disappointed following our  
111 December oversight hearing that we did not receive answers in  
112 the 30 days we requested on additional questions that were  
113 sent to NTIA, and instead got a response months later on  
114 April the 19th. This delay is not acceptable. As Members of  
115 Congress and your oversight committee, you have a  
116 responsibility to respond to inquiries in a timely manner.  
117 Following this hearing, we expect prompt responses to our  
118 questions.

119 [The prepared statement of Mr. Latta follows:]

120

121 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

122

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123           \*Mr. Latta. That will conclude my opening statement,  
124 and I now will recognize the ranking member of the  
125 subcommittee, the gentlelady from California's 7th district,  
126 for an opening statement.

127           \*Ms. Matsui. Thank you very much, Mr. Chairman. I  
128 would like to start by thanking Assistant Secretary NTIA  
129 Administrator Davidson for testifying today before us, and  
130 whose leadership has been instrumental in guiding our  
131 nation's telecommunications policy.

132           As innovation speeds up, NTIA's role as the agency  
133 responsible by law for advising the President on  
134 telecommunications and information policy has never been more  
135 important. From spectrum and Internet governance to  
136 overseeing the deployment of AI systems, NTIA is making  
137 decisions now with far-reaching consequences. Despite this,  
138 NTIA has not been reauthorized for more than 30 years.  
139 Thankfully, today the House will be voting on the NTIA  
140 Reauthorization Act, which Chairman Latta and I lead. This  
141 bill will help the agency better execute its vital Federal  
142 mission.

143           Perhaps no part of that mission is more important than

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144 ensuring the continued success of the BEAD program. Born of  
145 the bipartisan infrastructure bill, BEAD represents our best  
146 shot at ensuring every American has access to affordable,  
147 reliable, and high-speed Internet. But it is important to  
148 remember that BEAD is more than just a broadband deployment  
149 program. It is a program designed to close the digital  
150 divide. To that end, it is not enough to simply build  
151 broadband in every neighborhood or hamlet in the country. We  
152 must make sure that broadband is affordable and accessible to  
153 all.

154       Thankfully, the statute that created BEAD ensured that  
155 affordability was a foundational component of this program.  
156 By requiring state plans to include a low-cost option, the  
157 statute acknowledges that deployment is only one facet of a  
158 holistic effort to close the digital divide. That is why  
159 Ranking Member Pallone and I sent a letter to NTIA signed by  
160 every Democrat on the subcommittee, urging NTIA to continue  
161 prioritizing affordability as it reviews state plans. Doing  
162 so isn't just good for American consumers; it ensures that  
163 ISPs have a reliable customer base as they deploy in  
164 previously un or underserved areas.

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165           My district stretches from the urban core of Sacramento  
166 all the way down to the Delta, including small agricultural  
167 towns and farming communities. And whether I am in downtown  
168 Sacramento or small hamlets, I hear about broadband  
169 affordability. The high cost of broadband isn't an urban or  
170 rural issue. It affects all Americans. That is why I am so  
171 glad to see NTIA taking it head on.

172           NTIA's crucial affordability work has only been made  
173 more urgent with a looming lapse in ACP funding. With 23  
174 million American households relying upon ACP to help make  
175 ends meet, a loss of this program could be a devastating blow  
176 to connectivity. Democrats have been laser focused on  
177 keeping this program alive. I hope my colleagues on both  
178 sides of the aisle will finally come to the table to talk  
179 about sustaining this vital program.

180           But to close the digital divide and a few other  
181 innovations America needs to lead, we must also focus on  
182 NTIA's statutory role as manager of the Federal Government's  
183 use of spectrum. Taken together, the National Spectrum  
184 Strategy and Presidential Memorandum on Spectrum offer a  
185 roadmap for sustained American leadership. That means

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186 empowering NTIA to speak on behalf of the Federal Government  
187 and setting aggressive timelines for studies of the bands  
188 identified.

189 But all of us will need to stay engaged with this  
190 process to ensure we meet our goals. That is why I sent a  
191 letter with Chairman Latta requesting an update on how they  
192 will be proceeding in the critical study of the lower three  
193 gigahertz band. For this and any other bands identified in  
194 National Spectrum Strategy, it is vital that the parameters  
195 and methodologies for these studies are driven by engineering  
196 and science. I am committed to continue my work with the  
197 chairman to ensure our subcommittee provides the necessary  
198 oversight to make sure that happens.

199 But there is more I am hoping to cover today, from Open  
200 RAN to AI governance, and I am excited to get going.

201 [The prepared statement of Ms. Matsui follows:]

202

203 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

204

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205           \*Ms. Matsui. So I want to thank again Mr. Davis in  
206 appearing before us today. And with that I yield the balance  
207 of my time.

208           \*Mr. Latta. Thank you. The gentlelady yields back.  
209           And just to let everyone know, the chair and the ranking  
210 member are downstairs on another subcommittee right now.  
211 They will be coming up posthaste.

212           But just two quick notes. By agreement, Mr. Davidson  
213 has asked for about a 10-minute recess at about 11:45. And  
214 so we will take a brief 10-minute recess at that time. And  
215 also, if the committee -- subcommittee is still running when  
216 votes are called at 1:30, we will come back after -- 10  
217 minutes after the second -- or the last vote is called, not  
218 when the vote completes, but when the last vote is called.  
219 So we will continue with that time.

220           So we will just take -- we will stand down just for a  
221 minute or two until the chair of the full committee can be  
222 here. Thank you.

223           [Pause.]

224           \*Mr. Latta. And right on time.

225           \*The Chair. Thank you, Chairman Latta.

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226           \*Mr. Latta. And the chair recognizes the gentlelady,  
227 the full committee chair from the State of Washington, for  
228 five minutes for her opening statement.

229           \*The Chair. Thank you, Mr. Chairman.

230           Welcome back, Administrator Davidson.

231           The National Telecommunications and Information Agency,  
232 NTIA, is responsible for managing Federal spectrum use and  
233 awarding funds to deploy broadband. In December, following  
234 the last NTIA oversight hearing, Chair Latta and I sent a  
235 letter regarding your prior testimony, suggesting that NTIA  
236 was allowing and even encouraging rate regulation by states  
237 participating in the Broadband Equity Access and Deployment,  
238 or BEAD program. In your response you stated that NTIA will  
239 consider any definition proposed by an eligible entity,  
240 provided that it meets the standards laid out in the BEAD  
241 statute.

242           We agree that NTIA is bound to that statute when  
243 implementing the BEAD program, and the Infrastructure  
244 Investment and Jobs Act explicitly states that NTIA is not  
245 authorized to regulate rates charged for broadband services.  
246 Yet we continue to hear from states that NTIA is pushing them

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247 to include rate-regulated options in their initial proposals  
248 for BEAD funding, which completely violates the intent of the  
249 law.

250 Because of NTIA's decision, some states have said that  
251 additional Federal funding will be needed. They have veered  
252 away from the technology-neutral principles mandated by law,  
253 and even sought to engage in rate regulation of broadband  
254 service, despite them knowing that this will fail to connect  
255 all Americans. Many of these proposed -- proposals  
256 jeopardize the success of the BEAD program and hinder the  
257 program's mission to connect as many Americans as possible.

258 While this program is distributed by the Federal  
259 Government and state broadband offices, it will be the  
260 participating providers, both big and small, that will  
261 ultimately determine the BEAD program's success. It is vital  
262 that NTIA follows congressional direction, administers this  
263 program to the letter of the law, and rejects state plans  
264 that stray from these goals, regardless of political leaning  
265 and leadership.

266 I am encouraged that NTIA is working with agencies to  
267 streamline the permitting process for BEAD recipients. With

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268 billions of dollars made available for broadband deployment,  
269 interagency coordination on all levels is key to ensuring  
270 this money is not wasted and efforts are not duplicated. But  
271 I caution the agency against creating a permitting regime  
272 that only benefits government-funded projects, which will  
273 further discourage investment and widen the digital divide.

274 This committee has taken decisive action to roll back  
275 similar permitting requirements for all broadband projects.  
276 H.R. 3557, the American Broadband Deployment Act, would allow  
277 all broadband infrastructure to benefit from the same  
278 categorical exclusions that BEAD recipients will enjoy. I  
279 hope NTIA and the Biden Administration will support that bill  
280 and work with us to get it signed into law.

281 Another shared priority is making spectrum available for  
282 commercial use, which is essential to maintain American  
283 leadership in next-generation wireless technology.

284 In March the NTIA released its National Spectrum  
285 Strategy Implementation Plan. This plan provides a roadmap  
286 for ensuring America's leading in spectrum, including  
287 timelines for spectrum studies, and I commend NTIA for its  
288 transparency in this process thus far. As the manager of

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289 Federal Government spectrum, I hope NTIA is collaborating  
290 with other relevant agencies to push for the most efficient  
291 use of spectrum and to identify spectrum that can be made  
292 available for commercial use.

293 Finally, I am sure that we will be hearing about the  
294 Affordability Connectivity Program today. There seems to be  
295 a lot of finger pointing. The Senate, which is controlled by  
296 the President's party, has not yet acted to fund this program  
297 or reached out to House Republicans to find a solution.

298 I will also note that, as the funding cliff for this  
299 program approaches, we have seen a remarkable response from  
300 industry offering low-cost options for broadband Internet as  
301 low as \$10 per month, well below ACP's \$30 floor. We all  
302 share the goal of making sure Americans are connected.  
303 Hopefully we can move beyond trying to score political points  
304 and work together to find a viable, long-term, fiscally  
305 responsible way to make it happen.

306 [The prepared statement of The Chair follows:]

307

308 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

309

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310           \*The Chair. Again, Administrator Davidson, thanks for  
311 being with us here today.

312           I yield back.

313           \*Mr. Latta. Thank you. The gentlelady yields back, and  
314 my understanding is the ranking member of the full committee  
315 is on his way up, so we are just going to informally suspend  
316 for a minute or so.

317           [Pause.]

318           \*Mr. Latta. At this time the chair will now recognize  
319 the gentleman from New Jersey, the ranking member of the full  
320 committee, for five minutes for an opening statement.

321           \*Mr. Pallone. Thank you, Mr. Chairman.

322           Today we conduct an important oversight of the National  
323 Telecommunications and Information Administration, and it is  
324 important that we recognize the tremendous amount of work the  
325 agency is doing to connect all Americans to fast, reliable  
326 and affordable Internet service.

327           NTIA is implementing the game-changing policies that  
328 President Biden and congressional Democrats delivered as part  
329 of the Bipartisan Infrastructure Law and its historic \$42  
330 billion investment in broadband infrastructure. And you

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331 can't streamline your way to universal Internet coverage, you  
332 have to make real investments and set the goal high like this  
333 law does, and it will fund the infrastructure that will bring  
334 reliable Internet now and last for years to come, rather than  
335 settling for second-class speeds and technology that will  
336 only leave these communities behind again when the next  
337 technology comes along.

338         But funding broadband infrastructure alone will not  
339 close the digital divide. For millions of Americans the cost  
340 of Internet service is too high, and that is why we included  
341 an important broadband affordability provision in the  
342 Bipartisan Infrastructure Law. It requires that providers  
343 who receive grant funds to build out this infrastructure must  
344 offer a low-cost option to certain households in the build-  
345 out areas. The statute allows states to determine what that  
346 low-cost figure will be. It also sets out a process for the  
347 NTIA to approve or disapprove of that number.

348         Now, some Republican critics of this policy wrongly  
349 characterize it as a rate regulation, but I think that is  
350 misreading the statute. Republican opponents are simply  
351 working with the Internet providers to make monthly Internet

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352 costs higher for the very communities set to finally receive  
353 Internet service. And we should be doing all that we can to  
354 make Internet service more affordable for Americans, and that  
355 includes funding the Affordable Connectivity Program. This  
356 month millions of Americans are seeing an increase on their  
357 Internet bill because the House Republican leadership does  
358 not extend or is not extending funding for the program, and  
359 this cannot continue.

360 I urge my colleagues again to work with Democrats to get  
361 this done.

362 Now, the NTIA is also hard at work implementing the  
363 Bipartisan Infrastructure Law's Digital Equity Program. This  
364 program will make sure everyone has the resources, skills,  
365 and devices to connect to the Internet and participate in our  
366 digital economy. And this is especially important, given the  
367 broadband adoption barriers faced by communities like seniors  
368 and veterans who do not always have the resources to take  
369 full advantage of the opportunities that the digital economy  
370 offers.

371 So, all of the broadband programs in the Bipartisan  
372 Infrastructure Law will strengthen our economy for the

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373 future, grow the middle class, and create good-paying  
374 American jobs.

375         So, NTIA also oversees special, I should say, Federal  
376 spectrum users and coordinates with the FCC to ensure that  
377 our airwaves are effectively managed. And I remain extremely  
378 frustrated that Congress still has not been able to  
379 reauthorize the FCC Spectrum Auction Authority after its  
380 expiration in March of 2022. Chair Rodgers and I have said  
381 for over a year that this reauthorization should not be  
382 delayed any further, and I am concerned that this lapse will  
383 hinder us on the global stage, especially as we continue to  
384 compete with China in the development of advanced wireless  
385 technologies.

386         So despite this lapse, President Biden has made great  
387 strides in modernizing our nation's spectrum policies. The  
388 President has reaffirmed the roles of NTIA and the FCC in  
389 managing the nation's spectrum resources. NTIA has built on  
390 these directives with the National Spectrum Strategy and an  
391 implementation plan, and these actions are an important first  
392 step in enhancing how we manage this critical natural  
393 resource to help strengthen America's technological

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394 leadership.

395           So the NTIA has also had important responsibilities in  
396 public safety communications and examining emerging  
397 technologies like artificial intelligence and open radio  
398 access networks. And I look forward to the House passing the  
399 bipartisan NTIA reauthorization, I think later today, which  
400 touches on many of these issues.

401           I would also look forward to hearing more about these  
402 topics from Administrator Davidson today, and thank him for  
403 being with us.

404           [The prepared statement of Mr. Pallone follows:]

405

406 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

407

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408           \*Mr. Latta. And before I close, I just wanted to  
409 clarify one thing with the chair: the committee procedure  
410 for members' panels after last week's field hearing in  
411 Bakersfield on rural broadband. Madam Chair, despite what  
412 occurred at the field hearing, I wanted to confirm that it  
413 remains the practice of the committee not to ask questions of  
414 Members of Congress who testify before the committee. I know  
415 this isn't a rule, but I think it has been comedy that we  
416 don't ask questions of Members of Congress who testify before  
417 the committee. And I would just ask if you would respond to  
418 that, Madam Chair.

419           \*The Chair. Yes, we will continue to follow the rules  
420 and practices of the committee.

421           \*Mr. Pallone. Thank you so much, and I yield back the  
422 balance of my time.

423           \*Mr. Latta. Thank you very much. The gentleman yields  
424 back the balance of his time. This now concludes the member  
425 opening statements.

426           The chair reminds members that, pursuant to committee  
427 rules, all members' opening statements will be made part of  
428 the record.

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429           We would like to thank our witness, Administrator  
430 Davidson, for being here today to testify before the  
431 subcommittee. Our witness will have five minutes to provide  
432 an opening statement, which will be followed by a round of  
433 questions from the members.

434           And again, Administrator Davidson, again, we are glad  
435 you are here.

436           And I also want to make a note for our witness that the  
437 timer light -- I hope it is all working out, we had a little  
438 issue before you got here -- that the timer light on the  
439 table will turn yellow when you have one minute remaining,  
440 and will turn red when your time has expired.

441           Administrator, you have five minutes for your opening  
442 statement. Thanks again.

443

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444 STATEMENT OF THE HON. ALAN DAVIDSON, ASSISTANT SECRETARY OF  
445 COMMERCE FOR COMMUNICATIONS AND INFORMATION AND  
446 ADMINISTRATOR, NATIONAL TELECOMMUNICATIONS AND INFORMATION  
447 ADMINISTRATION

448

449 \*Mr. Davidson. Chairman Latta, Chair Rodgers, Ranking  
450 Member Matsui, Ranking Member Pallone, members of the  
451 subcommittee, good morning, and thank you for the opportunity  
452 to appear today.

453 Since we last met in December, NTIA has made great  
454 strides in pursuit of the bipartisan initiatives that  
455 Congress has tasked to us. Today I will focus on three:  
456 connecting everyone in America to affordable, reliable, high-  
457 speed Internet service; maintaining American leadership in  
458 wireless innovation; and developing policies that will make  
459 for a better Internet.

460 This week marks two years since NTIA launched the  
461 Internet for All initiative, and I continue to be moved by  
462 the personal stories I hear from people all across the  
463 country who do not have an Internet connection. Just last  
464 week I was in Georgia, and I met a retiree named Ernestine.

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465 She shared that, until a year ago, she had never had Internet  
466 service. She simply couldn't afford it. Then she heard  
467 about the Affordable Connectivity Program, ACP. Now  
468 Ernestine finally has home Internet access. As she told us,  
469 "Once we had high-speed Internet at home, we didn't have to  
470 rely on a ride to the public library to get online.'`

471 A few months ago, Ernestine's husband, Bronson, was  
472 diagnosed with cancer. Suddenly, their Internet connection  
473 became a literal lifeline, letting them consult with  
474 specialists without having to drive long distances. In  
475 Ernestine's words, "Having the Internet at home transformed  
476 our lives in ways I never imagined.'` For Ernestine and  
477 millions of other people across the country like her, the  
478 need for connectivity is real, and it is urgent, and I am  
479 proud to report that we are making great progress towards  
480 meeting that need.

481 Through our grant programs, NTIA is already connecting  
482 people. We have deployed Internet service to tens of  
483 thousands of homes, providing nearly 30,000 connected  
484 devices, trained more than 15,000 people. From our state  
485 grant program -- for our state grant program, 2024 is a year

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486 of execution, and states will soon begin selecting providers  
487 to build networks. For our broadband adoption program, we  
488 have launched more than \$800 million in digital equity  
489 funding to deliver training and devices. And we are creating  
490 thousands of jobs through the President's Build America Buy  
491 America program, which is bringing manufacturing back home to  
492 build the Internet for all.

