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6 FROM INTRODUCTION TO IMPLEMENTATION:

7 A BEAD PROGRAM PROGRESS REPORT

8 TUESDAY, SEPTEMBER 10, 2024

9 House of Representatives,

10 Subcommittee on Communications and Technology,

11 Committee on Energy and Commerce,

12 Washington, D.C.

13

14 The subcommittee met, pursuant to call, at 10:31 a.m. in
15 Room 2322, Rayburn House Office Building, Hon. Bob Latta
16 [chairman of the subcommittee] presiding.

17

18 Present: Representatives Latta, Bilirakis, Walberg,
19 Carter, Dunn, Joyce, Weber, Allen, Fulcher, Pfluger,
20 Harshbarger, Miller-Meeks, Cammack, Rodgers (ex officio);
21 Matsui, Clarke, Veasey, Soto, Eshoo, Cardenas, Craig,
22 Fletcher, Dingell, Kuster, Kelly, and Pallone (ex officio).

23 Also present: Representative Tonko.

24

25

26 Staff Present: Sydney Greene, Director of Operations;
27 Slate Herman, Counsel, C&T; Tara Hupman, Chief Counsel; Noah

28 Jackson, Clerk; Emily King, Member Services Director; John
29 Lin, Senior Counsel; Kate O'Connor, Chief Counsel; Karli
30 Plucker, Director of Operations (shared staff); Carla Rafael,
31 Senior Staff Assistant; Kate Roberts, Digital Director;
32 Hannah Anton, Minority Policy Analyst; Jennifer Epperson,
33 Minority Chief Counsel; Waverly Gordon, Minority Deputy Staff
34 Director and General Counsel; Tiffany Guarascio, Minority
35 Staff Director; Dan Miller, Minority Professional Staff
36 Member; Sanjana Miryala, Minority Intern; Emma Roehrig,
37 Minority Staff Assistant; Michael Scurato, Minority FCC
38 Detailee; and Johanna, Minority Counsel.
39

40 *Mr. Latta. I want to call the subcommittee to order,
41 and the chair recognizes himself for an opening statement.

42 And again, good morning, and welcome to today's hearing.
43 Almost three years have passed since the Infrastructure
44 Investment and Jobs Act, the IIJA became law. This
45 legislation appropriated \$42.5 billion to the Broadband
46 Equity, Access, and Deployment, BEAD, program at the National
47 Telecommunications and Information Administration, NTIA, to
48 deploy broadband infrastructure to unserved and underserved
49 homes and businesses.

50 While this investment in broadband infrastructure to
51 rural communities is a worthy cause, I am concerned with the
52 implementation of the BEAD program.

53 You want to start the timer?

54 First, this program was created outside of the regular
55 order, and therefore lacks appropriate provisions to
56 safeguard these taxpayer dollars. There was no discussion of
57 whether \$42 billion is the right amount to connect every
58 American, or debate on how this program should be
59 administered.

60 The infrastructure bill was -- also missed an
61 opportunity to enact meaningful permitting reform that would
62 have broken down barriers to deployment, and stretched this
63 Federal funding further.

64 I am further concerned how -- with how the Biden

65 Administration is running the program. NTIA continues to add
66 requirements that are contrary to congressional intent and
67 make this program less attractive and more expensive to the
68 broadband providers needed to deploy to unserved and
69 underserved communities. These actions include adopting
70 price controls for certain broadband plans, preferring
71 certain technologies over others, and adding burdensome and
72 unnecessary workforce and climate requirements. We have
73 raised these concerns with the NTIA at numerous oversight
74 hearings and in letters to the agency. I fear that these
75 burdensome requirements are delaying approval of the state
76 initial proposals, and will jeopardize the success of the
77 grant program.

78 I am also concerned about impending workforce and supply
79 chain shortages. Getting the workers, bucket trucks, and
80 other materials needed to deploy broadband will be
81 challenging, with 56 states and territories chasing the same
82 supply chain and workforce at the same time. This will lead
83 to shortages and higher prices that will eat up money and
84 time needed for deployment, undermining the success of this
85 program.

86 Fortunately, NTIA has listened to some of our feedback.
87 Two weeks ago NTIA sought comment on how states can use
88 alternative technologies such as unlicensed fixed wireless
89 and Low Earth Orbit, LEO, satellites to serve our most remote

90 areas. Although these technologies should have been
91 permitted from the start, I am pleased that NTIA has finally
92 realized that it will take all available technologies to
93 bridge the digital divide. I hope that NTIA makes similar
94 changes to address the other concerns we have raised.

95 Before I conclude I want to mention the Universal
96 Service Fund Working Group and efforts to revive the
97 Affordable Connectivity Program, the ACP, as I know my
98 colleagues on the other side will likely raise it. I am
99 committed to finding a long-term solution to address
100 broadband affordability. However, ACP must be reformed to
101 ensure that it is targeted towards those who truly need the
102 subsidy to pay for broadband, and it must have a sustainable
103 funding source. Relying solely on stopgap funding leads to
104 uncertainty for those who rely on the program.

105 I am actually working on a solution with my colleagues
106 on a bipartisan, bicameral Universal Service Fund Working
107 Group, along with the ranking member of this subcommittee.
108 Time is running short for this Congress, but I hope we can
109 reach an agreement on this important issue. Closing the
110 digital divide is a bipartisan priority, and significant
111 Federal resources have been dedicated to this effort.

112 Today's hearing is an opportunity to discuss the NTIA's
113 administration of the BEAD program from the perspective of
114 those on the ground, the states, and broadband providers that

115 will do the work of deploying broadband our -- for our
116 unserved and underserved communities. I look forward to
117 hearing from our witnesses today, and I thank them for
118 appearing before us today.

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

120

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

122

123 *Mr. Latta. And at this time I will now recognize the
124 ranking member of the subcommittee, the gentlelady from
125 California's 7th district, for five minutes for her opening
126 statement.

127 *Ms. Matsui. Thank you very much, Mr. Chairman, and I
128 want to welcome the witnesses for being here today.

129 Today's hearing focuses on a program we should all want
130 to succeed. The BEAD program represents our best shot at
131 connecting every American to affordable, high-quality
132 broadband. This is a tremendous task, requiring thoughtful
133 planning and coordination between our Federal agencies and
134 states.

135 Thanks to the hard work of NTIA and our state and local
136 governments, BEAD achieved substantial milestones this year.
137 NTIA is laying the groundwork to ensure this historic \$42
138 billion investment is deployed responsibly to expand high-
139 speed Internet access, consistent with the multi-year process
140 established by Congress in the Bipartisan Infrastructure Law.

141 First, NTIA successfully proved every state's Volume I
142 initial proposals. This allows each state to launch a review
143 process to confirm whether a location has high-speed
144 broadband, ensuring that BEAD dollars go where they are most
145 needed. To date NTIA also has approved over 40 states's
146 Volume II initial proposals. This is a critical step for
147 states to begin selecting the broadband projects that will

148 receive funding.

149 Additionally, NTIA has obligated more than \$20 billion
150 in BEAD funding to states and territories for planning and
151 execution. To further set up BEAD for success, NTIA has
152 actively engaged with public feedback, and just last month
153 the agency welcomed input on its proposed guidance for
154 choosing the right mix of technologies to connect even the
155 most remote areas.

156 All this is to say BEAD is on track. NTIA is
157 implementing this program within the timeline set under law,
158 and with the care and deliberation necessary to ensure that
159 BEAD can connect the tens of millions of Americans who still
160 lack affordable broadband.

161 We all want the program to move quickly and get people
162 connected. But when the stakes are this high, we need to
163 measure twice and cut once, or we may fail and waste billions
164 of dollars. What is more, we must remember that BEAD is not
165 just about building out infrastructure, it is about securing
166 affordable, accessible broadband for all. That is why
167 Congress requires state BEAD plans to include a low-cost
168 option, and why Ranking Member Pallone and I, along with
169 every Democrat on this subcommittee, sent a letter earlier
170 this year supporting NTIA prioritizing affordability as it
171 reviews state plans.

172 Almost two-thirds of Californians without home broadband

173 say cost is a key reason. In my district I hear about the
174 need for broadband affordability, whether I am in downtown
175 Sacramento or in our farming communities down in the Delta.

176 Similarly, we have the opportunity today to hear from
177 Montana Broadband Office, whose state survey found that
178 affordability was the second most cited reason why people
179 went without high-speed Internet.

180 Affordability and accessibility go hand in hand when
181 closing the digital divide and ensuring BEAD's success. And
182 the high cost of broadband affects all Americans. That is
183 why I am glad that NTIA is working to ensure that state BEAD
184 plans have robust affordability measures tailored to local
185 needs. This work has only grown in urgency, with the lapse
186 in funding for the Affordable Connectivity Program.

187 To truly meet BEAD's goal of connecting every un and
188 underserved American with high-speed Internet, Congress must
189 restore ACP. ACP would build a reliable customer base for
190 providers as -- speed funding to deploy to our hardest-to-
191 reach areas. Democrats remain laser focused on extending ACP
192 funding to restore low-cost broadband to millions of impacted
193 families.

194 I urge my colleagues from across the aisle to work with
195 us to bring back this vital program. And with that I once
196 again thank the witnesses for appearing before us today. I
197 look forward to this discussion.

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

199

200 *****COMMITTEE INSERT*****

201

202 *Ms. Matsui. And I yield the remainder of my time.

203 *Mr. Latta. Thank you. The gentlelady yields back, and
204 the chair now recognizes the chair of the full committee, the
205 gentlelady from Washington, for five minutes for her opening
206 statement.

207 *The Chair. Good morning. Thank you, Chairman Latta.

208 Broadband connectivity is critical to our everyday life
209 and winning the future. It is what connects our work,
210 schools, businesses, hospitals, and more. Broadband helps
211 create opportunity, opportunity to spur growth, learn, and
212 foster relationships, an opportunity that many rural
213 Americans have lacked for far too long. Today's hearing is
214 part of the Energy and Commerce Committee's continued efforts
215 to close the digital divide through the Broadband Equity
216 Access and Deployment Program, or BEAD.

217 In this Congress alone we have heard from NTIA Assistant
218 Secretary Alan Davidson three times, advanced major
219 legislation that would address barriers to broadband
220 permitting, and recently opened an investigation into NTIA's
221 lack of transparency and unlawful actions in implementing the
222 BEAD program.

223 Republicans on this committee have been vocal about our
224 concern that NTIA's self-imposed guidelines for BEAD will
225 undermine the program's success, leading to wasted tax
226 dollars while leaving Americans without the broadband access

227 they need to succeed in their everyday life. Unfortunately,
228 NTIA has only furthered our concerns by taking actions that
229 will lead to increased costs and longer timelines for
230 broadband deployment. NTIA's decision to pressure states to
231 regulate the rates charged for broadband service, despite the
232 law strictly prohibiting rate regulation, will make this
233 program less attractive to the providers needed to
234 participate for BEAD's success. NTIA is also using the
235 program to push a radical agenda with unnecessary workforce
236 and climate-related requirements, which will make this
237 program more expensive to operate, diverting important
238 dollars that should be used to connect more Americans.

239 NTIA has spent two years pushing an expensive fiber-
240 first agenda, violating the law's requirement to use a
241 technology-neutral approach, and making deployment cost
242 prohibitive in many unserved communities, especially in areas
243 like those in my part -- parts of my district in eastern
244 Washington.

245 NTIA, to its credit, seems to finally be showing an
246 openness to alternative technologies like unlicensed fixed
247 wireless and Low Earth Orbit satellite, something that
248 Republicans have been asking for since this program began.
249 But by failing to do so from the beginning, they have wasted
250 time and money, which only results in fewer Americans getting
251 connected.

252 While the statute laid out certain timing requirements
253 for the BEAD program, I continue to hear about unnecessary
254 delays in NTIA's approval process. Burdensome red tape at
255 NTIA added to the program has made compliance by states much
256 more difficult. It has been nearly 14 months since states
257 received their initial allocations from NTIA, yet the
258 Administration still has not approved 16 initial state
259 proposals.

260 Vice President Harris was tasked by President Biden to
261 be the broadband czar, which has resulted in little progress
262 and heavy-handed Federal bureaucracy. It is part of the
263 reason we are having today's hearing, to hear from those on
264 the ground, the states, the providers, and understand how
265 Congress can ensure this program achieves its goal of
266 connecting every American.