493         Affordability remains a key goal in this initiative, and  
494 Congress has a key role to play in achieving it. Congress  
495 should act now to ensure that ACP, as many of you said,  
496 remains on firm financial footing for the 23 million  
497 households like Ernestine's who rely on it.

498         Let me turn now to maintaining Americans -- America's  
499 leadership in wireless. Last fall we released the National  
500 Spectrum Strategy. Now we are executing on it, advancing  
501 work on the lower 3 gigahertz, 7 to 8 gigahertz, and 37  
502 gigahertz bands, while coordinating with Federal partners on  
503 spectrum-sharing pilots. NTIA's lab in Boulder, ITS, will  
504 play a critical role in these and future spectrum studies.  
505 Here again, Congress has a key role to play. It is critical  
506 that Congress reestablish the FCC's Auction Authority, and

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507 enact other reforms to enhance America's spectrum  
508 capabilities.

509 We also just announced our second funding notice, over  
510 \$400 million for the Wireless Innovation Fund. And the First  
511 Responder Network, now servicing over 5.5 million first  
512 responders, announced an \$8 billion reinvestment just this  
513 winter to enhance communications for our public safety  
514 workers.

515 Finally, NTIA is working domestically and globally to  
516 support an Internet that is free and open, safe, and secure.  
517 To highlight a few examples, I co-chair the President's Task  
518 Force on Kids Online Health and Safety, addressing a top  
519 concern of parents and caregivers nationwide. We are keenly  
520 focused on artificial intelligence. In March NTIA released a  
521 report on making AI more accountable, and we are now studying  
522 the openness of advanced foundational AI systems.

523 Again, this is an area where we need Congress. A  
524 comprehensive Federal privacy law would greatly help in these  
525 and other policy areas. So I commend this committee for its  
526 leadership and commitment to protecting privacy.

527 To close, given the importance of all these efforts,

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528 NTIA's work is about far more than technology policy. It is  
529 about building a more resilient, fair, and equitable society  
530 here at home. It is about competing better on the global  
531 stage, and it is about creating new jobs and economic  
532 opportunity for all Americans.

533 Thank you. Thank you for your partnership and  
534 leadership, and I welcome your questions.

535 [The prepared statement of Mr. Davidson follows:]

536

537 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

538

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539           \*Mr. Latta. Well, thank you very much for your opening  
540 statement. And at this time we will now begin questioning of  
541 our members, and I recognize myself for five minutes.

542           Mr. Assistant Secretary, I am seriously concerned about  
543 the negative impact the Federal Communications Commission's  
544 decision to reclassify broadband under title two of the  
545 Communications Act will have on the broadband industry. The  
546 data shows that, under the light touch regulatory framework,  
547 broadband deployment has increased, speeds have increased,  
548 and rates have charged -- have decreased. U.S. telecom  
549 networks thrived during the COVID-19 pandemic, when nearly  
550 all Americans moved online overnight.

551           You are now administrating a \$42 billion broadband grant  
552 program the NTIA, under your direction, filed in support of  
553 the FCC, reinstating strong net neutrality rules. What data  
554 did you use for your analysis to determine that this is  
555 necessary?

556           \*Mr. Davidson. First of all, I will just say that --  
557 thank -- first of all, thank you for the question. Also,  
558 thank you for your leadership and your courtesies in  
559 arranging for this hearing. Much appreciated.

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560           On this question I will just note that NTIA serves as  
561 the Administration's voice with the Federal Communications  
562 Commission. We filed on behalf of the Administration in the  
563 proceeding that you mentioned. And the Administration, this  
564 Administration, has made no secret that it is a strong  
565 supporter of the open Internet rules, the record that has  
566 been established by the FCC. We believe it strongly shows  
567 the need for consumer protections for a free and open  
568 Internet, for an open Internet.

569           And, you know, we also believe that the FCC had put  
570 together a compelling record that shows the national security  
571 needs that compelled its --

572           \*Mr. Latta. Let me follow up on that, on the national  
573 security, because under your filing you -- that you support  
574 this so that the FCC has the authority to act when needed to  
575 protect national security. But your filing also states that  
576 the FCC must take a collaborative and carefully calibrated  
577 approach to these security challenges.

578           What specific national security expertise does the FCC  
579 have that the other agencies can't handle?

580           \*Mr. Davidson. I think when it comes to

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581 telecommunications networks, the FCC has taken important  
582 action, for example, to make sure that Chinese  
583 telecommunications providers can't offer service here in the  
584 United States, and they have a good deal of competency in  
585 that.

586         There is an analogue in the broadband space, and I think  
587 that is very much what the FCC indicated in its record that  
588 it wants to address. And that is where we believe they will  
589 have the greatest need for this authority. And as we noted,  
590 and as you rightly, I think, indicated, there are other  
591 agencies that have a lot of expertise in other areas around  
592 cybersecurity. And that is why we think it is important for  
593 the FCC to continue also to defer to that expertise in other  
594 places.

595         \*Mr. Latta. Okay. When you say to defer to these other  
596 agencies and departments out there, could you just name a few  
597 of them, by chance?

598         \*Mr. Davidson. Well, I think the Department of Homeland  
599 Security is a great example. NTIA has its own competencies.  
600 There is a -- you know, there is offices within the White  
601 House that have a great deal of competency. The Justice

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602 Department is another one, and our intelligence community.

603       \*Mr. Latta. Okay, well, thank you. I understand that  
604 you are also pressuring states to regulate broadband rates in  
605 their state plans, despite the law clearly stating that NTIA  
606 does not regulate -- shall not regulate rates. Aren't you  
607 violating the law by pressuring states to do so by -- through  
608 the bidding, by effectively forcing them to set a price for  
609 Internet in their plans?

610       What part of the law allows you to pressure the states  
611 to include a rate-regulated option in their state plan?

612       \*Mr. Davidson. Well, we believe we are acting with  
613 fidelity to the statute. The statute requires that there be  
614 a low-cost service option. And we have given states a lot of  
615 flexibility about how they define it. We do not believe that  
616 the states are regulating rates here. We believe that this  
617 is a condition to get a Federal grant. Nobody is requiring a  
618 service provider to follow these rates. People do not have  
619 to participate in the program, and if they do participate in  
620 the program there are a lot of requirements, paper they have  
621 to file, things they have to do. And one of them is to offer  
622 a low-cost service option the way the state defines it.

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623           \*Mr. Latta. Let me follow up, because, you know, during  
624 the debate on the IIJA, Members of Congress stated that no  
625 rate regulation of broadband service would be authorized or  
626 permitted by NTIA as part of the BEAD program.

627           Yes or no, will you approve state plans that set a  
628 dollar amount for a low-income broadband plan?

629           \*Mr. Davidson. We have approved states that do that,  
630 and -- state plans that do that. We have approved eight  
631 state plans, and some of them do that. And, you know, we  
632 think that is consistent with the statute which required a  
633 low-cost option.

634           \*Mr. Latta. Well, if the states set a required rate to  
635 be offered, and you approve this plan, wouldn't your approval  
636 be violating the law by -- that prohibits you from that rate  
637 regulation?

638           \*Mr. Davidson. Again, NTIA is not engaging in anything  
639 other than approving states which have put in place grant  
640 conditions for how they are going to give out their money.  
641 Nobody is requiring any providers to provide service at a  
642 particular rate. This is simply a condition of getting these  
643 grants.

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644           And again, we have given states lots of flexibility  
645 about how they choose to implement it. Different states have  
646 already, we have seen, taken different approaches. If you  
647 look, there is a difference between Louisiana and West  
648 Virginia and Nevada. And some of them have chosen to take  
649 different -- you know, take an approach that is a range.  
650 Others have taken different approaches. And we have given  
651 them the flexibility.

652           \*Mr. Latta. Well, my time has expired, but I will take  
653 it up with you, and we can converse on this again. My time  
654 has expired, and I now recognize the gentlelady from  
655 California, the ranking member of the subcommittee, for five  
656 minutes for opening questions.

657           \*Ms. Matsui. Thank you, Mr. Chairman.

658           Since NTIA was last reauthorized more than 30 years ago,  
659 the pace of technological innovation has accelerated  
660 exponentially. Today the House will be voting on the bill to  
661 reauthorize the NTIA and provide it with new tools to address  
662 the technological challenges of tomorrow.

663           Mr. Davidson, can you describe how this bill will  
664 support NTIA's mission, and are there specific tools or

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665 authorities you find especially relevant?

666           \*Mr. Davidson. First of all, I want to thank the  
667 ranking member for your leadership and support on this and,  
668 really, the whole subcommittee and committee for the support  
669 for NTIA's reauthorization.

670           As you rightly note, we were last reauthorized over 30  
671 years ago, in 1992, before Google existed, before the Web was  
672 popular. And today we find ourselves with massive  
673 responsibilities in those areas. So updating the statute,  
674 our authorizing statute, is long overdue, and we greatly  
675 appreciate the committee's attention to it.

676           I think it is important to make the clarity that the new  
677 -- that the reauthorization bill offers about our  
678 responsibilities, including in areas like Internet policy,  
679 cybersecurity are going to be incredibly important. The  
680 clarity around our role in spectrum and other areas all, I  
681 think, are going to be incredibly welcome and, as I say,  
682 something we have been long overdue to get done. So we are  
683 hopeful for today's vote. Thank you.

684           \*Ms. Matsui. Thank you very much.

685           Ranking Member Pallone and I recently highlighted the

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686 BEAD program's role in ensuring every American has access to  
687 affordable broadband. This isn't merely a matter of  
688 deployment; it is about empowering Americans with the tools  
689 necessary for success in the digital world.

690 Administrator Davidson, how is NTIA ensuring that state  
691 plans provide affordable broadband services?

692 \*Mr. Davidson. Well, first of all, as you know,  
693 affordability is incredibly important. The story I told  
694 about the woman I met in Georgia is just one of thousands of  
695 stories, millions of stories, really, across America. And it  
696 does not help us to build a connection, as you rightly noted  
697 in your opening statement, it does not help us to build a  
698 connection if a family can't -- a low-income family,  
699 particularly -- can't afford that connection.

700 So from the start we understood that affordability has  
701 to be a key component here. The most important thing that we  
702 can do under the BEAD program is to enforce the low-cost  
703 option to ensure that there is a low-cost option, as Congress  
704 instructed us to do, and we are doing that with the states.

705 \*Ms. Matsui. Okay, certainly. The National Spectrum  
706 Strategy and Presidential Memorandum on Spectrum represent a

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707 critical step forward in our nation's pursuit of  
708 technological leadership. These documents successfully  
709 struck a balance between promoting private-sector innovation  
710 and furthering Federal missions. I am committed to  
711 supporting NTIA as it executes this strategy.

712 Mr. Davidson, how do you see the presidential memorandum  
713 informing the studies to be conducted as part of the National  
714 Spectrum Strategy?

715 \*Mr. Davidson. It is a great question. Thank you, by  
716 the way, for your long-term leadership on spectrum issues.

717 I will say that the National Spectrum Strategy was  
718 something we sorely needed, a road map to provide us with a  
719 path to making sure that we are meeting the spectrum needs of  
720 the private sector and the public sector.

721 We put out an implementation plan in March, and the  
722 presidential memorandum, in particular, is quite important in  
723 underlying all of this because it reaffirms NTIA's role with  
724 the FCC as a critical spectrum coordinator. It reiterates  
725 our role as the principal adviser, and gives us rules of the  
726 road for how we are going to work out this, you know,  
727 potential disagreements with other agencies. So it is

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728 incredibly important, and we really appreciate Congress's  
729 support in making sure we follow the rules of it.

730 \*Ms. Matsui. Okay. I worked to secure funding for Open  
731 RAN in the CHIPS and Science Act because it can support a  
732 more competitive and diverse wireless supply chain while  
733 promoting network flexibility and cost effectiveness. Mr.  
734 Davidson, NTIA recently announced \$420 million in funding to  
735 help build the radio equipment needed to advance open network  
736 adoption in the United States and abroad. Can you discuss  
737 the economic and national security implications of this  
738 funding?

739 \*Mr. Davidson. Well, you know, 5G is a very dynamic  
740 technology, but the market for 5G equipment has been quite  
741 static. And there is a -- and concentrated, right, where  
742 there are only really a handful of major suppliers around the  
743 world, and two of them are Huawei and ZTE, Chinese  
744 competitors that we really quite worry about the security of.

745 So this money is going to make sure that we can build  
746 more trusted, more secure, and open networks, and we are very  
747 excited to have it and to get this \$400 million out.

748 \*Ms. Matsui. Well, thank you. I want to get into AI.

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749 I don't have enough time, but the NTIA released its AI  
750 accountability policy report in March, which calls for  
751 improved transparency into AI systems, independent  
752 evaluations, and consequences for imposing unacceptable risk  
753 of making unfounded claims.

754 Now, I realize that my time has expired here, but I  
755 would like to further ask questions in written form.

756 [The information follows:]

757

758 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

759

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760           \*Ms. Matsui. So thank you very much.

761           \*Mr. Davidson. We welcome that, thank you.

762           \*Mr. Latta. Thank you. The gentlelady's time has  
763 expired, and the chair now recognizes the gentlelady from  
764 Washington, the chair of the full committee, for five minutes  
765 for questions.

766           \*The Chair. Thank you, Mr. Chairman.

767           Mr. Davidson, you received the questions for the record,  
768 the QFRs, from our December oversight hearing on January 3.  
769 The deadline for response on those QFRs was January 17. We  
770 received a response for you from you on April 19, 93 days  
771 after the deadline and, coincidentally, the same day that we  
772 announced this oversight hearing.

773           Additionally, Chair Latta and I sent -- led this  
774 subcommittee in sending you a letter on rate regulation  
775 following our last oversight hearing, and we asked you to  
776 respond by January 12, and received a response on March 19.  
777 These delayed responses concern me.

778           I would like to ask you, why did it take so long?

779           \*Mr. Davidson. I will just start by saying I am sorry  
780 those responses took so long, and we take the committee's

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781 oversight role very seriously.

782 I don't know all the details about why each of those  
783 took so long, and I would be happy to get back to you. I  
784 think the process of writing the QFRs were quite lengthy. We  
785 have to get them all cleared through a complex internal  
786 interagency process, and that often slows us down. That did  
787 slow us down, and -- but I think we should do better, and we  
788 can do better, and I promise to work to do better in the  
789 future.

790 \*The Chair. Well, you are not alone. It just means  
791 that I guess we are going to have to do more oversight  
792 hearings.

793 [Laughter.]

794 \*The Chair. NTIA released the first funding notice for  
795 the \$1.5 billion Wireless Innovation Fund on April 12, 2023.  
796 To date NTIA has awarded only \$140 million, representing 9.2  
797 percent of the program's funding. Last week the NTIA  
798 released its second funding notice for the program.

799 Finally, the NTIA is putting this money toward the  
800 commercialization and the deployment of the technology, as  
801 the law intended, instead of on university grants. What

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802 specific steps is NTIA taking to make sure grant funds in the  
803 second notice of funding get out quicker than those in the  
804 first notice?

805 \*Mr. Davidson. Well, Chair Rodgers, thank you for the  
806 question.

807 We are excited about this fund. We think it is going to  
808 do a lot of good. We think we can really bend the curve in  
809 terms of getting more open technology out there and getting a  
810 diversity of suppliers, including good American suppliers  
811 into this mix where they haven't been successful to date.

812 I will just note it is a 10-year program, and we wanted  
813 to -- we want to move quickly, but we also want to move  
814 smartly and wisely. And so our initial grants were at the  
815 amount that we were instructed to do by the statute. And  
816 also, we wanted to make sure that we were hearing from  
817 industry. We put out an RFC, and we were well informed  
818 before we did it.

819 The next step for us is this \$420 million grant program,  
820 grant opportunity. We are getting applications in by the  
821 early summer. We expect to turn those around very quickly,  
822 and they are focused on commercialization. That is a big

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823 part of it. You rightly note we need to make sure that this  
824 money is going not just to research, but to commercializing,  
825 in this case, the radio units that are so important.

826 \*The Chair. Thank you. You said, "quickly." My  
827 question was. when can we expect the first the first grants  
828 from the second round to be made?

829 \*Mr. Davidson. I would have to get back to you on the  
830 exact timing that we are expecting. I know it will be before  
831 -- it will absolutely be before the end of the year, and I am  
832 expecting them this fall.

833 \*The Chair. Very good. In March NTIA released the  
834 National Spectrum Strategy Implementation Plan. As NTIA  
835 begins conducting spectrum studies as part of the  
836 implementation plan, can you discuss how you are ensuring  
837 relevant agencies engage productively so that we can identify  
838 spectrum to be made available for commercial use, the going  
839 goal here?

840 \*Mr. Davidson. It is our ongoing goal, too, and we have  
841 really appreciated this committee's leadership and support on  
842 that.

843 The implementation plan is key, because we have a -- it

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844 is great to have goals, and it is very important to have had  
845 the presidential memorandum and the spectrum strategy, but  
846 unless we have a plan to actually achieve those goals we are  
847 not going to get to where we want to be. That implementation  
848 plan, if you look at it -- and I know this committee has seen  
849 it -- has very clear milestones and timelines and clear  
850 responsibilities for other agencies.

851           And I think the authority given within the presidential  
852 memorandum that has been laid out, and the plan that  
853 everybody has now signed up for, all the other agencies have  
854 signed up for, give us the ability to now hold people's  
855 agency's feet to the fire, make sure we are executing on the  
856 timelines, and push to get these studies done, some of which  
857 we will get done -- the first of which we really expect to  
858 have done this year.

859           \*The Chair. Thank you. I also appreciate you noting  
860 the importance of Congress, this committee --

861           \*Mr. Davidson. Right.

862           \*The Chair. -- leading on a privacy bill as a part of  
863 the AI roadmap and the -- and it being so foundational as a  
864 part of what Congress is doing on AI. Keep those -- keep

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865 saying that. All right.

866 Thank you, I yield back.

867 \*Mr. Davidson. Thank you.

868 \*Mr. Latta. The gentlelady yields back, and the chair  
869 now recognizes the gentleman from New Jersey, the ranking  
870 member of the full committee, for five minutes for questions.

871 \*Mr. Pallone. Thank you, Mr. Chairman.

872 As I said in my opening, Mr. Davidson, I am concerned  
873 that the affordability provisions in BEAD is being watered  
874 down by states.

875 And I would like to offer for the record a letter that  
876 the Democratic Communications and Technology Subcommittee  
877 members sent to NTIA in March on this topic.

878 \*Mr. Latta. Without objection.

879 [The information follows:]

880

881 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

882

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883           \*Mr. Pallone. Thank you, Mr. Chairman.

884           Administrator Davidson, since you were here before us  
885 now, can you just tell us whether NTIA is engaged in rate  
886 regulation? I know that is an issue.

887           \*Mr. Davidson. We are not engaged in rate regulation.  
888 We are faithful to the statute that we are implementing.  
889 Congress instructed us to make sure that there is a low-cost  
890 option to ensure that broadband networks that we are -- the  
891 Federal taxpayer dollars are paying for are affordable for  
892 low-income Americans, and that is exactly what we are doing,  
893 and we are doing it in a way that gives a lot of flexibility  
894 to states, and they are choosing different approaches to it.

895           \*Mr. Pallone. Thank you. Now, this week Chair Rodgers  
896 and I released a discussion draft sunseting section 230.  
897 And the idea is not to leave the future of online liability  
898 to the courts, but rather to spur a serious examination about  
899 how to preserve avenues for free speech while ensuring  
900 accountability when platforms knowingly put profits over  
901 people.

902           So, in my opinion, the status quo is just not working,  
903 and the sweeping immunity in section 230 is a fundamental

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904 problem. So I just want to ask if you agree that a change is  
905 needed to better protect the public from real-world harm.

906 \*Mr. Davidson. Well, the President himself has said  
907 that large tech platforms need to be held more accountable,  
908 and that we need serious reform for section 230. As the  
909 Internet evolves, the policies that shape it need to evolve,  
910 as well. And I think, you know, this is -- what has been  
911 proposed is a first step. I think the hard work is really in  
912 what will replace section 230.

913 \*Mr. Pallone. All right. Now, finally, I am concerned  
914 about the impact of social media increasingly incorporating  
915 more sophisticated artificial intelligence into their  
916 platforms, and the real risk that this technology could  
917 further drive the harmful behavior we have seen from these  
918 platforms.

919 So let me ask you a final question. How do we ensure  
920 that the artificial intelligence used by social media  
921 companies is accountable to consumers?

922 \*Mr. Davidson. So that is -- it is --

923 \*Mr. Pallone. I know that is not an easy question.

924 [Laughter.]

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925           \*Mr. Davidson. We have two, two-and-a-half minutes.  
926 No, it is a very -- it is an incredibly important question,  
927 because we know that responsible AI innovation is going to do  
928 a lot of good for people, right, that we understand that  
929 building these tools in is going to add a lot of value for  
930 consumers, right? Access to -- better access to medical  
931 care, very interesting ways that people are -- and businesses  
932 are using it.

933           The hard part is that responsible innovation part. And  
934 we are only going to realize the benefits of AI if we deal  
935 with the very real risks that exist today. And I think that  
936 is the key part of this, is that we have to take a whole-of-  
937 government approach, as we have tried to do in the executive  
938 order that the President put out, and look at all the tools  
939 we can to make sure that there is accountability and  
940 responsibility in the use of these tools.

941           We have done that through our -- we have an  
942 accountability report on AI that talks about how to make sure  
943 that AI systems are actually doing what they say they are  
944 going to do. There is a role for Congress here, as well, in  
945 starting to think about what kinds of guardrails we can

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946 really put in place on the deployment of these systems.

947 But I will also say at the Commerce Department we have a  
948 huge number of homework assignments that we have been given  
949 under the executive order that the President put together  
950 that really look at a lot of the different parts of what does  
951 responsible AI look like. But in the end of the day, we want  
952 this innovation to happen here. We want these tools in the  
953 hands of consumers because they are going to do a lot of good  
954 for people. We have got to deal with those real risks:  
955 privacy, security, bias.

956 And the last thing I will say is national privacy law  
957 would actually help us quite a bit here and in other areas,  
958 too, because privacy is a huge issue here about the use of  
959 data in all these AI systems. So the work of this committee,  
960 I will just say, has been -- is central to our ability to  
961 address the big concerns in AI.

962 \*Mr. Pallone. Well, that is certainly the response that  
963 I want to hear. Thank you so much.

964 And I yield back.

965 \*Mr. Latta. Thank you. The gentleman yields back the  
966 balance of his time. The chair now recognizes the gentleman

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967 from Florida's 12th district for five minutes for questions.

968 \*Mr. Bilirakis. Thank you very much. I appreciate it,  
969 Mr. Chairman, and I thank the Secretary for being here and  
970 testifying.

971 On February 29, the Department of Commerce inspector  
972 general sent you a management alert for the BEAD program. In  
973 that alert the IG proposed three actions that are necessary  
974 for the success of the \$42 billion fund. Two of those  
975 actions are relaxing the BEAD NOFOs fiber preference and  
976 extremely high-cost per-location threshold provision to take  
977 into consideration the limited resources to support a fiber  
978 preference. And the second one is developing a formal  
979 oversight process to ensure overbuilding is limited to those  
980 locations permitted by the IIJA. Clearly, it seems that the  
981 inspector general is listening to Congress on these issues.  
982 We appreciate that.

983 So Mr. Davidson, what is the NTIA's -- what are they  
984 doing to implement those two alerts? And please address each  
985 turn, if possible.

986 \*Mr. Davidson. I will just say, first of all, we always  
987 greatly appreciate the attention of the inspector general, it

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988 helps us always make our programs ever better. We want to  
989 operate with integrity, and the IG helps us with that. We  
990 often, especially in these management alerts, you know, we  
991 try to take the recommendations of the IG. We take them very  
992 seriously.

993         You know, and in terms of the second part of what you  
994 spoke about, the overbuilding issue, I feel quite -- I think  
995 the committee can feel quite confident we have heard from  
996 this committee about overbuilding quite a bit. I think we  
997 have approached it in a very, very careful way that has  
998 fidelity to the statute. And I think -- I haven't looked at  
999 the exact detail of that recommendation, but I suspect we are  
1000 going to be implementing it or have implemented it. I am not  
1001 concerned about overbuilding.

1002         I think that the -- I mean, I am concerned about it, but  
1003 I think we have got careful strictures in place to make sure  
1004 we are dealing with it.

1005         On the issue about our approach to technology, I will  
1006 just say we also feel quite confident in our approach, that  
1007 it is consistent with the statute. And we have heard from a  
1008 large number of stakeholders who were not consulted by the IG

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1009 in their initial -- in that first recommendation who have  
1010 given us a lot of input, and given the IG a lot of input  
1011 since that management alert came out.

1012 And as I say, I think we feel very comfortable that what  
1013 -- that we are working to give every American the best  
1014 Internet connection that we can. And for many states that is  
1015 going to include a mix of technologies. States are  
1016 absolutely expecting and will have a wide variety of  
1017 technologies at their disposal: fiber, fixed wireless, next-  
1018 generation tools, alternative technologies like low Earth  
1019 orbit satellites, all of which are mentioned in the IG  
1020 report, all of which we expect states to embrace.

1021 \*Mr. Bilirakis. All right, thank you very much. I want  
1022 to get on to the second question.

1023 We need more mid-band spectrum to compete with China and  
1024 achieve global 5G and 6G leadership. I think you understand  
1025 that. Under the National Spectrum Strategy, NTIA will study  
1026 the lower 3 band and the 7 and 8 gigahertz band. How did  
1027 NTIA choose the bands it will study?

1028 And do you think there is enough spectrum in these bands  
1029 for us to maintain our wireless leadership?

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1030           \*Mr. Davidson. Yes, I heartily agree with your  
1031 statement. We do need more mid-band spectrum. We know it,  
1032 and we are working to find it. And it is hard, because it is  
1033 a difficult process. There is not a lot of low-hanging fruit  
1034 out there.

1035           We went through an extensive, interagency conversation  
1036 and investigation to identify bands where we thought there  
1037 was promising opportunities for access to mid-band spectrum,  
1038 and that is where we ended up in the National Spectrum  
1039 Strategy. It was a really, like, an 18-month process,  
1040 intensive conversations and investigation, discussions with  
1041 other agencies. And at the end of the day, all agencies  
1042 concurred. The White House put out this strategy, and we now  
1043 have a unified government approach to study those bands. And  
1044 we are confident that there will be opportunities in those  
1045 bands to make sure that there is more mid-band spectrum  
1046 available for wide variety of uses.

1047           \*Mr. Bilirakis. All right, thank you. Let me get to  
1048 the third question, because I know the time is short.

1049           The \$42 billion BEAD program allowed the NTIA, two  
1050 percent of that funding, for administrative purposes.

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1051 Deploying funding for this program is going to be a marathon,  
1052 not a sprint. Is NTIA currently managing their  
1053 administrative funding in a way that will last the entire  
1054 term of these funds?

1055 \*Mr. Davidson. Yes, yes, we are, and we feel  
1056 comfortable with that.

1057 \*Mr. Bilirakis. Okay. Can you elaborate a little bit?

1058 \*Mr. Davidson. If the chair will allow, I will just say  
1059 we have been -- we know we have to be very prudent with the  
1060 taxpayer dollars. We believe that we have created a life  
1061 cycle of costs. Congress recently gave us some extra  
1062 flexibility about how to use our administrative funding that  
1063 provides funding for the full life cycle of our programs.

1064 \*Mr. Bilirakis. Thank you very much. I appreciate it.  
1065 I yield back, Mr. Chairman.

1066 \*Mr. Latta. Thank you very much. The gentleman's time  
1067 has expired, and the chair now recognizes the gentlelady from  
1068 New York's 9th district for five minutes for questions.

1069 \*Ms. Clarke. Thank you. Good morning, and thank you  
1070 very much, Chairman Latta and Ranking Member Matsui, for  
1071 convening this hearing on the important work being done by

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1072 the NTIA. Let me also thank Administrator Davidson for  
1073 joining us and testifying before us today.

1074 As the Federal agency in charge of expanding broadband  
1075 access and adoption, expanding spectrum uses, and  
1076 establishing more trusted and resilient networks, the  
1077 importance of NTIA's work cannot be understated, and I am  
1078 glad to see critical legislation to reauthorize NTIA advance  
1079 to the House floor for a vote this week.

1080 NTIA has been hard at work over the last two years  
1081 implementing the Internet for All initiative and the historic  
1082 broadband investments in the Bipartisan Infrastructure Law.  
1083 I am very appreciative of all the work you have done to  
1084 bridge the digital divide and bring affordable broadband to  
1085 the millions of Americans who have been unserved and  
1086 underserved for far too long.

1087 Unfortunately, we are at serious risk of unwinding much  
1088 of the success we have had in bridging the digital divide due  
1089 to the upcoming lapse in funding for the Affordable  
1090 Connectivity Program, or the ACP. The ACP provides 23  
1091 million American households across the country, including  
1092 over 65,000 households in my district, with a monthly benefit

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1093 towards their broadband bill. And without immediate action  
1094 from us here in Congress, the program will completely run out  
1095 of funding at the end of this month.

1096 This inaction is not just shameful, but nonsensical and  
1097 particularly disappointing considering the progress being  
1098 made with respect to NTIA's BEAD program. It seems we are  
1099 going to build out all this new broadband infrastructure just  
1100 in time to rip a critical broadband affordability program  
1101 away from millions of American families.

1102 Just as I did at our hearing in December of last year,  
1103 and countless hearings since, I am once again urging  
1104 Republican leadership to get off the sidelines and save the  
1105 Affordable Connectivity Program. The bipartisan support for  
1106 the program is undeniable at this point. My bill, H.R. 6929,  
1107 the ACP Extension Act, currently has 230 bipartisan  
1108 cosponsors in the House. Now is the time to act and preserve  
1109 this critical program.

1110 Administrator Davidson, at our last hearing in December  
1111 we discussed the interplay between various Federal broadband  
1112 programs, particularly BEAD and ACP, and I want to return to  
1113 the topic again today for my question, given the increased

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1114 urgency around the ACP funding. I think you will hear from  
1115 several of my colleagues about the importance of the  
1116 affordability and bridging the digital divide, and  
1117 particularly the success of the ACP. Can you talk about why  
1118 affordability is important not just for individual  
1119 households, but for the well-being and economic stability of  
1120 communities across the country and the nation as a whole?

1121 \*Mr. Davidson. Well, thank you for that question, and  
1122 thank you for your leadership on the ACP Extension Act and  
1123 all of the work to make sure that ACP is on firm financial  
1124 footing. We really need it, and we need it because, you  
1125 know, Internet access today, it is a necessity, not a luxury,  
1126 right? And we know that people really rely on it for access  
1127 to their jobs, to school, to telehealth, to access to  
1128 justice. It is essential today. And if people can't afford  
1129 it, all of the work we are doing to build these networks will  
1130 be for naught.

1131 It is incredibly important to individuals, but it is  
1132 also important to the success of our build-out of networks.  
1133 And that is because, if we want to have economically viable  
1134 networks that we are building, there has to be a customer

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1135 base for those networks. And we know that our BEAD  
1136 deployments, the \$42 billion we are spending, will be aided  
1137 if we -- if providers know that there is a customer base on  
1138 the other side. ACP has been essential for that. So for  
1139 both affordability and for our build-out, we really need ACP.

1140 \*Ms. Clarke. I was pleased to see the AI accountability  
1141 report released in March called for improved transparency  
1142 into AI, as well as independent evaluations of these systems,  
1143 something I have been calling for for years. Can you  
1144 highlight for the committee some of the key takeaways from  
1145 the accountability report, and shed some light on what NTIA's  
1146 next steps are, now that the report has been released?

1147 \*Mr. Davidson. Well, I will just say briefly that, we  
1148 worked to answer a simple question: Do AI systems perform  
1149 the way they say they are going to perform? If they say they  
1150 are private, secure, if they say they don't have bias, how do  
1151 we know that is true?

1152 We need to build out an ecosystem like we did for  
1153 financial audits. When you think about the financial audit,  
1154 how do we know a company made money? Because we know how to  
1155 do a financial audit. We are going to need to do the same

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1156 thing for AI systems. And the roadmap for us is to think  
1157 about -- and the report lays out a whole set of steps for  
1158 NTIA, for the private sector, for Congress, too, to make sure  
1159 that we can build out that auditing ecosystem for AI. Thank  
1160 you.

1161 \*Ms. Clarke. Thank you, Mr. Chairman.

1162 \*Mr. Latta. Thank you. The gentlelady's time has  
1163 expired, and the chair now recognizes the gentleman from  
1164 Michigan's 5th district for five minutes.

1165 \*Mr. Walberg. Thank you, Mr. Chair, and thanks to the  
1166 administrator for being here today.

1167 Michigan received the fourth highest BEAD allocation in  
1168 the country, which shows how serious the digital divide is in  
1169 our state. With all this money, I would like to talk about  
1170 transparency of the BEAD program. I understand that BEAD  
1171 isn't subject to the Administrative Procedures Act or the  
1172 Freedom of Information Act. After a state engages in the  
1173 public comment period on its initial proposal, they submit  
1174 that plan to NTIA. NTIA then directs the state to make the  
1175 changes necessary to fulfill the NTIA's requirements.

1176 Mr. Davidson, are those negotiations between the state

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1177 and NTIA made public?

1178           \*Mr. Davidson. So, first of all, thank you for the  
1179 question. I will just say we endeavor to be transparent. We  
1180 don't need a law to tell us to be transparent. We put a lot  
1181 of this up on our website. There are a lot of conversations  
1182 that happen, communications that happen back and forth  
1183 between the states.

1184           I will say, due to the sort of confidential nature of  
1185 some of -- and sensitive nature of some of the information, I  
1186 don't think we routinely publish those. But if there are  
1187 particular issues that you are interested in, I would be very  
1188 happy to sit down with you or your staff.

1189           \*Mr. Walberg. I am certainly worried about the  
1190 transparency of the process, understanding some of the  
1191 inhibitors to that. But a state spends significant resources  
1192 and time engaging with the public to craft a proposal that  
1193 works for its citizens, then the NTIA takes the plan and  
1194 molds it into the Administration's agenda with zero  
1195 transparency for the most part.

1196           Will you commit to providing transparent feedback to the  
1197 states and this committee, more so in the future?

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1198           \*Mr. Davidson. As I say, we think we do better with  
1199 transparency. We have endeavored to be transparent. I would  
1200 like to -- I certainly would welcome the chance to work with  
1201 you on that.

1202           \*Mr. Walberg. We will work on that.

1203           \*Mr. Davidson. Yes. And again, there are sensitive  
1204 communications, but also we are trying to be quite clear with  
1205 states that they have a lot of flexibility about how they  
1206 implement this program.

1207           \*Mr. Walberg. The states and the taxpayers want to  
1208 know --

1209           \*Mr. Davidson. Right.

1210           \*Mr. Walberg. -- that resources are being used  
1211 appropriately, especially when they go to all the work to get  
1212 it right.

1213           \*Mr. Davidson. Right.