267 Today is the first time we have had representatives from
268 states and providers, those who will actually make the goals
269 of BEAD a reality, before this committee since the program
270 was created. And I am excited to hear from our witnesses
271 about their experience so far, and to discuss what still
272 needs to be done to ensure we are successful in achieving our
273 mission.

274 Everyone here today wants BEAD to be successful, which
275 is why congressional oversight of this program is critical.
276 Our mission remains that every American be connected, and we

277 are going to stay vigilant in fulfilling the commitment to
278 the American people.

279 [The prepared statement of The Chair follows:]

280

281 *****COMMITTEE INSERT*****

282

283 *The Chair. I yield back.

284 *Mr. Latta. Thank you. The gentlelady yields back, and
285 the chair now recognizes the gentleman from New Jersey, the
286 ranking member of the full committee, for five minutes for an
287 opening statement.

288 *Mr. Pallone. Thank you, Mr. Chairman.

289 For years Democrats and Republicans on this committee
290 have talked about bringing high-speed Internet to every
291 community in the nation, and last Congress Democrats
292 delivered on that promise by passing the Bipartisan
293 Infrastructure Law that invested \$65 billion in broadband,
294 including 42 billion for the Broadband Equity Access and
295 Deployment, or BEAD, program.

296 The Biden-Harris Administration has done more to advance
297 our bipartisan goal of universal connectivity than any
298 administration in memory, and the National Telecommunications
299 and Information Administration, NTIA, has risen to the
300 occasion not only to execute a large and prescriptive
301 broadband program, but also to restore and rehabilitate an
302 agency that was left to wither in the Trump Administration.

303 So this hearing today is important. We should be
304 examining the implementation of the BEAD program, which is
305 going to make a huge difference in communities that have
306 simply been left behind for far too long. The BEAD program
307 is wildly popular amongst Democrats and Republicans, and in

308 blue and red states. We have seen enthusiastic public
309 statements about the program from Republican governors like
310 Governor Holcomb of Indiana, Lee of Tennessee, Cox of Utah,
311 and our former committee colleague, Governor Gianforte of
312 Montana.

313 So I would like to submit these statements from these
314 governors for the record, and those are Republican voices
315 outside of Washington.

316 But unfortunately, today we are likely to hear committee
317 Republicans criticize the implementation of the BEAD program.
318 But we cannot and should not forget that every Republican
319 member of this subcommittee voted against the infrastructure
320 bill and the investments it has already started bringing to
321 their states. They will likely complain that the investments
322 are not getting to their states fast enough, but they all
323 voted against the investments in the first place. So if
324 committee Republicans had their way last Congress, these
325 investments would have never become law, and would not now be
326 available to their states.

327 And so today they are going to focus their attention on
328 a low-cost service option that helps to make Internet more
329 affordable for American families. They are going to
330 deceptively call this low-cost option "rate regulation,"
331 which it is not. The law directs NTIA to execute a
332 deliberate process with the states, and gives NTIA explicit

333 authority to approve or disapprove what each state proposes
334 for its low-cost option. Committee Republicans should not
335 forget that this requirement was enacted on a bipartisan
336 basis, and not just created out of thin air by NTIA. And
337 Congress included this requirement because having access to
338 Internet service is only meaningful if people can actually
339 afford it.

340 So we are also likely to hear that it is taking too long
341 to start work on the projects being funded. We all want
342 these networks deployed as soon as possible, but the process
343 and timeline is exactly what the law requires, and what is
344 needed to get the job done right. And we do not want a
345 repeat of the Republican FCC's Rural Digital Opportunity Fund
346 program, which was rushed in 2020 to try and give then-
347 President Trump a favorable talking point on the campaign
348 trail. From the start it was burdened by waste, and plagued
349 by providers defaulting on their commitments to build out
350 networks. This program gave us an invaluable lesson in how
351 not to design a broadband program.

352 As of today, 48 states and territories have had their
353 BEAD program plans approved by NTIA, including my home state
354 of New Jersey, which had its \$263 million plan approved last
355 Friday. And Democrats in Congress and the Biden-Harris
356 Administration will not lose sight of our goal to connect
357 every American to high-speed, reliable, and affordable

358 Internet. And that will not be the case if President Trump
359 wins in November.

360 The Trump Project 2025 calls for reevaluating the BEAD
361 program to "set fresh priorities.'" Anyone concerned about
362 how quickly these projects will start connecting Americans
363 should be extremely worried about the delays that this would
364 cause. If we consider what Republicans might impose as fresh
365 priorities for BEAD, we can look to ideas they have
366 volunteered over the past two years. This included gutting
367 the low-cost option and expanding the use of less reliable
368 and soon-to-be-obsolete technology so that consumers' bills
369 go up.

370 We also can't forget that the Republicans opposed the
371 extension of funding for the Affordable Connectivity Program,
372 which served as a lifeline for more than 23 million
373 households in this country until funding ran out in June. So
374 as we discuss ensuring that all Americans have access to
375 high-speed Internet, we must continue to fight to make sure
376 that that service is affordable for all American families.

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

378

379 *****COMMITTEE INSERT*****

380

381 *Mr. Pallone. And with that, Mr. Chairman, I yield back
382 the balance of my time.

383 *Mr. Latta. Thank you very much. The gentleman yields
384 back, and that will conclude the opening statements.

385 Again, the subcommittee wants to thank our witnesses for
386 appearing before us today to testify. Our witnesses will
387 have five minutes to provide an opening statement, which will
388 be followed by a round of questions from our members.

389 The witnesses here before us today are Misty Ann Giles,
390 the director and chief operating officer of the Montana
391 Department of Administration; Basil Alwan, the chief
392 executive officer at Tarana Wireless; Shirley Bloomfield,
393 chief executive officer, NTCA, the Rural Broadband
394 Association; and Blair Levin, the policy analyst at New
395 Street Research, non-resident fellow, Metropolitan Policy
396 Project, the Brookings Institution.