1214           \*Mr. Walberg. In speaking with our Michigan High-Speed  
1215 Internet Office, they are concerned about how BEAD will  
1216 interact with other Federal broadband programs. I share this  
1217 concern, and that is why my Plan for Broadband Act, which is  
1218 on the floor this week, would require NTIA to establish a

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1219 national broadband strategy. BEAD is meant to be the  
1220 culminating solution to connecting all Americans, but BEAD  
1221 can't really be successful unless the other broadband  
1222 programs are also successful.

1223 Administrator Davidson, how is the NTIA coordinating  
1224 with other Federal agencies that administer broadband grant  
1225 programs?

1226 \*Mr. Davidson. Yes, Congressman, I think it is an  
1227 incredibly important question, and you have raised it before,  
1228 and I think it is so important because, if we are going to  
1229 actually meet this goal of connecting everybody, we have to  
1230 work together, and we can't waste resources, we can't  
1231 duplicate funding.

1232 So we work together quite closely as a set of agencies,  
1233 the key agencies that are working on this. I think about  
1234 USDA, the FCC, the Department -- the Treasury Department, and  
1235 we are actually in the process of -- actually, we have put  
1236 together an MOU between our agencies so that we are sharing  
1237 information. We have processes in place for dealing with any  
1238 kinds of issues or conflicts that come up. We meet  
1239 regularly, probably too regularly. The White House makes us

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1240 meet regularly. But this issue that you have raised is very  
1241 important.

1242 We have not waited for a mandate for broadband strategy  
1243 to make sure we have got a good coordination mechanism  
1244 between us, but it is right to highlight it.

1245 \*Mr. Walberg. Well, NTIA rules state that areas  
1246 promised broadband through RDOF are not eligible for BEAD  
1247 funding. That concept makes sense. We would agree on that.  
1248 We don't want overbuilding to happen. But what can states do  
1249 if providers don't meet their RDOF or other programs'  
1250 commitments?

1251 \*Mr. Davidson. Congressman, it is a really important  
1252 question. Our expectation that -- we don't want to, should  
1253 not fund programs where location -- service to locations  
1254 where another Federal program exists and has already promised  
1255 to do funding. So we are taking those off the table, as the  
1256 committee has actually quite encouraged us to do, right? We  
1257 don't want to duplicate funding.

1258 The tricky part will be what happens if providers don't  
1259 follow through. And our expectation -- we have discussed it  
1260 with some of our other agencies -- is that agencies that have

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1261 funded a particular deployment should continue to seek to  
1262 fund deployment for those locations.

1263 \*Mr. Walberg. Well, I would hope there would be some  
1264 flexibility where BEAD funds could go to those --

1265 \*Mr. Davidson. Timing will matter. And I know we are  
1266 out of time, but I will just say -- and I am happy to follow  
1267 up with you, it is a super important question -- timing will  
1268 matter a lot. Once the BEAD money goes out the door and the  
1269 grants get made, it is hard to do more.

1270 \*Mr. Walberg. Okay.

1271 \*Mr. Davidson. But we hear you. We hear you, we are on  
1272 it.

1273 \*Mr. Walberg. Thank you, I yield back.

1274 \*Mr. Latta. Thank you. The gentleman yields back. The  
1275 chair now recognizes the gentleman from Florida's 9th  
1276 district for five minutes for questions.

1277 \*Mr. Soto. Thank you, Chairman.

1278 Members, it is infrastructure week this week, and you  
1279 know it is no joke, \$65 billion for broadband Internet  
1280 investment. Thanks to the leadership of President Biden and  
1281 House Democrats, along with some of our colleagues across the

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1282 aisle, \$1.16 billion is going to Florida to expand our  
1283 Internet access through the broadband equity access program.

1284 And in my district it looks like Internet for  
1285 Kenansville and Deer Park, Bull Creek, and Yeehaw Junction,  
1286 which is a place, by the way, as well as rural East Orange  
1287 County. These are areas where there is ranches, groves, and  
1288 farms that help feed America, and they need high-speed  
1289 Internet for precision agriculture. It is also critical to  
1290 so many rural folks in our district who have small businesses  
1291 for telemedicine, education, and connecting with family and  
1292 friends. Seven million so far has gone through the American  
1293 Rescue Plan to our state already for nearly three hundred  
1294 miles of new fiber optic cable, and we will see even more  
1295 investment now under the new infrastructure law.

1296 I also recognize, though, we have to keep an eye out  
1297 because technology is changing, Mr. Secretary. We see  
1298 satellite Internet, we launch, gosh, dozens of Starlink  
1299 satellites every week from central Florida, and we see  
1300 cellular getting better, as well.

1301 And, of course, the Affordable Connectivity Program,  
1302 something that we must come together, no excuses, to fund

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1303 again here in the Congress, \$30-per-month plans, 81,000  
1304 households in Florida's 9th congressional district,  
1305 representing 28 percent of our constituents get low-cost  
1306 Internet through the ACP. You know, a lot of people think of  
1307 Florida as a lot of seniors, but my district is actually  
1308 pretty young, at about 34 years old, median age. And so a  
1309 lot of young families who are -- and this is a big help to  
1310 them.

1311 Assistant Secretary Davidson, we saw the states  
1312 submitted their plans last year. And in the House  
1313 Appropriations Subcommittee we heard Secretary Raimondo  
1314 mention she aims to have all these initial state proposals  
1315 approved by this fall. Does that track with your timeline,  
1316 as well?

1317 \*Mr. Davidson. Absolutely. We are laser focused now on  
1318 reviewing these plans and getting them approved as quickly as  
1319 possible. We have to work with the states sometimes, which  
1320 can slow things down, but we are working very hard, and the  
1321 states are working very hard to get these plans approved.

1322 And we have we have actually -- I will just note we have  
1323 broken these plans in half. There is a volume one and there

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1324 is volume two. We have approved the vast -- almost all, 53  
1325 out of 56, of the state and territory volume ones, including  
1326 Florida's, and the full plans will be approved. We are on  
1327 track to get those done, as the Secretary said.

1328 \*Mr. Soto. Well, we appreciate it, Mr. Secretary. And  
1329 we know Florida's BEAD proposal includes technology-neutral  
1330 options like fixed wireless and satellite fiber. Where do  
1331 you see the future of BEAD funding as it relates to  
1332 alternative technologies as they continue to advance?

1333 \*Mr. Davidson. It is a great question, and I think  
1334 there 00 it will vary a lot from state to state. You know,  
1335 what Rhode Island needs is different from Florida, which is  
1336 different from Montana. And it will depend a lot on each  
1337 state and how hard it is to meet their needs.

1338 I think we are very excited about these alternative  
1339 technologies, like some of the unlicensed fixed wireless or  
1340 low Earth orbit satellites. We are hopeful there will be a  
1341 variety of providers of these technologies, and they are  
1342 absolutely an important part, an essential part of the  
1343 equation. If we really are going to reach everyone, we are  
1344 going to need to use all the tools.

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1345           \*Mr. Soto. Sure, because -- so in my district, where  
1346 you have a rural area, some rural enclaves will have a couple  
1347 of houses, mostly ranches, and they may be close, closer to  
1348 urban centers. But a few, I mean, they are way out there,  
1349 right?

1350           \*Mr. Davidson. Yes.

1351           \*Mr. Soto. And the nearest next home could be a mile or  
1352 two or three away. And so we want to make sure we are  
1353 keeping a balance.

1354           The last question. So I understand you served on the  
1355 Task Force for -- the Kids Online Health and Safety Task  
1356 Force. Can you share any key takeaways from that task force?

1357           \*Mr. Davidson. Well, it is a really important topic. I  
1358 know it is one that the committee has thought -- the  
1359 subcommittee has thought a lot about, too.

1360           We hear, as I travel around, so much from parents who  
1361 are worried about, really, the epidemic of mental health  
1362 issues and safety issues that affect America's youth online.  
1363 I think probably one of the biggest takeaways that I have got  
1364 is just how urgent the issue is, how difficult it is, but  
1365 also that, while we need to do more research in this area, I

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1366 think we know enough to know -- and I think all of this  
1367 committee feels -- we know enough now to act, and you will be  
1368 seeing our recommendations coming out, you know, sometime  
1369 late June, probably some time -- sort of the target we are  
1370 looking at.

1371 \*Mr. Soto. Well, we look forward to working together to  
1372 empower parents to help protect their kids online.

1373 \*Mr. Davidson. Right.

1374 \*Mr. Soto. Thanks so much.

1375 And I yield back.

1376 \*Mr. Latta. Thank you. The gentleman's time has  
1377 expired. And by agreement, we are going to take a five-  
1378 minute break for the witness.

1379 And we will resume as soon as you back.

1380 \*Mr. Davidson. Thank you.

1381 \*Mr. Latta. Thank you.

1382 [Recess.]

1383 \*Mr. Latta. The chair calls the subcommittee back to  
1384 order, and at this time the chair recognizes the gentleman  
1385 from Georgia's 1st district for five minutes for questions.

1386 \*Mr. Carter. Thank you, Mr. Chairman.

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1387 Mr. Davidson, I understand you were in south Georgia  
1388 recently.

1389 \*Mr. Davidson. I was in Georgia, yes.

1390 \*Mr. Carter. In south Georgia or Georgia?

1391 \*Mr. Davidson. That depends on your definition of south  
1392 Georgia.

1393 \*Mr. Carter. Where were you?

1394 \*Mr. Davidson. I was out -- Norcross.

1395 \*Mr. Carter. Norcross.

1396 \*Mr. Davidson. Yes. So kind of east of -- northeast of  
1397 Atlanta.

1398 \*Mr. Carter. Okay, okay. Well, you were in Georgia.

1399 [Laughter.]

1400 \*Mr. Davidson. I was in Georgia proper. Yes. Yes,  
1401 sir.

1402 \*Mr. Carter. But you weren't in south Georgia. Okay.

1403 \*Mr. Davidson. But we did announce some jobs.

1404 \*Mr. Carter. Good. We appreciate that very much.

1405 \*Mr. Davidson. Yes.

1406 \*Mr. Carter. Listen, it is my understanding that NTIA  
1407 just -- had created some categorical exclusions for NEPA, and

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1408 relaxed some permitting restrictions for BEAD applicants.  
1409 What led to that decision? Why did we need these categorical  
1410 exclusions?

1411 \*Mr. Davidson. Well, I will just say, from the  
1412 beginning of this program, we have known that we -- and we  
1413 have heard quite clearly from providers -- that permitting is  
1414 an issue that we need to be concerned about. And if we want  
1415 to have fast and good deployments, we need to make sure we  
1416 are dealing with permitting issues.

1417 We put together a whole task force to deal with that,  
1418 and one of the things that we are really working on is  
1419 streamlining as much as we can, including making sure we have  
1420 good categorical exclusions for broadband projects.

1421 \*Mr. Carter. Understood. And listen, I appreciate the  
1422 streamlining, the permitting process, and I am all in favor  
1423 of that. But I am just concerned about special treatment  
1424 only for those who participate in Federal programs. And I  
1425 just feel like it should be a level playing field. So if you  
1426 will just take a mental note of that, I appreciate it.

1427 \*Mr. Davidson. I appreciate it, too. You know, my job  
1428 has been to implement this program as quickly and as fast as

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1429 we can. And so we are trying to do all we can for that. I  
1430 understand your point, too.

1431 \*Mr. Carter. Okay, I appreciate it. Let me ask you  
1432 this. Do you believe that we should implement large-scale  
1433 permitting reform like the American Broadband Deployment Act  
1434 so that those who participate in BEAD and those who build  
1435 networks with their own funds should have to overcome the  
1436 same permitting barriers?

1437 \*Mr. Davidson. I don't believe the Administration has  
1438 taken a position on the bill that you mentioned, but I do --  
1439 we do believe that there can be a lot more done to streamline  
1440 permitting for broadband projects.

1441 \*Mr. Carter. And this would be the same for digital  
1442 discrimination rules by asking for BEAD-built networks to be  
1443 excluded. Don't you think you are proving that these rules  
1444 are overly burdensome and unnecessary?

1445 \*Mr. Davidson. I think that is actually quite  
1446 different. With respect, sir, I think the notion there was  
1447 that, in the process of approving these projects on their --  
1448 on its face, that meant that there was a Federal stamp of  
1449 approval here, and there was something that was already

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1450 reviewed. And so I think they are actually quite different.

1451 And the fact that we are trying to do what we can for  
1452 BEAD projects, I hope this committee should expect that we  
1453 are going to do all that is in our power to make sure that we  
1454 are moving forward as quickly as we can with these projects.

1455 \*Mr. Carter. Okay. Let me ask you this. You know,  
1456 often times I think we forget that we have got over 750,000  
1457 miles of undersea cables that are transmitting data across  
1458 the globe, and these cables are a critical part of our  
1459 network, and protecting them from our adversaries is a  
1460 national security policy and priority, I should say.

1461 How are you coordinating with other agencies inside the  
1462 Department of Commerce like NOAA and -- when they consider  
1463 actions like creating a marine sanctuary and -- a marine  
1464 sanctuary that would severely limit the ability to maintain  
1465 and create new undersea cables?

1466 \*Mr. Davidson. Well, I would just say, by the way,  
1467 first of all, I strongly agree that undersea cables are  
1468 incredibly important for our national security, for our  
1469 economic security, and we are deeply interested in making  
1470 sure they can move forward.

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1471           We consult regularly with our colleagues, particularly  
1472 at NOAA, on the kind of issue that you are speaking about,  
1473 emphasizing at a staff level. Particularly, we have  
1474 discussed with them some of the issues that come up around  
1475 these sanctuaries.

1476           \*Mr. Carter. How can NTIA assure us and ensure that  
1477 these cables are adequately spaced and maintained to reduce  
1478 the potential for tampering by bad actors?

1479           And we know that there are bad actors out there who  
1480 would love to do something with this.

1481           \*Mr. Davidson. There is a lot of work that is underway  
1482 that would probably be easier to discuss in a different  
1483 setting, a more appropriate setting.

1484           \*Mr. Carter. Okay, fair enough.

1485           \*Mr. Davidson. But this is an issue of great interest  
1486 and concern to us. And across the interagency there is real  
1487 effort being made to make sure we are working on those  
1488 security issues.

1489           \*Mr. Carter. Mr. Chairman, I would request that, if  
1490 that is possible, I would love to participate in that if it  
1491 needs to be in SCIF or whatever.

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1492 \*Mr. Latta. We can arrange that.

1493 \*Mr. Davidson. I am glad to work on that --

1494 \*Mr. Carter. Okay.

1495 \*Mr. Davidson. -- with your team.

1496 \*Mr. Carter. Great.

1497 Thank you, Mr. Chairman, and I will yield back.

1498 \*Mr. Latta. Thank you. The gentleman yields back the  
1499 balance of his time. The chair now recognizes the gentleman  
1500 from Texas's 33rd district for 5 minutes for questions.

1501 \*Mr. Veasey. Thank you, Mr. Chair.

1502 Secretary Davidson, I know that one of NTIA's primary  
1503 responsibilities right now is the expansion of broadband.  
1504 And I am really happy that when the Bipartisan Infrastructure  
1505 Law passed, that this really became more of a focus --

1506 \*Mr. Davidson. Right.

1507 \*Mr. Veasey. -- and more of something that has really  
1508 been a big benefit, whether it is a blue or red district,  
1509 because, as you know, it has helped a lot of rural  
1510 communities.

1511 And I wanted to ask you, you know that a lot of members  
1512 like myself have been outspoken proponents of the ACP --

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1513           \*Mr. Davidson. Yes.

1514           \*Mr. Veasey. -- and the ACP is, unfortunately, going to  
1515 see the plug pulled on it here soon, to be, you know, quite  
1516 frank. And I can tell you that, in the district that I  
1517 represent alone in Dallas and Fort Worth, that is about one  
1518 in four households in my district. And so I was hoping that  
1519 you could tell us today that NTIA is working closely with  
1520 states on implementation of the BEAD grant program.

1521           And in your opinion, is there broad support from states  
1522 to keep the ACP funded from states?

1523           \*Mr. Davidson. There is a huge deal -- well, first of  
1524 all, I think states have a great deal of recognition of the  
1525 importance of ACP.

1526           \*Mr. Veasey. Good.

1527           \*Mr. Davidson. For affordability. And I think there is  
1528 a wide array of support. And I would say it is bipartisan  
1529 support for affordability at the state level and for the  
1530 importance of ACP.

1531           And as you know, it is -- it affects a huge community,  
1532 and people don't always realize it is -- you know, it is  
1533 military families. Nearly half of the recipients of BEAD are

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1534 military families, and including veterans, 15 percent of all  
1535 rural households. So this is all households that are rural  
1536 households in America, 15 percent of them are BEAD -- are ACP  
1537 recipients. So it is a huge -- it is going to have a huge  
1538 impact if it disappears. And probably the most important  
1539 thing we can do -- that this that Congress can do is work to  
1540 make sure it doesn't.

1541 \*Mr. Veasey. Yes. No, absolutely.

1542 Another one that doesn't get as much attention as the  
1543 ACP, but I think that is hugely important, is the Connecting  
1544 Minority Communities pilot program that was established in  
1545 2021 that focused on increasing connectivity around  
1546 historically Black colleges and Hispanic-serving  
1547 institutions. And, you know, often times these institutions  
1548 are overlooked, quite frankly, for the larger, you know,  
1549 state universities and, you know, more prestigious, elite  
1550 private universities that are often times in the news.

1551 And I know that this Connect Minority Communities pilot  
1552 program has allocated funds to eight schools in Texas which  
1553 are going to be essential for upgrading and ensuring that  
1554 students have access to state-of-the-art technology. And I

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1555 was hoping that you could explain how this program is helping  
1556 colleges and, more importantly, how it is helping students  
1557 prepare for, you know, the -- for the future, quite frankly.

1558       \*Mr. Davidson. I will just say the CMC program, the  
1559 Connecting Minority Communities program, it is just a  
1560 wonderful program. I have had a chance now to visit a number  
1561 of the different recipients. And what they are doing, often  
1562 with not a lot of money, but it has a huge impact on their  
1563 student populations, on the communities that they exist in,  
1564 they are doing workforce training, they are doing STEM  
1565 education, they are doing apprenticeship programs, they are  
1566 getting devices out into the hands of the community members  
1567 who need them. They are helping with broadband subscriptions  
1568 sometimes in their communities.

1569       It has been very innovative. There is not a one-size-  
1570 fits-all. There are a number of good -- great recipients in  
1571 Texas, and this is a program where, if we had more resources,  
1572 we could do a lot more. But it has been very successful so  
1573 far.

1574       \*Mr. Veasey. Yes, well, that is good. And I know also,  
1575 speaking of Texas, that it is a huge challenge because we are

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1576 a very large state, a very populated state, a very spread-out  
1577 state.

1578           And I know that we received the largest allocation of  
1579 BEAD money a little over, you know, three billion. And I was  
1580 hoping that you could elaborate briefly on how NTIA is  
1581 ensuring that states, including Texas, are effectively  
1582 utilizing their allocated funding for infrastructure  
1583 deployment, mapping, and adoption, including planning and  
1584 capacity building.

1585           \*Mr. Veasey. Well, you know, the -- it is a lot of  
1586 money, \$3.3 billion for the State of Texas. And that is why  
1587 these plans have been so important.

1588           And I know sometimes, you know, people have asked, why  
1589 are the plans so long, why do we need to do them, but I think  
1590 Congress very wisely, when it created this statute, said  
1591 there has to be a plan first. We gave states money for  
1592 plans, which doesn't usually happen, and every state put  
1593 together a plan. Every state has now submitted these initial  
1594 plans. And those plans -- we are requiring them to show,  
1595 most importantly, how we are going to reach everybody in the  
1596 state, and that is a top requirement. That is part of why

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1597 the review of these plans takes so long.

1598 But I have been, I have to say, really impressed with  
1599 the states. They have really stepped up. I think everybody  
1600 wants to achieve this goal. It is a bipartisan goal. And we  
1601 have got Federal program officers out in every state,  
1602 including a fantastic Federal program officer in Texas, who  
1603 are there to help the states in this job.

1604 \*Mr. Veasey. Yes, that is good to hear.

1605 Thank you, Mr. Chairman.

1606 \*Mr. Weber. [Presiding] The gentleman yields back and  
1607 the chair recognizes himself now for questioning.

1608 Mr. Davidson, welcome. In the second Notice of Funding  
1609 Opportunity for the Wireless Innovation Fund I appreciate  
1610 that NTIA is requiring vendors to partner with a wireless  
1611 operator. This is helpful to ensure that funding technology  
1612 gets deployed in the market. I have concerns, however, that  
1613 vendors can only be a part of one application. This kind of  
1614 seems to undermine our goals of creating multi-vendor  
1615 networks. Can you or can you all explain why vendors are  
1616 limited, and how that policy furthers the goal of what we  
1617 would call open, interoperable networks?

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1618           \*Mr. Davidson. So first of all, I would just say thank  
1619 you for noticing. It is -- this is -- we are very excited  
1620 about this program, and particularly about this second notice  
1621 that we are putting out; \$400 million is a lot of money in  
1622 this industry for, you know, the commercialization of these  
1623 tools. And we have asked for this partnership because we  
1624 really want commercialization. We don't want just radio  
1625 vendors to develop this technology and not have a place to  
1626 sell it.

1627           I will have to get back to you. I would like to be able  
1628 to get back to you and your staff with a follow-up because  
1629 our -- my impression was that there was going to be  
1630 opportunities for people to partner with multiple other  
1631 providers, and I just want to make sure I get it right with  
1632 you.

1633           But part of the key here, though, is that we did want to  
1634 make sure that everybody had a partner so that a radio vendor  
1635 wasn't just going to develop radio that nobody else wanted to  
1636 buy. And so that was the whole idea behind it.

1637           \*Mr. Weber. But you would understand the need for  
1638 having some --

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1639           \*Mr. Davidson. Absolutely.

1640           \*Mr. Weber. Okay.

1641           \*Mr. Davidson. And we are committed to  
1642 interoperability, to openness. That is the whole idea of  
1643 this program. And making sure that people can sell to  
1644 multiple vendors is the ultimate goal. It is just a question  
1645 of what we are funding with our program.

1646           \*Mr. Weber. Yes, okay. Well, I appreciate that.

1647           I have also had some concerns about Chinese influence --  
1648 I hope we all have, quite frankly -- in organizations like  
1649 the O-RAN Alliance, given the status of China Mobile and  
1650 other CCP-affiliated corporations as "founding members" of  
1651 that organization.

1652           Specifically, those companies have set up open testing  
1653 and integration centers that actually advertise a technical  
1654 facility in which O-RAN companies can test their technologies  
1655 for that very "interoperability," inviting foreign  
1656 corporations to test their products on Chinese soil, of all  
1657 places.

1658           To what extent has the Administration actually studied  
1659 the possibilities, the dangers of CCP influence over the

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1660 recommendations of the O-RAN Alliance to the rest of the  
1661 world, do you know?

1662       \*Mr. Davidson. I will just say that our concern about  
1663 Chinese influence in this market is what kind of underlies,  
1664 underpins this whole program. We want to make sure that  
1665 there are trusted vendors out there, and trusted networks are  
1666 being built. And we believe that open, interoperable  
1667 networks where you can have lots of trusted providers  
1668 participating are a key path here.

1669       So the whole program is about that. We are very -- we  
1670 have watched and are concerned about PRC influence in some of  
1671 the standards bodies, and that is part of why we funded our  
1672 own testing sites. And the first round of O-RAN -- Open RAN  
1673 funding that came from our wireless innovation fund was  
1674 particularly focused on testing and evaluation so we had  
1675 testing sites here in the U.S. that people could use to make  
1676 sure that we have got a -- that we are combating that  
1677 influence that you discussed.

1678       \*Mr. Weber. Do you have any figures? Do you know about  
1679 how successful those centers on Chinese soil have been?

1680       \*Mr. Davidson. I don't have -- I don't -- we could try

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1681 and get that data. I don't have any with me right now, but I  
1682 know that we have we have looked at those issues.

1683 And our testing sites are new, but we are very  
1684 optimistic about our ability to compete.

1685 \*Mr. Weber. I mean, we would like to know exactly how  
1686 far along China is in that, and how successful they are if we  
1687 are going to compete successfully.

1688 So then, what safeguards does the Administration have in  
1689 place to ensure that funds from the Public Wireless Supply  
1690 Chain Innovation Fund are not being used if American  
1691 companies that have tested -- that have maybe already tested  
1692 their technologies in Chinese facilities?

1693 \*Mr. Davidson. Well, first of all, we are very clear  
1694 about how the funds can be used, and we are funding work that  
1695 is happening here in the United States.

1696 In terms of -- I think, honestly, you know, the  
1697 companies that we are funding understand -- we have been  
1698 pretty clear about our concerns. They all understand why we  
1699 are funding this work. And I could come back to you with a  
1700 more detailed answer about the particular restrictions we put  
1701 in place.

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1702           \*Mr. Weber. I would appreciate that, because we would  
1703 really like to know, you know, how much exposure, if you want  
1704 to call it that, there is there.

1705           So the chair will yield back, and now recognize Ms.  
1706 Eshoo of California for at least five minutes.

1707           [Laughter.]

1708           \*Ms. Eshoo. Well, thank you, Mr. Chairman, and thank  
1709 you to our ranking member, Congresswoman Matsui, for holding  
1710 this important hearing.

1711           It is wonderful to see you here again, Alan, and to have  
1712 the advantage of listening to so many of the questions that  
1713 have been asked, the scrutiny of this program, which is so  
1714 important, by members on both sides of the aisle.

1715           Congress has been working on bridging the digital divide  
1716 for, what, almost 30 years. I remember in my first and  
1717 second term here in the Congress I had President Clinton and  
1718 Vice President Gore in my district pulling wire in schools.  
1719 So we have been on a path, a pathway. It has always been  
1720 bipartisan in terms of the support, because we understood  
1721 that all of our constituents, no matter what state we are  
1722 from, no matter what the terrain is, no matter what the

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1723 geography is, that this is something that was going to  
1724 benefit all of our constituents. And we have been trying to  
1725 work toward that all of these years.

1726 I think, regrettably, there wasn't one Republican on  
1727 this committee that voted in favor of the infrastructure law  
1728 that contained the BEAD program. This is singularly the  
1729 largest investment, the largest investment in broadband and  
1730 getting it to everyone in our country in the history of our  
1731 country.

1732 So I welcome all the questions because we know we need  
1733 to get this right. We are not going to see this kind of an  
1734 investment again -- well, probably not in my lifetime,  
1735 anyway. So we need to get it right.

1736 The BEAD program is, I think, our best opportunity, as I  
1737 said, in our lifetime to address what the shortcomings are  
1738 and really connect everyone to the 21st century. We are in  
1739 the second decade of the 21st century, so we have to optimize  
1740 the time.

1741 On the Affordable Connectivity Program, you know, having  
1742 access to broadband is one part of this, and a very important  
1743 one. Everyone has been speaking to it. You certainly have.

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1744 But for Americans, for many Americans, they can't afford it.  
1745 So it is one thing if it is available, but if you can't  
1746 afford it, it is as if it doesn't exist. So 22 million  
1747 households, I think -- I did not realize that almost 50  
1748 percent of the people that are in this program are military  
1749 families. So Congress really needs to get its act together  
1750 to fund this. And I think, you know, we have, what, over 200  
1751 cosponsors on the legislation, so hopefully that is going to  
1752 be resolved soon.

1753 In your written testimony you addressed the connection  
1754 between ACP and the success of the BEAD program. Can you  
1755 tell us why one is so dependent on the other?

1756 \*Mr. Davidson. That is a great question.

1757 First of all, thank you for the question, and thank you  
1758 for your long-term support for the Internet, for Internet  
1759 access, your long-term leadership on so many of these  
1760 technology --

1761 \*Ms. Eshoo. Thank you, thank you, thank you.

1762 \*Mr. Davidson. -- policy issues. It is really an  
1763 incredible legacy.

1764 And on these questions about ACP, I think you have said

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1765 it so well: the affordability so critical. And it is not  
1766 just critical for the 2.9 million people in California who  
1767 get ACP. But as I had mentioned, 15 percent of all rural  
1768 households -- of all rural households -- are on ACP. So when  
1769 we are doing build-outs into rural areas with BEAD, you want  
1770 to make sure that there is a customer base for those networks  
1771 that we are building. ACP has been a critical part of that,  
1772 making sure that there are customers on the other side of  
1773 that network connection, and that we are building  
1774 economically viable networks.

1775 So it makes it a lot more economically viable. It helps  
1776 with our BEAD build-out. It also, of course, addresses these  
1777 real access issues.

1778 \*Ms. Eshoo. Wonderful. I will submit my other  
1779 questions to you in writing.

1780

1781

1782

1783 [The information follows:]

1784

1785 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

1786

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1787           \*Ms. Eshoo. But I am interested in the report that you  
1788 released on the AI accountability policy report. I have the  
1789 pleasure of co-chairing the House AI Caucus, a member of the  
1790 speaker and minority leaders', you know, committee on AI.  
1791 And I think that the work that you are doing is really  
1792 important. Do you have any idea when this is going to be --  
1793 come out?

1794           \*Mr. Davidson. Well, I will just say very quickly,  
1795 because I know we are out of time, our AI accountability  
1796 report is out. It came out in March. I am happy to brief  
1797 you and the committee more fully on it. I think we alluded  
1798 to it. And we are doing a second report about the openness  
1799 of leading-edge models, and that will come out this summer.

1800           \*Ms. Eshoo. Wonderful.

1801           With that, Mr. Chairman, I yield back and thank you for  
1802 holding the hearing. Thank you.

1803           \*Mr. Weber. Thank you, ma'am. The gentleman recognizes  
1804 -- the chair recognizes the gentleman from Georgia, Mr.  
1805 Allen, for five minutes.

1806           \*Mr. Allen. Thank you, Mr. Chairman.

1807           And Mr. Davidson, thank you for appearing before our

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1808 committee. I wanted to follow up on an item that I raised  
1809 with you here when you were here in December. It is namely  
1810 NTIA's ill-advised proposal to force union -- labor union-  
1811 friendly provisions into states as part of the BEAD process.  
1812 I know that last week NTIA approved three state plans. All  
1813 three of those states are Right to Work states. Two of those  
1814 states did not include any labor union mandates, while one  
1815 included some limited mandates. And you realize in a Right  
1816 to Work state you cannot -- you do not have to pay union dues  
1817 to hold a job.

1818 My question is, Mr. Davidson, will you commit to me that  
1819 NTIA will continue to approve BEAD plans by Right to Work  
1820 states that decline to include the menu of labor union  
1821 provisions NTIA is pushing?

1822 \*Mr. Davidson. So Congressman, first of all, thank you  
1823 for the question. We have discussed this a little bit  
1824 before. And as you can see from the plans that we have  
1825 approved, we expect to approve plans like the ones that you  
1826 have seen. And I think we have said all along that the only  
1827 real labor requirements in our NOFO are that they have to be  
1828 in compliance with Federal law. And I think that we have

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1829 recognized the -- that, you know, the issues that come up  
1830 with Right to Work states --

1831 \*Mr. Allen. All that does is run up the cost.

1832 \*Mr. Davidson. Yes.

1833 \*Mr. Allen. I mean -- and prohibits some of our local  
1834 folks from being able to do that.

1835 Let me ask you another question. Will you commit to me  
1836 that NTIA will continue to approve BEAD plans by those Right  
1837 to Work states, and in compliance with their laws? I mean,  
1838 the state laws. I mean, you know, you are --

1839 \*Mr. Davidson. Yes, I think the answer --

1840 \*Mr. Allen. Because there is also state funding  
1841 involved --

1842 \*Mr. Davidson. -- yes, and the --

1843 \*Mr. Allen. -- here, okay.

1844 Small broadband providers have expressed growing concern  
1845 with how states subject to NTIA approval may define the  
1846 minimum area that any provider must apply to serve. They are  
1847 worried that how a potential project area is structured may  
1848 affect small company participation and ultimately impact  
1849 rural broadband build-out. I am concerned that how a project

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1850 area is designed may discourage small, rural providers from  
1851 participating in the BEAD program. Has NTIA heard from  
1852 smaller providers about this potential issue?

1853 \*Mr. Davidson. We have, and we share your concern.

1854 \*Mr. Allen. Is NTIA planning to work with states on  
1855 project sizes and how best to maximize deployment of fiber,  
1856 while also allowing the need for alternative technologies?

1857 \*Mr. Davidson. We are, and we are working with them,  
1858 and it is an ongoing issue. We try to provide as much  
1859 flexibility as possible to states, but we are tracking this  
1860 issue and we share the concern.

1861 \*Mr. Allen. On Monday NTIA, alongside other Department  
1862 of Commerce agencies, took the first step in ensuring the  
1863 Internet traffic reached its intended target and stays away  
1864 from the prying eyes of adversary nations like China. By  
1865 implementing key Internet routing security measures, we are  
1866 finally beginning to address a problem that has been a  
1867 concern for over 20 years.

1868 What is the significance of this action, and do you  
1869 believe other departments will follow the Department of  
1870 Commerce's leadership on this issue?

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1871           \*Mr. Davidson. It is very important. I am so glad you  
1872 asked about it.

1873           We do a lot of really nerdy things at NTIA. This was  
1874 maybe one of the nerdiest that we have done, but it is also  
1875 very important.

1876           \*Mr. Allen. Okay.

1877           \*Mr. Davidson. Routing security is something that is  
1878 often really overlooked, the ability to quickly change where  
1879 traffic goes. This is a critical element. It is one also  
1880 that has been under-utilized both in the private sector and  
1881 the public sector.

1882           The reason for what we did on Monday was to lift up the  
1883 fact that it is not that hard to do this. We have put in  
1884 place good, contractual mechanisms that make it easier for  
1885 Federal agencies to do it, and now I think our hope is that  
1886 there will be a lot of other Federal agencies that will  
1887 follow suit. We were glad to take the lead on that.

1888           \*Mr. Allen. Good, and I am glad you did. Thank you.

1889           The NTIA's most important role is the sole manager of  
1890 spectrum for Federal agencies and acting as the sole advisor  
1891 to the President on spectrum matters. Both are clearly

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1892 stated in current law. Obviously, we are out of spectrum.  
1893 While Federal agencies may have competing interests in  
1894 spectrum use and their own assessment of how spectrum should  
1895 be managed, shouldn't NTIA effectively be ceding its  
1896 congressionally-directed role to others if any one Federal  
1897 agency were permitted to act as a free agent and advocate for  
1898 a particular spectrum-related outcome outside the NTIA's  
1899 spectrum management process?

1900 \*Mr. Davidson. So we take our statutory mandate very  
1901 seriously. I think it has been reinforced under the  
1902 Presidential memo. We continue to exercise the authority  
1903 that Congress has given us to make sure that we operate as  
1904 the main advisor to the President on spectrum issues.

1905 \*Mr. Allen. Well, if we are going to be a world leader,  
1906 we have to figure this spectrum out.

1907 \*Mr. Davidson. I absolutely agree, sir.

1908 \*Mr. Allen. Yes, sir. Thank you. Thank you, sir.

1909 \*Mr. Weber. The gentleman yields back. The chair now  
1910 recognizes the gentlelady, my neighbor from Texas, Mrs.  
1911 Fletcher, for at least five minutes.

1912 \*Mrs. Fletcher. Well, thank you so much, Mr. Chairman,

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1913 Mr. Weber. Thanks to you and, of course, to Chairman Latta  
1914 and Ranking Member Matsui, for convening today's hearing to  
1915 discuss the central role that the NTIA plays in spectrum  
1916 management, as we were just discussing broadband deployment,  
1917 which I have a few questions on, and developing other Federal  
1918 telecommunications and technology policy.