397 Again, I want to thank you all, and also I would like to
398 note for our witnesses that the timer lights on the table
399 will turn yellow when the one minute -- you have one minute
400 remaining. It will turn red when your time has expired. So
401 when that happens, if you could wrap up we would appreciate
402 it. And I can see today that the lights are working. There
403 was one day we couldn't figure out why the testimony was
404 going on longer. It was because the lights weren't working.

405 [Laughter.]

406 *Mr. Latta. But I can see today they are.

407 So Ms. Giles, you are recognized for five minutes for an
408 opening statement.

409

410 STATEMENT OF MISTY ANN GILES, DIRECTOR AND CHIEF OPERATING
411 OFFICER, MONTANA DEPARTMENT OF ADMINISTRATION; BASIL ALWAN,
412 CHIEF EXECUTIVE OFFICER, TARANA WIRELESS; SHIRLEY BLOOMFIELD,
413 CHIEF EXECUTIVE OFFICER, NTCA, THE RURAL BROADBAND
414 ASSOCIATION; AND BLAIR LEVIN, POLICY ANALYST, NEW STREET
415 RESEARCH, NON-RESIDENT FELLOW, METROPOLITAN POLICY PROJECT,
416 BROOKINGS INSTITUTION

417

418 STATEMENT OF MISTY ANN GILES

419

420 *Ms. Giles. Chair Latta, Chair Rodgers, Ranking Member
421 Matsui, Ranking Member Pallone, and members of the
422 subcommittee, I first want to thank you for the invitation
423 today to speak to you from the states' perspective of the
424 BEAD implementation efforts. My name is Misty Ann Giles, and
425 I am the director of administration and chief operating
426 officer for the State of Montana.

427 Prior to joining Governor Greg Gianforte's
428 administration, I served under former Governor Sonny Perdue
429 and Nathan Deal of the State of Georgia, as well as served as
430 chief of staff of USDA's rural development. My roles were
431 always a little bit different, but a common theme was always
432 the deployment of Federal funding, including the 2018 efforts
433 to stand up USDA's ReConnect Program.

434 In 2021 Governor Gianforte prioritized broadband for the

435 State of Montana by first creating our office, first in its
436 kind, and also allocating 310 million in ARPA dollars for
437 deployment efforts. We were able to connect 62,000 new
438 connections, as well as kind of put us a pace ahead for the
439 BEAD efforts that were coming down the pike.

440 Montana is, obviously, proud to be first in the nation
441 to have our BEAD portal open for business. However, I would
442 be remiss to say that that success has not come without a lot
443 of difficulty over the last couple of years. I do want to
444 applaud NTIA for their efforts and their dedication to this
445 program, but I think today's hearing is important to hear
446 from the states' perspective of the challenges we face at the
447 state level, both past and present.

448 I think we all recognize that BEAD is a historic and
449 generational investment to rural broadband. But I think the
450 challenge that we face is when you are looking at deployment,
451 a one-size-fits-all approach simply does not work.

452 States all face the same common issue when it comes to
453 BEAD deployment. It is navigating the complex BEAD process.
454 It is really more akin to flying a plane while building it,
455 yet we don't really have access to the full instruction set.
456 We lack guidance at times, lack clear guidance. Guidance is
457 given too late or it is conflicting, and this causes a
458 pressure on us when it comes to our costs and our operations
459 at the state level. And it is kind of creating a chaotic

460 implementation environment, if you will.

461 Further, social policies are prioritized, and this is
462 creating more hoops and hurdles for both states and
463 telecommunication providers alike to implement that are
464 charged with deploying these funds.

465 The Big Sky State is known for its epic beauty in
466 reality, but also our harsh winters, as we are home to both
467 the Great Plains and the Rocky Mountains. And this great
468 beauty does come at a distinct cost when it comes to
469 broadband deployment. We received a \$628 million allocation
470 for our BEAD efforts. However, FCC data shows that we need
471 close to a billion to reach -- with all of our unserved and
472 underserved locations with fiber. Just 10 percent of our
473 locations will cost 72 percent of our total allocation, with
474 the last 1 percent costing 25 percent of our allocation.
475 That is how expensive deployment is in our state. You add a
476 four-year timeline, most of which, the western states, we
477 will not be able to achieve due to our harsh winters, this is
478 going to be a lot for us to get done. And these challenges
479 so far have been met with lack of clarity, lack of timely
480 guidance. And, you know, we are just trying to work through
481 it to ensure we are all successful.

482 A couple examples I do want to focus on is, first and
483 foremost, during the challenge process. As we know, this is
484 all critical to ensure we are good stewards of taxpayer

485 dollars and we don't overbuild. Several rounds of guidance
486 was issued, states received approval, and new guidance came
487 out. We had to manually implement those processes in my home
488 state to be able to get the job done.

489 Similarly, with alternative technologies, it is great
490 that we finally have guidance, but it is at the eleventh hour
491 for all states. Our initial proposals were due last
492 December, and so we have got to figure out how to weave those
493 in and implement. And some of us, like Montana, actually
494 have our application window actually open for business.

495 Permitting is another thing I know this committee has
496 really been focused on. The guidance is minimal to
497 lackluster, and right now we are required to use an NTIA
498 screening platform that is not even going to be available for
499 another six to eight months to states. Meanwhile, the one-
500 year shot clock for the final proposal has already started.

501 So in short, it has been three years and we are moving
502 slower and not faster, with timelines ticking for most
503 states.

504 The NTIA, I do recognize, has a really challenging job
505 of having all states swimming in the exact same swim lane at
506 the exact same time trying to get this done. However, these
507 are real problems and challenges that we face at the state
508 level, and these need to be rectified so not just Montana,
509 but all states are successful in deploying these funds.

510 So with that I look forward to today's conversation and
511 questions, and will stand for questions.

512 [The prepared statement of Ms. Giles follows:]

513

514 *****COMMITTEE INSERT*****

515

516 *Mr. Latta. Well, thank you. Thank you very much.

517 And Mr. Alwan, you are recognized for five minutes for

518 your opening statement.

519

520 STATEMENT OF BASIL ALWAN

521

522 *Mr. Alwan. Good morning, Chair McMorris Rodgers,
523 Subcommittee Chair Latta, Ranking Member Pallone, and Ranking
524 Subcommittee Member Matsui, and members of the subcommittee.
525 My name is Basil Alwan. I am CEO of Tarana Wireless.