1919 Administrator Davidson, thank you so much for being here  
1920 today, and your very insightful and helpful discussion on  
1921 these topics.

1922 This week in Washington, of course, we are recognizing  
1923 National Police Week, and we honor and remember our law  
1924 enforcement officers who are critical components of our  
1925 public safety system. One of NTIA's many important  
1926 responsibilities is supporting public safety communications,  
1927 and that includes overseeing the First Responder Network  
1928 Authority, or FirstNet. And since January of 2018, all 50  
1929 states and 6 territories have opted in to FirstNet, and they  
1930 use it to coordinate state and local law enforcement  
1931 activities.

1932 I know Texas's 7th congressional district that I have  
1933 the privilege of representing is -- benefits from the

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1934 nationwide public safety broadband network, and has helped  
1935 facilitate more effective crisis response both from the  
1936 COVID-19 pandemic and natural disasters and other challenges  
1937 that we have experienced in recent years.

1938           So I want to ask you, Administrator Davidson, about the  
1939 importance of reauthorizing FirstNet before its sunset in  
1940 2027. If you could share your thoughts with us on that, that  
1941 would be helpful.

1942           \*Mr. Davidson. Thank you so much for that question.  
1943 You know, FirstNet has -- it plays an incredibly important  
1944 role because the need of -- the needs of first responders to  
1945 be able to communicate our public safety workers, to be able  
1946 to communicate with each other, especially in a time of  
1947 crisis, is so important. And in many ways, it has been an  
1948 incredible success story. We have over 5.5 million first  
1949 responders all around the country who are now using the  
1950 FirstNet network, which is incredible for something that  
1951 started less than 10 years ago, right?

1952           It is also really important that we make sure to  
1953 reauthorize this program, and the authorization sunsets in  
1954 2027. We do not want to wait that long. We need to make

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1955 sure that there is real good certainty for how the program  
1956 can proceed. So this is something that Congress can really  
1957 help us with, ensuring that this program is on firm footing  
1958 going forward.

1959 And the only other thing I will say is, you know, when  
1960 there is a bad day somewhere in America, FirstNet is there  
1961 today. And they prepare for big events. They prepare for  
1962 the worst. They are they are in hurricanes, fires, all sorts  
1963 of situations. Our first responders rely on them. We need  
1964 to make sure that network is sustained. So thank you for  
1965 your support.

1966 \*Mrs. Fletcher. Well, thank you so much. And I do want  
1967 to note for my colleagues on the committee that I have a  
1968 bill. My bill is the FirstNet Reauthorization Act, and it  
1969 would reauthorize this program and strike the original sunset  
1970 provisions. So I look forward to working with members of the  
1971 committee on this topic.

1972 Many of my colleagues today have also focused their  
1973 questions on the Broadband Equity Access and Deployment  
1974 program, the BEAD program, the success of which is reliant on  
1975 efficient and responsive permitting.

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1976           \*Mr. Davidson. Right.

1977           \*Mrs. Fletcher. So this is another area where I have a  
1978 bill that I would love to ask you a little bit about, because  
1979 I really applaud the agency for its recent announcement to  
1980 help make Federal permitting smoother for BEAD broadband  
1981 deployment.

1982           My concern, however, has been the long potential  
1983 permitting backlogs and bottlenecks at the local level. And  
1984 so one of the things I noted, I think just last month the Pew  
1985 Charitable Trust found in a survey of 36 states that local  
1986 permitting is a key concern and potential barrier to  
1987 deployment. And I know we talk about permitting reform in a  
1988 lot of contexts on this committee, but it certainly seems to  
1989 be an issue here.

1990           Part of the concern is that some of the smaller and more  
1991 rural communities just don't have --

1992           \*Mr. Davidson. Right.

1993           \*Mrs. Fletcher. -- the infrastructure, the personnel to  
1994 do the permitting, you know, whether it is sort of workforce  
1995 and expertise challenges to move these deployments quickly.  
1996 And so my bill, the Broadband Incentives for Communities Act,

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1997 would help address that, giving communities a grant program  
1998 and tools that they need to be able to prevent and address  
1999 these bottlenecks.

2000 So can you talk a little bit about -- with the 30  
2001 seconds you have left -- what you are doing to work with  
2002 local governments to ensure that they are ready for the  
2003 increased applications, and how we can help facilitate that  
2004 from Congress?

2005 \*Mr. Davidson. Well, first of all, you are absolutely  
2006 right to highlight this as an issue. Permitting is a giant  
2007 concern for us, well, especially because we are going to have  
2008 a large burst of projects that are going to come through in  
2009 the next few years, and we want to make sure that we can get  
2010 them through the permitting process in a timely way. It is  
2011 something we have heard a lot about.

2012 We are doing a ton at the Federal level. The local  
2013 level is really important. We have required states, in their  
2014 broadband plans, to show how they are addressing the state  
2015 and local permitting issues. More resources at the local  
2016 level would certainly help quite a bit. So thank you for  
2017 your leadership on this issue, and for putting a spotlight on

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2018 it. It is going to be really important to our success.

2019 \*Mrs. Fletcher. Thank you so much, Administrator

2020 Davidson. I have a couple of questions I couldn't get to, so

2021 I will submit them for the record and yield back.

2022 [The information follows:]

2023

2024 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

2025

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2026            \*Mrs. Fletcher. Thank you.

2027            \*Mr. Davidson. Thank you.

2028            \*Mr. Weber. The gentlelady yields back. The chair now  
2029 recognizes the gentlelady from Tennessee for at least five  
2030 minutes.

2031            \*Mrs. Harshbarger. At least. Thank you, Mr. Chairman.

2032            Thank you, Secretary Davidson, for being here today.

2033            In several places the BEAD program Notice of Funding  
2034 Opportunity expresses preference for unionized workforce,  
2035 paying prevailing wages, and providing detailed information  
2036 regarding a subgrantee's compliance of its contractors and  
2037 subcontractors with labor and employment laws. Specifically,  
2038 NTIA encourages states to require the use of directly-  
2039 employed personnel instead of contractors or subcontractors,  
2040 project labor agreements, labor peace agreements, and to  
2041 commit to union neutrality.

2042            The overwhelming number of ISPs in this country do not  
2043 have unionized workforces or rely only on directly-employed  
2044 personnel, so that just doesn't make a whole lot of sense for  
2045 most companies. I am concerned that NTIA's guidance could  
2046 deter ISP participation in already difficult labor markets

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2047 because these union preferences are extremely burdensome and  
2048 administratively difficult and inefficient. And most  
2049 significantly, these preferences are nowhere to be found in  
2050 the Bipartisan Infrastructure Law, sir.

2051 So how will BEAD succeed if experienced, well qualified  
2052 ISPs can't afford to comply with these costly and onerous  
2053 requirements?

2054 \*Mr. Davidson. Well, we think that -- we know that  
2055 there is a wide variety of providers who will be able to  
2056 provide service here under the BEAD requirements. We don't  
2057 require all the things that you, I think, mentioned.

2058 We do require that, for example, everybody comply with  
2059 Federal labor practices, and Federal labor law, and state  
2060 requirements, as well. And, you know, our belief is that we  
2061 will actually be able to get providers to be able to do this.

2062 And it is not an onerous requirement. It shouldn't be  
2063 surprising that this, you know, this Administration is in  
2064 favor of, you know, good, high-paying, safe work environments  
2065 for workers. We have tried to be respectful of the fact that  
2066 different states have different approaches and, you know,  
2067 that there are a variety of providers out there.

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2068           \*Mrs. Harshbarger. Okay. Thank you, sir.

2069           It is my understanding that at least three middle-mile  
2070 grants have been terminated, or that NTIA has taken the steps  
2071 to terminate some of these grants based on the lack of  
2072 performance. And can you please provide us with an update on  
2073 these projects, and commit to keeping Congress in the loop as  
2074 this program progresses?

2075           \*Mr. Davidson. Absolutely, I am glad to keep you in the  
2076 loop. We are always disappointed when a project doesn't come  
2077 through, but I think it also just shows we are watching these  
2078 programs like a hawk. If somebody is not able to follow  
2079 through with their obligations, we really want to make sure  
2080 we terminate it, get the money back, and redeploy it where we  
2081 can.

2082           So these middle-mile projects are fantastic projects.  
2083 Generally, we are very bullish about this program. Where it  
2084 doesn't work out, you know, we are on top of it, too, and we  
2085 will keep you posted.

2086           \*Mrs. Harshbarger. Be good stewards of our money.

2087           We have seen several states' initial BEAD proposals be  
2088 released in the past few weeks. I guess my question is what

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2089 lies ahead of these states as they start the one-year clock  
2090 on their final proposals?

2091 \*Mr. Davidson. It is a great question because this is  
2092 now sort of the rubber hits the road --

2093 \*Mr. Davidson. Yes.

2094 \*Mr. Davidson. -- for states in the BEAD program. And  
2095 this is going to be a really big year for states.

2096 We are approving their plans, and they are off to the  
2097 races. The states are doing challenge processes, which is  
2098 where they, like, finally confirm who actually are the  
2099 unserved locations that they need to serve. And then they  
2100 will be doing their grant-making processes. And there is  
2101 very -- a lot -- we have given states a lot of flexibility.  
2102 Different states are doing it in different ways, but they all  
2103 have a year to do it. And it is going to be a lot of work  
2104 for them.

2105 But this is really what we have been planning for and  
2106 working towards, which is this will be when the money goes  
2107 out the door --

2108 \*Mrs. Harshbarger. Yes.

2109 \*Mr. Davidson. -- when the states choose their

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2110 providers.

2111 \*Mrs. Harshbarger. Exactly, exactly. I want to make  
2112 sure I have got enough time for the last question.

2113 An agency within NTIA, the First Responder Network, or  
2114 FirstNet, is actively lobbying the FCC to take spectrum away  
2115 from state and local first responders and give it to FirstNet  
2116 and its private contractor for commercial use. And just  
2117 recently, on April 26, the Southwest Border Sheriffs and  
2118 Texas Border Sheriffs filed a letter with the FCC requesting  
2119 that the FCC not hand this valuable spectrum over to  
2120 FirstNet. So why is an agency within NTIA advocating to take  
2121 spectrum away from border sheriffs?

2122 \*Mr. Davidson. Well, thank you for the question,  
2123 because I think that there is no desire to take spectrum away  
2124 from people who are using it today. And I think what has  
2125 been -- what is quite clear, I think in all -- and this is an  
2126 ongoing proceeding at the FCC. Ultimately, the FCC will have  
2127 to decide. It has been an ongoing proceeding for some time.  
2128 And the most important thing, though, is that we make sure  
2129 that we preserve the uses for those who are using it today,  
2130 and make sure that they are taken care of.

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2131           And I will also just say, you know, the Administration  
2132 has not weighed in on or filed in that proceeding, and  
2133 reached a -- you know, has not weighed in on that proceeding,  
2134 but we take those issues you are raising quite seriously.

2135           \*Mrs. Harshbarger. Well, just keep us updated on that  
2136 too, sir.

2137           \*Mr. Davidson. Absolutely.

2138           \*Mrs. Harshbarger. In a timely fashion.

2139           \*Mr. Davidson. Absolutely.

2140           \*Mrs. Harshbarger. Thank you, sir.

2141           I yield back, Mr. Chairman.

2142           \*Mr. Weber. The chair now recognizes the gentleman from  
2143 California, Mr. Cardenas, for five minutes.

2144           \*Mr. Cardenas. Thank you very much. I appreciate  
2145 Chairman Latta and also Ranking Member Matsui for holding  
2146 this important hearing. And thank you to our witness for  
2147 being here today to give us some feedback and your expertise  
2148 on what is really going on out there.

2149           We have already heard a great deal about the crisis we  
2150 are currently facing with ACP funding and the negative impact  
2151 that could have on success of our historic BEAD investments.

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2152 I know my colleagues on the other side of the aisle didn't  
2153 vote for the Bipartisan Infrastructure Law, which launched  
2154 both BEAD and ACP, but they seem to be happy to go back to  
2155 their districts and brag about all the money that is coming  
2156 to their districts. And I am happy for their constituents,  
2157 that this good policy is actually reaching every part of the  
2158 country.

2159 I would like to also once again implore my colleagues on  
2160 the other side of the aisle to work with us over the next few  
2161 weeks to head off this catastrophe with the ACP funding.

2162 I would also like to note the rhetoric we have heard  
2163 that the BEAD affordability requirements in the IIJA are akin  
2164 to "rate regulations." I think that is a ridiculous way of  
2165 looking at it. Everyone in this country should be able to  
2166 take advantage of the infrastructure we are building,  
2167 regardless of their income or household resources. I hope  
2168 that we can all come together and come to our senses and  
2169 continue to make this happen.

2170 With that I am going to start my questions with  
2171 spectrum. The National Spectrum Strategy mentions the seven  
2172 gigahertz band as a candidate for wireless broadband use,

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2173 whether licensed or unlicensed, while recognizing the  
2174 importance of protecting existing Federal mission-critical  
2175 operations. I have heard from Federal agencies involved in  
2176 the seven gigahertz study that the NTIA may be focusing the  
2177 expiration of this band on only full-power commercial use.

2178 Mr. Administrator Davidson, would the NTIA permit  
2179 agencies to consider the full range of options and their  
2180 potential commercial use in their study of the seven  
2181 gigahertz band? Will they?

2182 \*Mr. Davidson. Yes. I am happy to reassure you and the  
2183 others that we are -- these studies are expected to explore  
2184 the full range of uses: low power, mid-power, high power  
2185 uses, absolutely.

2186 \*Mr. Cardenas. Yes, thank you. I would also like to  
2187 touch on concerns about permitting issues.

2188 Construction of critical projects should not be unduly  
2189 delayed by unacceptably low -- slow reviews or unreasonable  
2190 fees. We must strike a balance between protecting  
2191 communities and expanding and improving broadband in an  
2192 efficient and cost-effective manner.

2193 Administrator Davidson, I know that you share these

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2194 concerns, and your agency has done a tremendous amount of  
2195 work to ease any unreasonable burdens like NTIA's recent  
2196 adoption of new categorical exclusions for BEAD projects, for  
2197 instance. Can you talk about that a little bit, and explain  
2198 how you think targeted permitting reform can yield more  
2199 equitable results when it comes to broadband deployment?

2200 \*Mr. Davidson. Yes, this is a super important question  
2201 we have heard from the beginning of this program, that  
2202 permitting could be a real obstacle to our ability to deploy  
2203 in some of the communities that most need these networks.

2204 We have been working -- and at the Federal level,  
2205 particularly -- to do what we can to streamline the  
2206 permitting process for these broadband projects that we are  
2207 administering. We have hired -- we have a Tiger Team, some  
2208 of the best permitting nerds in the business, and we have had  
2209 some real successes. We have had -- we have expanded a set  
2210 of categorical exclusions that we have put in place. We have  
2211 streamlined the historical preservation process. We have got  
2212 a new mapping tool that helps people see where there might be  
2213 permitting issues in the projects they are planning.

2214 So it is all a long way of saying, like, we are doing

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2215 all that we can as quickly as we can to make sure we are  
2216 streamlining permitting, and we think that is very important.

2217 \*Mr. Cardenas. Thank you. Now, pivoting to the NTIA's  
2218 work on artificial intelligence, one of the policy  
2219 recommendations made in the NTIA's Artificial Intelligence  
2220 Accountability Policy report suggested that the government  
2221 may have a role in shaping standardized disclosures for AI  
2222 systems and models, similar to how we have handled the food  
2223 nutrition labels.

2224 Administrator Davidson, what information would be  
2225 helpful to include in a standardized label for AI systems and  
2226 models?

2227 \*Mr. Davidson. Well, that is an area -- first of all,  
2228 thank you for raising it. I think it is -- we think it is an  
2229 incredibly important and potentially very helpful area.  
2230 People are working on this now. It is an -- actually, a very  
2231 active area, and what we have called is for more research to  
2232 make sure we understand exactly what people need to see in  
2233 these labels. I mean, things like, you know, how a model or  
2234 a system approaches privacy, security, bias in the models,  
2235 and making sure that we can find ways to measure that,

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2236 quantify it, show it to people like an FDA nutrition label.  
2237 And that is a very active area of work right now, and one  
2238 that we need to be supporting more of.

2239 \*Mr. Cardenas. Okay, thank you. How would disclosure  
2240 like this make AI safer for average Americans?

2241 \*Mr. Davidson. Well, I think we know that AI is going  
2242 to bring a lot of benefits, but only if we deal with the very  
2243 real risks that are out there. There are real risks to  
2244 privacy, to security. We are concerned about bias in these  
2245 systems. We are concerned about how -- about misuse. And by  
2246 being more transparent about how systems operate, and by  
2247 bringing more accountability, our whole report is about how  
2248 do we make sure that systems operate the way that people say  
2249 they are. And that is -- thank -- so thank you for your  
2250 question. It is a big, big area of ongoing work.

2251 \*Mr. Cardenas. Thank you.

2252 My time expired, I yield back.

2253 \*Mr. Weber. The gentleman yields back. The chair now  
2254 recognizes Dr. Joyce from Pennsylvania for five minutes.

2255 \*Mr. Joyce. Thank you, Chairman, and thank you for  
2256 holding this hearing today, and to you, Assistant Secretary

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2257 Davidson, for being with us.

2258           Following our previous oversight hearing in December, a  
2259 letter was sent to NTIA based on my line of questioning.  
2260 Unfortunately, the response that we received was delayed, it  
2261 was vague, and failed to address the issue of rate  
2262 regulation. It is my hope that today we can receive some  
2263 greater clarification than what that original response was.

2264           Assistant Secretary Davidson, you have testified before  
2265 Congress multiple times about the infrastructure law's clear  
2266 prohibition on rate regulation. The infrastructure law says  
2267 -- and I am quoting -- "nothing in this title may be  
2268 construed to authorize the assistant secretary or the  
2269 National Telecommunications and Information Administration to  
2270 regulate the rates charged for broadband service.'`

2271           In last December's hearing you assured this committee  
2272 that you would not engage in rate regulation, and you would  
2273 -- now I am quoting again -- "embrace the sort of laboratory  
2274 of democracy, let different states approach this in different  
2275 ways.'` Yet you have only approved six state plans plus the  
2276 District of Columbia, all of which appear to regulate  
2277 broadband rates by adopting a specific price for broadband

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2278 service.

2279 We now understand from states like Virginia that NTIA  
2280 has threatened to withhold approval of state volume two plans  
2281 unless they agreed to NTIA's rate regulation demands. We  
2282 have heard from numerous states that the pressure from NTIA  
2283 is real, and the threat of losing funds was too great not to  
2284 give in to these demands.

2285 Congress did not envision NTIA circumventing the  
2286 explicit ban on rate regulation, especially not by back-  
2287 channeling and conditioning NTIA's approval of plans on  
2288 states agreeing to use BEAD funding to impose rate regulation  
2289 mandates when they don't want to do so. Obviously, this is  
2290 incredibly troubling, especially in light of your and the  
2291 Secretary's prior sworn testimony to this committee that NTIA  
2292 was not engaging in such pressure tactics, which are  
2293 prohibited by the IIJA.

2294 So I am asking you once again, will you assure this  
2295 committee that you will allow the laboratory of democracy to  
2296 function, and approve a state plan that does not set a  
2297 specific price for low-income broadband plan, middle-class  
2298 affordability plan, or for certain tier services like the

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2299 symmetrical gigabyte service?

2300 \*Mr. Davidson. Those are a whole bunch of different  
2301 things, sir. But I will just say that we are not engaged in  
2302 rate regulation. We are following -- we are the -- we are  
2303 faithful to the statute.

2304 There are grant conditions to the grants that broadband  
2305 providers will get. There are a lot of conditions that they  
2306 have to meet. One of them is that they will have to obey the  
2307 low-cost option that the state puts in place. States have  
2308 put in place -- have chosen to put in -- some states have  
2309 chosen to put in place lots of different approaches. We have  
2310 seen ranges, we have seen prices. We have seen a lot of  
2311 different things. But again, we do not believe that that is  
2312 rate regulation. We are not setting a price. We are not  
2313 requiring that --

2314 \*Mr. Joyce. And there are no pressures that you are  
2315 placing on the individual states as they present their plans  
2316 to you?

2317 \*Mr. Davidson. States have to meet the requirements of  
2318 the statute, and they have to meet the requirements of our  
2319 funding --

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2320           \*Mr. Joyce. And there is no threat of losing those  
2321 funding if they don't follow any type of price setting that  
2322 is coming from the NTIA?

2323           \*Mr. Davidson. They have to follow the requirements of  
2324 the -- of our funding notice and our statute. And --

2325           \*Mr. Joyce. I find it an interesting answer. And since  
2326 in NTIA's red-lined version of the Virginia state plan you  
2327 provided feedback -- and again, I am going to quote --  
2328 "The assistant secretary must be able to determine the impact  
2329 to a customer at the initial proposal stage. It isn't enough  
2330 to know as a final proposal. Thus, the low-cost option must  
2331 be established in the initial proposal as an exact price or  
2332 formula.'" Those are your words.

2333           Yes or no, is that NTIA forcing states to adopt rate  
2334 regulation? The answer seems clear to me.

2335           \*Mr. Davidson. I don't know the communication that you  
2336 are speaking of.

2337           \*Mr. Joyce. Well, we will provide that communication.

2338           \*Mr. Davidson. I would like to see it.

2339           \*Mr. Joyce. Again, we are providing that for you.

2340           Moving forward, Mr. Davidson, if NTIA insists on

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2341 violating the infrastructure law by only approving state  
2342 plans with specific prices, how does NTIA plan to accomplish  
2343 the goal of closing the digital divide if there is little  
2344 interest in bidding?

2345       \*Mr. Davidson. Well, sir, we think that there will be  
2346 interest in bidding. And I can just tell you I have talked  
2347 to many state broadband offices. They are keenly interested  
2348 in making sure that they are meeting the requirements of  
2349 affordability, which is the third word in the statute that is  
2350 -- that we are implementing, "affordable." And they also  
2351 want to make sure that providers show up for the program.

2352       They are all working hard to make sure that both of  
2353 those things are true. We do -- we want to make sure that is  
2354 true, as well.

2355       \*Mr. Joyce. And I think this committee definitely wants  
2356 to know, and I want the assurance from you that there is no  
2357 arm bending, there is no pressures being put on to make sure  
2358 that BEAD funding is not tied to any pressures from your  
2359 office.

2360       \*Mr. Davidson. As long as states submit proposals that  
2361 show clearly how they are meeting the affordability

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2362 requirement of the low-cost option under our notice, they  
2363 will be approved. But they have to show that to us.

2364 \*Mr. Joyce. And we would like to see it shown to us  
2365 here in committee, as well. I thank you for being present  
2366 here with us today.

2367 Mr. Chairman, my time has expired, I yield back.

2368 \*Mr. Weber. The gentleman yields back. I now recognize  
2369 Ms. Kelly for at least five minutes.

2370 \*Ms. Kelly. Thank you so much. I want to thank  
2371 Assistant Secretary Davidson for your testimony today and the  
2372 work that NTIA is conducting.

2373 I know it has come up already, but I want to echo my  
2374 support for the Affordable Connectivity Program and the  
2375 tremendous benefits it has provided to Illinois. Over  
2376 700,000 households in the state, including almost 80,000 in  
2377 my district, are saving on the cost of Internet service each  
2378 month. It has amounted to over \$400 million in savings. And  
2379 for low-income households this may be the difference between  
2380 having reliable home Internet that month or not, and I hope  
2381 we can come together to keep the program going.

2382 As we are all witnessing the emergence of novel AI

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2383 technologies and systems, I am intrigued by the many  
2384 potential benefits and uses, especially as AI continues to  
2385 develop and gain abilities. Yet while Americans are  
2386 realizing the benefits of novel AI technologies, there have  
2387 been incidences where AI and algorithmic systems have led to  
2388 harmful outcomes. As a member of this committee and someone  
2389 who partnered with then-Congressman Will Hurd of Texas on a  
2390 white paper series on AI, I am focused on how AI system  
2391 developers and deployers should have mechanisms in place to  
2392 prioritize the safety and well-being of people and the  
2393 environment, and show that AI systems work as intended.

2394 Can you -- we all know the President Biden signed an  
2395 executive order to establish and adopt a coordinated Federal,  
2396 government-wide approach for safely and responsibly  
2397 developing and using AI. In response to the executive order,  
2398 NTIA requested comments on open source AI systems. Based on  
2399 the comments NTIA has received, can you please share some of  
2400 the pros and cons with open source AI systems?

2401 \*Mr. Davidson. Well, thank you for the question. It is  
2402 a really interesting and important question.

2403 As we are looking at these cutting-edge models, in

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2404 particular, the foundation models as many call them, we are  
2405 trying to explore this question about whether opening up the  
2406 model weights -- what are the benefits and what are the  
2407 risks. And that is the report that we are working on. And  
2408 we were very gratified to receive a lot of comments in  
2409 response to our request for comments.

2410 I think what is clear is that there are -- it is very  
2411 clear from the comments as, first of all, people do see real  
2412 benefit in openness, and that it can provide more access to  
2413 technology, more competition. We don't want the most  
2414 important models to only be controlled by a small set of  
2415 players.

2416 At the same time, we have also heard about real risks  
2417 and concerns about how to make sure that models are not  
2418 misused, particularly the high-end models. And so that is  
2419 the path we need to look through.

2420 I think probably one key learning that I will just add  
2421 is people have really encouraged us to look at the  
2422 incremental harms. So not just like is it harmful, is it not  
2423 harmful to do this, but also how is it different from the  
2424 closed models. You know, would openness be that much worse

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2425 than the closed models and what is out there already? And so  
2426 we are trying to take a very careful look at that.

2427 But our report will be out this summer -- or it is due  
2428 to the White House, I should say, this summer. And we will  
2429 get our homework assignment done, and I look forward to  
2430 sharing more.

2431 \*Ms. Kelly. Thank you so much. When you were here  
2432 before I referenced my bill with Congressman Josh Harder, and  
2433 asked about the importance of AI --

2434 \*Mr. Davidson. Yes.

2435 \*Ms. Kelly. -- accountability measures for AI systems.  
2436 Given all the recent talk and legislation around TikTok, AI,  
2437 and kids' mental health while using social media and other  
2438 online platforms as it relates to protecting kids' mental  
2439 health online, I am curious to hear some of the things you  
2440 all have learned from both your role as co-chair of the White  
2441 House Task Force on Kids' Online Health and Safety, and the  
2442 agency's work on AI accountability.

2443 \*Mr. Davidson. So there is -- it has been great to be  
2444 able to work on these projects together, because I think that  
2445 -- first of all, thank you for your leadership on AI

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2446 accountability. The report we put out really focused on how  
2447 important it is to make sure that we are dealing with, you  
2448 know, the fact that AI systems are going to offer great  
2449 benefits, but only if we deal with the very real risks, the  
2450 risks that exist today.

2451 It is a real tie-in with our work on kids' safety right  
2452 now, because I think the -- some of the challenges that we  
2453 are going to see for kids online are only going to be  
2454 exacerbated by the rising use of AI. And I will just even  
2455 start with look at the incredibly concerning use of what we  
2456 call synthetic content deepfakes, and how that can affect  
2457 young people online. So we are keenly interested in dealing  
2458 with both of these issues.

2459 I will say the Kids Safety Task Force that I co-chair is  
2460 looking very carefully and thinking a lot about not just how  
2461 do we help caregivers, but also what are the best practices  
2462 for companies and platforms that are making some of this  
2463 content available to young people. And we really need to do  
2464 both. It is a very important and difficult time, I think,  
2465 for -- particularly for families, for caregivers out there,  
2466 and we need to give them more tools, and we need to make sure

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2467 companies are more accountable in this space.

2468 \*Ms. Kelly. Thank you. My time is up, and I yield  
2469 back.

2470 \*Mr. Davidson. Thank you.

2471 \*Mr. Weber. The gentleman from one of the energy  
2472 centers of Texas is recognized for five minutes, Mr. Pfluger.

2473 \*Mr. Pfluger. Thank you, Mr. Chairman.

2474 Assistant Secretary, thanks for being here. The title  
2475 of my questioning is, "Concern: Bureaucratic Delays that  
2476 Affect National Security.'" All agencies will be equally hit  
2477 on this questioning. So thank you for being here.

2478 \*Mr. Davidson. Thank you.

2479 \*Mr. Pfluger. Let's start with Link 16, something near  
2480 and dear to my heart, which is a blue force tracker. If you  
2481 are not familiar, it is used in all domains of fighting,  
2482 including air, sea, land. It is -- I used it, personally.  
2483 It is an incredibly important --

2484 \*Mr. Davidson. Yes.

2485 \*Mr. Pfluger. -- methodology in the way that we fight,  
2486 because you have to be able to track your other compatriots  
2487 out there.

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2488           The FAA has really cracked down on the DoD's methods for  
2489 certification. And what I would like to know, as the head of  
2490 NTIA, and really tasked with solving interagency issues and  
2491 conflicts, there are severe disagreements between DoD and  
2492 FAA. What are you and NTIA able to do? Because if we don't  
2493 have this blue force tracker, then we can't fight in a joint  
2494 capacity. And it is very concerning that they have certified  
2495 zero new weapon systems since the FAA -- that is.

2496           \*Mr. Davidson. So I will start by saying thank you for  
2497 the question. And I know this is an issue that you have been  
2498 deeply involved in. I think we have given TA on some of the  
2499 potential language around this for the NDAA. It is -- you  
2500 are right, it is a very important issue that we need to  
2501 figure out how to work with, because this is an important  
2502 band and area of work for the FAA, but we know how essential  
2503 it is for our warfighters. And it is coming up more and  
2504 more, and that is probably the thing that is really  
2505 exacerbating this.

2506           So we have had a series of individual issues that have  
2507 come up with this, where NTIA has really tried to serve as an  
2508 honest broker between --

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2509           \*Mr. Pfluger. And I will pause you right there. Can  
2510 you respond to me in writing on what that timeline looks  
2511 like, and --

2512           \*Mr. Davidson. Sure.

2513           \*Mr. Pfluger. -- how you are working through it?  
2514 Because I have got some other questions.

2515           \*Mr. Davidson. Absolutely.

2516           [The information follows:]

2517

2518           \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

2519

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2520           \*Mr. Davidson. You know what? I am very happy to do  
2521 that. And some of it may be done in a -- better in a  
2522 different setting. And so we will absolutely be happy to  
2523 talk about it.

2524           \*Mr. Pfluger. When we are talking about NTIA and DoD,  
2525 let's talk about EMBRSS, let's talk about the shared  
2526 spectrum. We recently held a hearing -- I believe you were  
2527 there -- a classified setting.

2528           \*Mr. Davidson. Yes.

2529           \*Mr. Pfluger. And without getting into classified data,  
2530 I was very disappointed in what the DoD produced when it  
2531 comes to the ability to share in the lower three. And so  
2532 what I really want to know, as the principal entity  
2533 responsible for solving and resolving these interagency  
2534 conflicts, can you give us a -- can you provide a clear  
2535 timeline of when NTIA's work is going to be done so that we  
2536 can actually move forward --

2537           \*Mr. Davidson. Right.

2538           \*Mr. Pfluger. -- get past the bureaucratic red tape?  
2539 And then I have another question after this.

2540           \*Mr. Davidson. Sure. I will just say briefly it is a

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2541 very important area.

2542 Look, you heard it in the other setting. You know, the  
2543 study was -- that the DoD did, you know, was -- we supported  
2544 the result of understanding about what the limits are -- of  
2545 sharing are. But we think this band is too important to give  
2546 up on, and we --

2547 \*Mr. Pfluger. Do you have a timeline for when --

2548 \*Mr. Davidson. The timeline is going to be -- it is  
2549 laid out in the National Spectrum Strategy. It is two years  
2550 to do the study, and -- but it is -- we are going to do it  
2551 within two years. We have got an implementation plan in  
2552 place. I think it is a non-trivial issue to think about, and  
2553 we have been really focused on particular systems --

2554 \*Mr. Pfluger. DoD is stuck with millions of dollars.

2555 \*Mr. Davidson. Right.

2556 \*Mr. Pfluger. Millions of dollars. And that timeline  
2557 to me is very concerning. That is why I labeled this  
2558 questioning "concern," because it just seems like the  
2559 bureaucratic red tape is actually getting in the way, and we  
2560 are going to get lapped by China. So --

2561 \*Mr. Davidson. We would love to do it faster. I just

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2562 want to be realistic about what it takes to do these studies.

2563           This one we will be leading. We have confidence in our  
2564 path forward. We see a path to doing something that is  
2565 productive in this space, which is why we have pushed for it.  
2566 And we will hit that mark. It is not something you can do  
2567 overnight. And I am sorry, I wish the -- we had been able to  
2568 do it in the last couple of years. We weren't able to, but  
2569 we are going to do it now.

2570           \*Mr. Pfluger. Let me move to some of the state plans,  
2571 and I am going to follow up where my colleague, Mr. Joyce,  
2572 left off. And this is really where the rubber meets the road  
2573 on my concern, and I think that of colleagues here, that --  
2574 have you received Texas's plan for deployment?

2575           \*Mr. Davidson. Their -- the BEAD plan? Yes, we have.

2576           \*Mr. Pfluger. Okay. Can you provide me a timeline of  
2577 when NTIA will approve that plan?

2578           \*Mr. Davidson. It is hard to comment on any particular  
2579 plan in this setting.

2580           I will also say that a lot of our work depends quite a  
2581 bit on the responses we get as we go back and forth with the  
2582 state on particular issues. But my expectation would be that

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2583 this summer is the timeline that we are looking at.

2584 \*Mr. Pfluger. Are there biases that Mr. Joyce  
2585 referenced, whether it is rate or otherwise, that are  
2586 influencing the timeliness of the approval and also the  
2587 approval writ large?

2588 \*Mr. Davidson. There are not. I think we have been  
2589 just very clear with states there is a whole lot of  
2590 requirements in there. It is a lot of homework for the  
2591 states, but it is \$3.3 billion. And before we write a \$3.3  
2592 billion check, we need to make sure that all the requirements  
2593 of the law and the funding notice are met, and that has  
2594 really been our focus.

2595 We have a great Federal program officer based in Austin.  
2596 There is a good -- you know, a great -- state broadband  
2597 office that we are working with. We are working through the  
2598 issues. I haven't heard of any showstopper problems in this  
2599 plan. It just takes a while to get through all the work.

2600 \*Mr. Pfluger. My time is expired. We remain concerned  
2601 about --

2602 \*Mr. Davidson. Okay.

2603 \*Mr. Pfluger. -- the timeliness of all of these things

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2604 because it is hurting our national security.

2605 I yield back.

2606 \*Mr. Weber. The gentleman's time has expired. The  
2607 chair now recognizes the gentlelady from Iowa for her first  
2608 veering into this subcommittee. We are so excited to have  
2609 you, Doctor. You are recognized for at least five minutes.

2610 \*Mrs. Miller-Meeks. Thank you very much, Chairman Weber  
2611 and Ranking Member Matsui, for holding this hearing today. I  
2612 want to also thank our witness, Administrator Davidson, for  
2613 testifying before the subcommittee.