526 It is an honor to appear before leaders that are all
527 committed to -- you know, from diverse parts of our country
528 and committed to solving the digital divide, sharing that
529 common purpose for every American and providing high --

530 *Mr. Latta. Could you --

531 *Mr. Alwan. Yes, for sure, definitely. It is -- I
532 think it is on. Is it good? Yes, thank you. Very good.

533 That is the mission of Tarana Wireless, the next-
534 generation fixed wireless access technology company, both
535 founded and headquartered in the U.S.

536 I don't presume everyone here knows about Tarana
537 Wireless, so I will weave some introductory comments into my
538 three main points for my opening statement.

539 The first message I wanted to pass along is the
540 technology advances. This is truly the case at Tarana, a
541 pre-public company founded by a wireless industry veteran and
542 three immigrant Ph.D. students in 2009 who had focused their
543 Ph.D. thesis, actually, on how to equip impoverished villages
544 in Ghana with broadband service. And they got an A on their

545 thesis, and started a company which is what we do here in
546 America.

547 Fast forward 15 years and about 400 million of
548 investment and privately funded R&D, and they really cracked
549 the code on two really fundamental issues that have plagued
550 fixed wireless in the past. The first breakthrough is the
551 ability to reliably deliver high-speed broadband in non-line
552 of sight to a home or business from a tower. And the
553 challenge here is that most homes and businesses do not have
554 line of sight to a tower. So you really need to be able to
555 deliver high performance in non-line-of-sight conditions.
556 There is generally either temporary or permanent obstructions
557 in the way. Our radios tend to -- are designed to adapt to
558 those conditions. In fact, they recalculate the channel
559 conditions 5,000 times every second, and try to figure out
560 what is going on to deliver that reliable broadband that
561 feels like -- almost like a fiber-like experience in that
562 regard.

563 We always use the term "last mile," but Tarana
564 technology actually is -- goes much further than that. Line
565 of sight, we can do about -- a little over 20 miles. Near-
566 line-of-sight, we do 10 to 12 miles of transmission. And
567 even non-line-of-sight, where we don't have any real direct
568 path to a customer, we can go three to six miles delivering
569 really high-speed broadband, and that is really very, very

570 key.

571 The second technology breakthrough we really kind of
572 focused on was interference mitigation. So whether in
573 licensed or unlicensed spectrum -- and we do both, we operate
574 in both spectrums -- the ability to truly ignore radio
575 interference, which is unique and new, we call this
576 technology -- a mouthful -- "asynchronous burst interference
577 cancellation," which has -- it is really a sophisticated
578 type of noise cancellation, if you will. We don't jam other
579 signals. Rather, we selectively listen.

580 So we are very precise about how we hear conversations
581 and how we send energy. Our interference cancellation
582 technology allows us to share and use spectrum incredibly
583 efficiently, a factor of 5X over existing wireless
584 technologies, which is really great, and it is really
585 fundamental, actually, to delivering ultra-high-speed
586 broadband, which -- at homes. Homes consume about 30 to 50
587 times more bandwidth than a typical mobile phone.

588 Our initial product, G1, has been commercially available
589 for three years. In that short time Tarana has grown to
590 serve communities in 26 countries, 47 states, through about
591 350 Internet service providers. So we are pretty widely
592 deployed.

593 The second message I wanted to share is that finances
594 are finite. Tarana delivers high-speed, low-latency Internet

595 at one-tenth the cost of fiber, right, and while delivering,
596 really, a fiber-class service. We are even deploying gigabit
597 by 500 services on this technology. So we agree that fiber
598 is fantastic. In fact, we depend on fiber for our backhaul.
599 I have spent my career building networks out of fiber. Yet
600 when it is too costly, it takes too long to install, as is
601 the case in many U.S. communities due to topography
602 geography, the solution should be fiber-and, it should be a
603 combination to leverage other technologies to meet the
604 standards.

605 If we rely solely on one technology, we certainly will
606 not get there in terms of providing broadband for all. So my
607 third message is that timely deployments matter. Our
608 technology gets up in weeks or months, while trenched-in
609 aerial fiber can take years. So we can help out there, as
610 well.

611 Please allow me to close with an invitation. We have
612 been honored to be visited by several of your districts to
613 what we call Experiencing is Believing Tours, when in about
614 60 minutes we can actually show you the technology, and it
615 has been a real big success. Chair McMorris Rodgers, Chair
616 Latta, Representatives Eshoo and Joyce, thank you for
617 allowing us to provide those demos. And my invitation to the
618 rest of you would be to take us up on our offer, and we would
619 be happy to show it to you. It is interesting to see.

620 Thank you.

621 [The prepared statement of Mr. Alwan follows:]

622

623 *****COMMITTEE INSERT*****

624

625 *Mr. Latta. Well, thank you for your testimony.

626 And Ms. Bloomfield, you are recognized for five minutes

627 for your statement.

628

629 STATEMENT OF SHIRLEY BLOOMFIELD

630

631 *Ms. Bloomfield. Okay. Chairman and Ranking Member
632 Matsui and members of the subcommittee, thank you for this
633 opportunity to testify about BEAD today. I am Shirley
634 Bloomfield, the CEO of NTCA, and we represent about 850
635 community-based providers who are across 30 percent of our
636 land mass. Despite operating in these really deeply rural
637 areas, NTCA members have led the charge on deployment. On
638 average, more than 80 percent of our members' customers are
639 connected by fiber and have access to 100 megabits or better
640 broadband.

641 So while these new grant programs are very exciting, it
642 wasn't grants that made this happen. It was a mix of
643 community commitment, loans, private capital, and support
644 from the Federal Universal Service Fund.

645 However, there is a lot more to do. We have got a lot
646 more Americans to connect, especially in rural areas not
647 served by NTCA members. And there is the ongoing mission of
648 universal service, which just begins when the network is
649 built.

650 BEAD is the largest infusion of broadband capital in our
651 nation's history, and everybody wishes the BEAD program was
652 able to roll out faster. And complicated issues do remain.
653 But NTCA members have not sat around waiting for BEAD.

654 Instead, they have hit the ground running, leveraging
655 programs like USDA's ReConnect and USF. Standing up BEAD,
656 which was coordinating between NTIA and the states and
657 greater vetting, was always going to take time.

658 In terms of things that we believe have worked well,
659 first, IIJA set out critical priorities: connecting those
660 most in need of broadband first, and building networks meant
661 to last wherever possible before resorting to good-enough-
662 for-now options. These provisions should help to target
663 funds properly and avoid the failures of past broadband
664 programs.

665 On the last point, an analogy could be helpful. We
666 often hear about how important it is to win the race to 5G.
667 Nobody talks about winning the race to make sure everyone at
668 least has LTE wireless. So why would we settle here? Why
669 would we not want to win the race to future-proof our
670 networks?

671 A second promising aspect of BEAD is the upfront vetting
672 of funding recipients. While it takes time to get this
673 right, as the FCC's RDOF proceeding showed, failing to vet up
674 front leads to confusion, waste, wasted time, and Americans
675 who are still waiting for broadband.

676 Third, in the face of concerns about overstated coverage
677 and locations that don't exist on the FCC's broadband map, we
678 are pleased that NTIA and the states have been trying to

679 refine that data to get a more accurate picture. It is not
680 clear yet whether this effort is working, but it gives us a
681 better chance to get things right.

682 Fourth, I commend NTIA's willingness to take feedback
683 and to revisit certain program rules. From letters of
684 credit, to BA/BA, to Part 200 rules, NTIA has tried to reduce
685 some of these program burdens.

686 And fifth, NTCA was delighted to see Congress expressly
687 state that IIJA should not be read to reduce the
688 congressional mandate to achieve the universal service goals
689 for broadband. USF is complementary to grant programs like
690 BEAD, and this congressional reaffirmation was critical.

691 But my members still do have concerns. First, while I
692 mention our appreciation for efforts by NTIA and the states
693 to improve the broadband map, many flaws still remain. These
694 flaws have kept providers from reaching areas in need, and
695 there is a lack of confidence in the challenge process.

696 Second, the states -- how they have defined the
697 geographic area for BEAD is going to affect who is actually
698 going to participate and the kind of networks that will be
699 built. For smaller providers like my members, being required
700 to serve every unserved location in a massive rural county
701 will be daunting. Also, if a project area is too big it
702 undermines the bids for priority broadband projects. So
703 rather than getting fiber to most locations and alternative

704 technology to the remainder, we are going to end up with the
705 lowest common denominator for all locations. This is a bad
706 result for both consumers and the government.

707 Third, the weighting of matching funds in BEAD could
708 affect participation by smaller providers. When matching
709 funds largely determine which applicant wins, the biggest
710 provider with the most financial resources will always win.
711 This is not a recipe for widespread participation or success.

712 Fourth, other strings and concerns could deter smaller
713 provider participation. For example, concerns about
714 affordability measures in some states do remain, as they
715 could undermine project sustainability. And concerns about
716 increased costs for labor or supplies is another issue worth
717 watching, and may require additional relief.

718 Permitting is an issue that this subcommittee has really
719 taken the lead on. However, we continue to hear that there
720 are lengthy delays when it comes to obtaining Federal permits
721 or state approval. So additional action is going to be
722 important here, but so too is execution. Agencies must
723 adhere to streamlining measures, and they need the staff to
724 handle the applications.

725 And a final barrier to uncertainty surrounding is -- all
726 of this is the FCC's USF program. Universal service support
727 has been critical to the remarkable progress that small
728 operators have made in providing and sustaining broadband in

729 these rural markets, but a Federal court recently declared
730 USF contribution mechanism was unconstitutional. This
731 decision may have a chilling effect on BEAD participation.
732 In a recent study, more than 200 of our members indicated
733 that the loss of USF would lead to skyrocketing rural
734 broadband rates, plummeting deployment, and put loans at
735 risk. If this happens, taking on more investment is the last
736 thing that is top of mind for these providers.

737 So BEAD offers promise, but challenges remain, and we
738 look forward to working with all of you in the days ahead.
739 Thank you so much.

740 [The prepared statement of Ms. Bloomfield follows:]

741

742 *****COMMITTEE INSERT*****

743

744 *Mr. Latta. Well, thank you for your testimony.

745 Mr. Levin, you are recognized for five minutes for your

746 opening statement.

747

748 STATEMENT OF BLAIR LEVIN

749

750 *Mr. Levin. Thank you very much. Chair Latta, Ranking
751 Member Matsui, members of the subcommittee, thank you for
752 inviting me to testify today.

753 I am Blair Levin, an equity -- does this work now -- an
754 equity policy analysis -- analyst. From 1993 to 1997 I
755 served as FCC chief of staff, and returned in 2009 to lead
756 the development of that U.S. national broadband plan. But I
757 am speaking solely on behalf of myself.

758 Let me start with a question. Why did the Capital
759 Projects Fund, created the same year as BEAD and with a
760 related mission, succeed in getting 98 percent of its money
761 out the door, while BEAD has not yet done so? There are two
762 principal reasons.

763 First, with capital projects, Congress did not require
764 the allocations be based on a new FCC map. With BEAD,
765 Congress did. Why?

766 After the disastrous 2020 FCC RDOF auction, Congress
767 made a reasonable decision that the smaller program capital
768 projects would use population to determine each state's
769 allocation. But BEAD, intended to close the digital access
770 divide once and for all, needed to set allocations
771 differently, including by using a new map. And getting the
772 new map took over half the time that has elapsed since

773 Congress authorized BEAD.

774 Second, Congress only required capital projects to make
775 progress, while Congress asked BEAD to finish the job.
776 Capital projects, like prior deployment programs, allocates
777 funding that all agree is insufficient, and then makes
778 incremental progress in connecting unserved areas. BEAD does
779 the opposite. It provides a huge amount of money, but
780 requires states to fill in the entire map. It is a totally
781 different and much more difficult policy problem.

782 In short, and as detailed further in my written
783 testimony, the principal causes of the BEAD timetable stem
784 from Congress's desire to avoid the problems of waste, fraud,
785 and abuse that plagued the 2020 RDOF auction and other
786 deployment programs.