2614 In Iowa our households, businesses, farmers, and health  
2615 care providers rely on affordable, secure, and accessible  
2616 Internet service. Increased accessibility on the Internet  
2617 has allowed farmers to utilize new technologies, doctors to  
2618 reach patients, friends to reconnect, given our students more  
2619 opportunities to learn, and workers more opportunity to live  
2620 in rural America while working anywhere.

2621 Unfortunately, a large percentage of Americans in rural  
2622 communities still lack access to high-speed Internet, which  
2623 is unacceptable. I look forward to working with my  
2624 colleagues on this subcommittee to address America's

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2625 broadband infrastructure in a manner that benefits all  
2626 Americans, urban or rural.

2627 Administrator Davidson, precision agriculture depends on  
2628 all types of connectivity. It is amazing, what our farmers  
2629 are doing in this space. Satellite systems like GPS, wide-  
2630 range cellular connectivity, and fixed wireless access all  
2631 have a part to play in ensuring that every last acre of  
2632 farmland in America is connected. How are NTIA's programs  
2633 supporting the precision agriculture needs of our nation's  
2634 farms?

2635 \*Mr. Davidson. Well, thank you for the question. It is  
2636 nice to see you here.

2637 I will say that we -- when we think about our  
2638 deployment, we are thinking about rural areas, we are  
2639 thinking about agricultural areas. And we know that  
2640 precision agriculture is a great -- is kind of a killer app  
2641 in a lot of ways for those communities. And so, while our  
2642 BEAD program is largely focused on deployment to homes and  
2643 businesses, to fixed locations, we know that that will make a  
2644 very big difference in these agricultural uses.

2645 I have met farmers who talk to me about how hard it is

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2646 even to be able to market their goods, to get the latest  
2647 information if they don't have a high-speed Internet  
2648 connection to their farm. And that is the kind of thing we  
2649 are going to be providing. We are very focused on that.

2650 \*Mrs. Miller-Meeks. Well, I thank you for bringing up  
2651 BEAD. According to NTIA's BEAD program dashboard, as of  
2652 December 27, 2023, every state submitted their initial  
2653 proposals for NTIA approval. Since then only six states and  
2654 the District of Columbia's volume two plans have been  
2655 approved. And in all candor, up until a few weeks ago only  
2656 one state's plan was approved.

2657 The BEAD program was created as a response to the  
2658 pandemic, which highlighted the urgency of the digital divide  
2659 across the United States. We are soon approaching three  
2660 years since the program was created without a single home  
2661 connected yet. I urge NTIA to work faster to approve the  
2662 plans and provide clear guidance to states and potential  
2663 applicants so that states can proceed to the next phase,  
2664 accepting applications and giving out money.

2665 To that end, in your estimation, when can the first  
2666 unserved households in my district expect BEAD-funded

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2667 Internet service at their home? Next year, maybe, or will it  
2668 be not until 2026?

2669 \*Mr. Davidson. Well, first of all, thank you for the  
2670 question.

2671 I will just say we are keenly, keenly motivated to get  
2672 this money out the door as quickly as we can and as wisely as  
2673 we can. I will say it is actually seven states --  
2674 Pennsylvania got approved yesterday -- seven states plus the  
2675 District of Columbia. I expect that there will be a cadence  
2676 now of more states regularly being approved each week, so you  
2677 will see a lot more.

2678 You are right to say that this has happened -- we would  
2679 like this to happen faster. But this is a long-term program.  
2680 I just want to be really clear with you and, really, with the  
2681 whole committee that, you know, we did not build the  
2682 interstate highway system overnight. We did not do rural  
2683 electrification overnight. This is a multi-year program. It  
2684 is going to take years to connect everybody in this country.  
2685 We are already doing a lot of it. We are deploying already  
2686 with some of our grant programs. With BEAD, this is really a  
2687 2025-2026 shovels-in-the-ground project.

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2688 \*Mrs. Miller-Meeks. But with all due respect,

2689 Administrator --

2690 \*Mr. Davidson. Right.

2691 \*Mrs. Miller-Meeks. -- and I am not trying to be  
2692 confrontational.

2693 \*Mr. Davidson. Right.

2694 \*Mrs. Miller-Meeks. The speed of the Internet and  
2695 information technology is not changing at the rate at which  
2696 the highway infrastructure system was built. So it is  
2697 doubling exponentially. And, you know, to have a timeline  
2698 that far out, there will be another new technology down the  
2699 road. Meanwhile, homes are not connected, people are not  
2700 accessing health care in rural areas, children aren't  
2701 learning, and people aren't able to live in rural areas and  
2702 work from home.

2703 So can you also explain how advancements in development  
2704 and deployment of AI modeling can help NTIA manage spectrum  
2705 and develop new spectrum policy?

2706 \*Mr. Davidson. It is a great question. I have -- duly  
2707 noted about your first point. We feel the urgency, as well.

2708 On the second point, we do think that AI is going to be

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2709 an incredibly promising technology for a lot of different  
2710 uses, including the better use of spectrum, better management  
2711 of energy usage in wireless networks, the list goes on. And  
2712 it is an exciting area -- I know we are out of time -- but  
2713 one that we would love to follow up on and talk more about,  
2714 because we do think it is going to provide major benefits not  
2715 just to consumers, but to businesses in our economy.

2716 \*Mrs. Miller-Meeks. Thank you so much.

2717 I yield back.

2718 \*Mr. Weber. The gentlelady yields back, and the chair  
2719 now recognizes Mr. Griffith of Virginia for five minutes.

2720 \*Voice. Hold on, hold on, hold on. We are going to  
2721 actually recognize Mrs. Dingell.

2722 \*Mr. Weber. The chair retracts that statement. We are  
2723 now going to recognize the gentlelady, Mrs. Dingell, for at  
2724 least five minutes.

2725 \*Mrs. Dingell. Sorry about that. It is one of those  
2726 days for everybody in this room.

2727 And it is great to see you, so I want to say that, and  
2728 we appreciate your leadership.

2729 My governor has been talking to me about this -- and

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2730 thank you for being here, thanks to the chairman for holding  
2731 this hearing. But -- and I know others have raised it, but  
2732 we need to fund the Affordable Connectivity Program. In  
2733 Michigan nearly one million households, one in four  
2734 households in the state, have saved money on their Internet  
2735 bills because of the ACP. This program is crucial for  
2736 ensuring that all Americans can participate in the digital  
2737 economy, access education and health care resources, and stay  
2738 connected. And, you know, like everybody keeps saying, we  
2739 run out of money this month.

2740 Michigan is set to receive over 1.5 billion for  
2741 broadband infrastructure through the BEAD program, an  
2742 incredible investment in communities across the state. How  
2743 will the expiration of ACP funds impact the implementation of  
2744 the BEAD program in Michigan?

2745 \*Mr. Davidson. Thank you, Congresswoman, it is a great  
2746 question. And as you said, ACP is so important for getting -  
2747 - people being able to get online in places like Michigan.  
2748 And we have heard that, really, affordability is so critical.

2749 Twenty percent of the people who do not have an Internet  
2750 connection in this country say it is because they can't

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2751 afford to get online. ACP has been a huge part of that in 23  
2752 million households. Nearly 50 percent of them are military  
2753 households unable to get -- relying on ACP and who will be --  
2754 have real difficulty getting online if we don't fund it.

2755 It is also related, as you know, to our ability to  
2756 succeed in the BEAD program, in our deployment program, and  
2757 particularly in places like Michigan, where we know that  
2758 particularly in rural areas, where you have a high percentage  
2759 of folks who may be getting ACP and high cost to building  
2760 these networks, we need to make sure there is a customer  
2761 base. We need to make sure that, when we build these  
2762 networks, there are people who can afford to get online and  
2763 use them. And without ACP it becomes a lot harder to meet  
2764 our goal of connecting everybody.

2765 \*Mrs. Dingell. Okay, so that worries me. So beyond the  
2766 BEAD program, will the end of the ACP program set Michigan  
2767 back in terms of bridging the digital divide?

2768 \*Mr. Davidson. Well, I think it will set all of America  
2769 back in breaching the digital divide. And as you know,  
2770 Michigan has nearly -- I think it is something like 940,000  
2771 households, maybe close to a million households that rely on

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2772 ACP. So it will be a step back.

2773 We have been talking about the digital divide in this  
2774 country for over 30 years. We finally have the resources to  
2775 do something serious about it on the deployment side. We  
2776 need to make sure we are addressing affordability, as well.

2777 \*Mrs. Dingell. I agree. So Michigan leads the charge  
2778 in closing the digital divide with the fourth highest BEAD  
2779 allocation in the country in a BEAD challenge process that is  
2780 received over 480,000 submissions to verify BEAD-eligible  
2781 locations. Michigan wants to ensure that the infrastructure  
2782 investments BEAD will make can be fully leveraged for our  
2783 residents, and that this -- so this means ensuring, as we  
2784 were talking about, affordability, digital skills, access to  
2785 devices, and other long-term systematic barriers to digital  
2786 equity.

2787 The state has proposed creating a digital inclusion fund  
2788 for lasting support to address these issues beyond the BEAD's  
2789 program timeframe, which I support. BEAD will work to  
2790 connect underserved and underserved locations, bridging gaps  
2791 left by Federal programs such as the Rural Digital  
2792 Opportunity Fund and Enhanced ACAM. Providers utilizing

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2793 these programs must fulfill their commitments to ensure  
2794 connectivity in all locations.

2795 Mr. Secretary, while NTIA is not responsible for the  
2796 implementation of these programs, what is the plan for BEAD  
2797 if these participants in these programs default on their  
2798 obligations during BEAD's implementation?

2799 \*Mr. Davidson. Yes, it is a tough -- it is a tricky  
2800 question. It is an important question.

2801 Congress has very wisely told us not to duplicate  
2802 funding to make sure that we are not funding in places where  
2803 other Federal programs exist. And if we are going to meet  
2804 our goal of connecting everybody -- it is a tough goal -- we  
2805 have got to make sure we are using our money smartly.

2806 The tricky part will come -- is if a program -- other  
2807 programs that are funded -- funding, you know, deployments to  
2808 locations, if people default on those. The timing will  
2809 matter a lot. But I think our general rule of thumb -- and  
2810 we have talked to other agencies about this -- is that if a  
2811 provider defaults, that there will be a need to make sure  
2812 those locations get served through that program in some other  
2813 way.

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2814           Once we start doing the BEAD deployments, the states  
2815 will, you know, have -- locked and loaded, as it were -- will  
2816 be funding a set of locations in their state. And we are  
2817 just going to make sure that we work really closely together  
2818 with other agencies so that everybody knows what these  
2819 timelines look like, and that we are all making sure that all  
2820 locations that are funded actually get deployment. And that  
2821 is our goal.

2822           \*Mrs. Dingell. Thank you. I am going to have to yield  
2823 back.

2824           But Mr. Chair, I am going to have further questions on  
2825 this for the record. Thank you.

2826           [The information follows:]

2827

2828           \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

2829

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2830 \*Mrs. Dingell. I yield back.

2831 \*Mr. Weber. The gentleman from Virginia, Mr. Griffith,  
2832 is now recognized for five minutes.

2833 \*Mr. Griffith. Thank you very much, Mr. Chairman. I am  
2834 not going to be rescinded this time, am I? Just teasing.

2835 \*Mr. Weber. Well, stand by.

2836 \*Mr. Griffith. Stand by.

2837 [Laughter.]

2838 \*Mr. Griffith. All right. Virginia was the second  
2839 state to submit their volume two initial proposal -- we are  
2840 talking about BEAD -- on September 27, 2023, almost  
2841 simultaneously with Louisiana, who received approval from  
2842 NTIA on December 15. Virginia is widely regarded as among  
2843 the most advanced states for administering its broadband  
2844 programs. So what is the problem?

2845 \*Mr. Davidson. The -- our requirement -- we require  
2846 that every state, when they submit their initial plan, meet  
2847 the requirements of the law and of our funding notices. And  
2848 when they do, we can approve them. We have approved --

2849 \*Mr. Griffith. What did they not meet in regard to the  
2850 law? Because what they got back for concerns was -- and I

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2851 promise you, Mr. Joyce and I, who asked you about this  
2852 earlier, we did not talk about this until after he had asked  
2853 his questions -- but the response back was an exact -- the  
2854 feedback requested Virginia include one of two things in its  
2855 required definition of its low-cost option in its volume two:  
2856 an exact price for what it will -- for what will be the only  
2857 acceptable low-cost option for BEAD-funded broadband  
2858 services, regardless of provider or location in Virginia,  
2859 exact price; a formula by which one could apply and thereby  
2860 derive an exact price, dot, dot, dot.

2861 All right, tell me. If that is the problem, how are you  
2862 not saying, "You have got to give us a price that we like, or  
2863 else you are not going to be approved'`?"

2864 \*Mr. Davidson. First of all, I don't -- I would welcome  
2865 the chance to review the communication you are talking about.  
2866 I haven't seen it. I don't know --

2867 \*Mr. Griffith. Right there. All right. And we will do  
2868 that after the fact --

2869 \*Mr. Davidson. -- quite a bit.

2870 \*Mr. Griffith. So let me ask you this.

2871 \*Mr. Davidson. But -- sure. Yes, sir.

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2872           \*Mr. Griffith. Let me ask you this. Despite the  
2873 discussions that we have had today about explicit prohibition  
2874 on rate regulation, it is -- it appears that NTIA has  
2875 strongly encouraged states to set a \$30 price cap. So on the  
2876 seven states you just told us about that have been approved,  
2877 and the District of Columbia, did they have a \$30 price cap?

2878           \*Mr. Davidson. They did not.

2879           \*Mr. Griffith. Did they have a specific price?

2880           \*Mr. Davidson. Some of them had a range.

2881           \*Mr. Griffith. Had a range.

2882           \*Mr. Davidson. Yes. So we have really accepted -- I  
2883 really do believe we are open to a wide variety of approaches  
2884 from states. I think, as we approve plans, you will see that  
2885 we are accepting and approving a wide variety. They do have  
2886 to meet --

2887           \*Mr. Griffith. But Virginia put together a pretty good  
2888 plan. What is the -- I mean, what really is the problem, if  
2889 it is not this low-cost price that you all don't think is  
2890 sufficient? It meets the law, it just doesn't meet your  
2891 recommendation. Isn't that true?

2892           \*Mr. Davidson. It does not -- I would have to take a

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2893 look at the specifics, but --

2894 \*Mr. Griffith. Can you cite me the section of the code  
2895 it does not --

2896 \*Mr. Davidson. Right. We are -- this -- the law  
2897 requires a low-cost option to be defined, and a low-cost  
2898 option, in our view, to be -- it has to be an affordable,  
2899 low-cost option. We have been very clear. The statute is  
2900 clear, our funding notice is clear. You have to be able to  
2901 understand what is affordable. And many states, plenty of  
2902 states have submitted -- not had trouble doing this --  
2903 submitted plans that actually make it understandable --

2904 \*Mr. Griffith. Because they have given you actual  
2905 ranges of prices, as opposed to a plan to get it deployed.  
2906 Look, my people want to have broadband.

2907 \*Mr. Davidson. And we want them to.

2908 \*Mr. Griffith. And we would like for it to be  
2909 affordable, no question about that. And Virginia is trying  
2910 to do that. And guess who the big impediment is? It is  
2911 yourself. I apologize to you, but that is -- you all seem to  
2912 be the problem. Virginia could have been moving already. We  
2913 have lost six to eight months on this.

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2914           \*Mr. Davidson. Every state has to be able to submit a  
2915 low-cost option that we can understand is affordable. When  
2916 states do that, we will approve their plans, and we are -- I  
2917 am optimistic --

2918           \*Mr. Griffith. I hear you, but it --

2919           \*Mr. Davidson. -- that we will --

2920           \*Mr. Griffith. But it is not happening.

2921           Last week in a different House committee, Department of  
2922 Commerce Secretary said in regards to broadband plans, "What  
2923 I can promise you is that we are not regulating. We are not  
2924 telling any state, 'If you don't provide it at X dollars, we  
2925 are not going to give you the money.' But the statute  
2926 requires us to have low-cost options, so we are obviously  
2927 pushing states to make sure they are providing low-cost  
2928 options,' ' which is very similar to what you are saying  
2929 today.

2930           But isn't that a distinction without a difference?  
2931 Aren't you all splitting hairs in order to say we are going  
2932 to force prices? Even if it is a range, we are going to  
2933 force prices, we are not going to let you set up what works  
2934 best in your state?

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2935           As Mr. Joyce said, you are not allowing that great  
2936 concept of the founders, that the states would be the --

2937           \*Mr. Davidson. Laboratory.

2938           \*Mr. Griffith. -- hotbed of the --

2939           \*Mr. Davidson. The laboratories of democracy, because  
2940 we -- and I echo it, sir, because we really believe it. And  
2941 you will see it in these plans.

2942           \*Mr. Griffith. You --

2943           \*Mr. Davidson. There is a wide variety of approaches,  
2944 and we do believe that the statute says that it has to be an  
2945 affordable, low-cost --

2946           \*Mr. Griffith. If you believe it and you have the power  
2947 to do it, why aren't you?

2948           I yield back.

2949           \*Mr. Weber. The gentleman yields back.

2950           Seeing that there are no further members wishing to be  
2951 recognized, I would like to thank our witness for being here  
2952 today.

2953           I ask unanimous consent to insert in the record the  
2954 documents included on the staff hearing documents list.

2955           Without objection, that will be the order. Without

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2956 objection, so ordered.

2957 [The information follows:]

2958

2959 \*\*\*\*\*COMMITTEE INSERT\*\*\*\*\*

2960

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2961           \*Mr. Weber. I remind members that they have 10 business  
2962 days to submit questions for the record, and I ask the  
2963 witnesses to respond to the questions as promptly as you can,  
2964 and the members should submit their questions by the close of  
2965 business on Wednesday, May 28.

2966           Without objection, the subcommittee is adjourned.

2967           [Whereupon, at 1:12 p.m., the subcommittee was  
2968 adjourned.]