787 Another criticism of BEAD characterizes NTIA's
788 implementing the Congressional Affordability Directive as
789 price regulation. That is wrong as a matter of law and
790 history. As a matter of law, states cannot use BEAD to
791 impose general price regulation on an ISP. But states can,
792 as part of the terms of a grant, require the service to be
793 affordable.

794 As a matter of history, that is exactly what every FCC
795 under both Republican and Democratic leadership has done when
796 providing subsidies for high-cost area deployments. It is
797 necessary to condition the government subsidy on an

798 affordability requirement, as the subsidy creates a monopoly.
799 Monopolies price in ways that would make the service
800 unaffordable to many, which would be contrary to
801 congressional intent.

802 And if I may offer a personal note, I was chief of staff
803 when the FCC had to implement the 1992 Cable Act, which
804 required price regulation provisions. It was a fiasco and,
805 on a personal level, it was the worst experience of my
806 professional career. So to those who think the BEAD
807 affordability directive is price regulation, let me say I
808 know price regulation. Price regulation was no friend of
809 mine, and the affordability directive is no price regulation.

810 Further, the affordability issue would not be a problem
811 if Congress had extended the Affordability Connectivity
812 Program. I am not here to relitigate that issue, but it
813 would be helpful if Congress would immediately authorize the
814 FCC to make the national verifier available to ISPs offering
815 low-income programs, as that would serve the affordability
816 goal and improve the economics of BEAD.

817 There are other issues that will have a large impact on
818 BEAD's success that, frankly, have been largely overlooked.
819 These include, for example, the workforce and supply chain
820 issues that Chair Latta raised earlier.

821 I think the biggest challenge for BEAD will ultimately
822 be enforcing ISP compliance with the grant terms, an issue

823 that has affected all such programs. And the biggest
824 concern, as my fellow panelists just said, is the
825 congressional commitment -- in terms of making the
826 congressional commitment to make broadband universally
827 available and affordable is the legal and economic threat to
828 the current Universal Service Fund framework, particularly
829 given the recent Fifth Circuit decision.

830 Look, the implementation of BEAD has not been perfect.
831 Nothing ever is. But as Intel's legendary CEO, Andy Grove,
832 famously said, "The main thing is to make the main thing the
833 main thing.'" And here, as Chair Rodgers said, the main
834 thing is to keep our country's critical, century-long
835 commitment to communications being universally accessible and
836 affordable. BEAD is making that true, and there is a lot to
837 do.

838 Thank you very much.

839 [The prepared statement of Mr. Levin follows:]

840

841 *****COMMITTEE INSERT*****

842

843 *Mr. Latta. Well, thank you very much. This concludes
844 our witnesses' opening statements, and we will now begin
845 questions from the members. And I recognize myself for five
846 minutes.

847 The Infrastructure Investment and Jobs Act, the IIJA,
848 clearly emphasized that the BEAD program should be technology
849 neutral to ensure states had flexibility to connect all
850 Americans. This direction was blatantly ignored by NTIA when
851 writing the rules for the BEAD program. More than two years
852 later, NTIA recently released guidance to states for allowing
853 alternative technologies to be used by BEAD recipients.

854 Mr. Alwan, what role should fixed wireless technologies
855 like those offered by Tarana play in closing the digital
856 divide?

857 *Mr. Alwan. Thank you, Chair Latta.

858 Yes, first of all, I think one of the things that is
859 most important to recognize is that this job, trying to solve
860 the digital divide in the U.S. and serve 100 percent of
861 unserved, requires a tool set, not a tool. It is not a one-
862 size-fits-all kind of situation. It is like building a
863 house. You have to have multiple tools. So in certain cases
864 LEO satellites will be the right answer. In certain cases
865 fixed wireless will be the right answer, unlicensed and
866 licensed. And in certain cases, certainly, fiber is the
867 right answer.

868 The key here is that technology changes. And Tarana,
869 the reason I am here speaking, in part, is to represent that,
870 you know, when you put a program together that is going to
871 last a number of years, you have to be flexible and adaptable
872 to those changes to take advantage of the technology that is
873 available.

874 This particular technology, I think, can play a very big
875 role, and I think many of the states are finding, as they
876 approach actual implementation of this, that the funds
877 required to actually fiber everywhere, which was the initial
878 hope of the goal -- of the bill, are going to fall pretty far
879 short. And I would say that it is not just the funds to
880 build the network, but there also has to be an economic
881 sustainability in the subsequent network so that the
882 companies continue -- can continue to offer the service.

883 So there is, I think, a pretty big stress coming in
884 deployment of these technologies, and I think the states are
885 going to have to avail themselves of every technology.

886 The final thing I will say is that wireless has now
887 gotten to the point where we are getting beyond what a
888 typical consumer could need. So it is a service that is as
889 good as fiber from a consumer point of view. So you can now
890 make a choice purely economically.

891 *Mr. Latta. Thank you.

892 Director Giles, how has NTIA's changing guidance so late

893 in the process affected your state's plan?

894 *Ms. Giles. Thank you for the question.

895 As I stated in my opening testimony, the NOFO did
896 pontificate that we would have to use some sort of
897 alternative technology, and Montana in particular, given the
898 expensiveness of fiber -- in some of our locations it is
899 \$300,000 per location, so there is no way we can close the
900 gap without pursuing a fixed wireless solution or Low Earth
901 Orbit satellites.

902 However, this guidance comes too late. We drafted our
903 initial proposals all last year. We were all due -- all 50
904 states, not just Montana -- by December, and we immediately
905 began building our application, our application guides, and
906 working with our providers. And so, while this is welcomed,
907 the guidance still lacks a lot of clarity of how we are to
908 implement this. And we are open for business, so I have got
909 to figure out how to back into that, and how we can navigate
910 and work with our providers to get these applications in. So
911 we welcome the guidance, it would have just been more helpful
912 had it been before states submitted their initial proposals
913 for consideration to NTIA.

914 *Mr. Latta. Thank you.

915 Ms. Bloomfield, you mentioned how the Fifth Circuit's
916 decision on FCC's Universal Service Fund program would impact
917 whether or not your members would participate in NTIA's BEAD

918 program, and that the loss of the USF support could end up
919 leading to skyrocketing broadband rates and decreased
920 investment in broadband overall.

921 There are already several Federal programs that support
922 broadband investment. Why are these programs so linked, and
923 how do your members view the role of BEAD compared to USF?
924 In my last minute and 10 seconds.

925 *Ms. Bloomfield. Okay, really fast, I think that is --
926 part of the confusion is you have got capital programs that
927 like BEAD or ReConnect or ARPA money has been. Universal
928 Service is really the ability for these providers to actually
929 in high-cost, difficult-to-serve areas, to be able to do it
930 as a cost recovery mechanism. So it is not upfront funding.
931 That is what capital programs do. This is to actually help
932 build the business case for why you are able to build that
933 network out to that rural community, to that farming
934 community. It is the ability for those providers to be able
935 to do that cost recovery.

936 And also it is an affordability program. It is taking
937 down what would be a typical rate, comparable and affordable
938 per the 96 Act, and saying that instead of, you know, what
939 that metric might be, that those rural consumers, even at a
940 \$20 higher than urban rate, would be able to afford that
941 broadband access.

942 So the program is really incredibly complementary. The

943 Fifth Circuit ruling, if that goes into effect, honestly,
944 again, I think there is going to be -- you know, my members
945 have said 70 percent of their deployment next year will be on
946 hold, will be on ice. And I think that is bad for American
947 consumers.

948 *Mr. Latta. Well, thank you very much. My time is
949 expired.

950 And before I yield to the gentlelady from California,
951 the ranking member of the subcommittee, I just want to also
952 mention we have another subcommittee running downstairs, so
953 most of the members are also on that subcommittee so we have
954 members coming and going from both subcommittees right now.
955 But I just want to let you know that in advance.

956 And I will recognize the gentlelady from California, the
957 ranking member of the subcommittee, for five minutes for
958 questions.

959 *Ms. Matsui. Thank you, Mr. Chairman.

960 The BEAD program success is tied to ensuring every
961 American has access to affordable broadband. With the
962 Affordable Connectivity Program's recent funding lapsed, it
963 is more important than ever for NTIA to carefully review the
964 affordability components of state BEAD plans.

965 Mr. Levin, is NTIA's review of the low-cost options and
966 state plans consistent with the statute that created BEAD?

967 *Mr. Levin. Yes.

968 *Ms. Matsui. Okay. As a follow-up, what would the
969 impacts on consumers and connectivity if NTIA was unable to
970 help state plans meet BEAD affordability goals?

971 *Mr. Levin. Well, as the FCC has recognized under both
972 Republican and Democratic leadership, when you are
973 subsidizing a company to essentially build a monopoly, the
974 pricing of that monopoly will not maximize the number of
975 subscribers, which is --

976 *Ms. Matsui. Right.

977 *Mr. Levin. -- what Congress really wants. And so
978 there has to be some price constraints.

979 We can argue about the nature of the price constraints,
980 but fundamentally this is a grant, and you are allowed to set
981 grant terms. And the affordability, whether it be in RDOF,
982 which had such things, or the earlier Connect America Fund,
983 or the earlier High Cost fund, there were always some
984 constraints on the pricing so that rural people, in
985 particular, would not pay higher rates than urban people.

986 *Ms. Matsui. Than urban people.

987 *Mr. Levin. And if we didn't have it, then you would
988 have a different pricing mechanism that reflects a monopoly's
989 interest.

990 *Ms. Matsui. Okay. Ms. Bloomfield, how would funding
991 the Affordable Connectivity Program help small providers,
992 particularly in BEAD, and provide more affordable broadband

993 to consumers and customers in need?

994 *Ms. Bloomfield. So, you know, having that low-cost
995 program is really important, and we were very sorry to see
996 that go away.

997 I think that as Congress continues to take a look at
998 universal service through the working group that is certainly
999 bicameral and bipartisan at this point, looking to find ways
1000 to take that affordability factor into the Universal Service
1001 Program so that we are not doing this annual, you know, will
1002 there be, you know, affordable broadband, will there not be
1003 -- because, you know, I look at my companies, they spend a
1004 lot of time and effort making sure that consumers in their
1005 service territory were able to be connected to that program,
1006 those who needed it.

1007 *Ms. Matsui. Okay. You know, we are looking into the
1008 Universal Service Fund, and particularly as members of the
1009 bipartisan group -- well, we are, sort of, the chairman and
1010 I.

1011 [Laughter.]

1012 *Mr. Walberg. [Presiding] I am filling in for him.

1013 *Ms. Matsui. You are filling in. That is very good.

1014 But, you know, I am committed, as I know the members of
1015 the group, to strengthening the Universal Service Fund and
1016 ensuring it remains resilient for years to come.

1017 Ms. Bloomfield, there are already several Federal

1018 programs that we know support broadband investment. Why is
1019 the Universal Service Fund so important?

1020 And how do your members really view the role of BEAD
1021 compared to USF?

1022 *Ms. Bloomfield. So it is thinking of it as a
1023 complementary program --

1024 *Voice. Mike.

1025 *Ms. Bloomfield. -- where you have the ability to take
1026 upfront grant money to actually build the network --

1027 *Ms. Matsui. Yes.

1028 *Ms. Bloomfield. -- whether it is, you know, fiber or
1029 it is wireless, whatever the infrastructure might be.

1030 The Universal Service Program was constituted in the 96
1031 Act to basically say that, regardless of where you lived, you
1032 had access to comparable and affordable services. So it is -
1033 - for providers it is that sense of I can do -- I can make
1034 this build, but now I can recover the cost to build to an
1035 area or to a community or a group of populations that simply
1036 cannot have -- you can't make the business case to build out
1037 to them.

1038 *Ms. Matsui. Right, okay.

1039 *Ms. Bloomfield. So it is done in arrears. So it is
1040 literally kind of a repayment for the upfront investment that
1041 you have made.

1042 *Ms. Matsui. Absolutely. And Mr. Levin, how do you see

1043 USF contributing to the success of BEAD?

1044 *Mr. Levin. Companies and others serving rural America
1045 have two problems. One is the capital cost and the second is
1046 the operating costs. Universal Service assists with both of
1047 those. Without it, you will have the kind of disaster that
1048 she has predicted.

1049 *Ms. Matsui. Okay. As I noted in my opening remarks,
1050 Congress structured BEAD as a deliberative, multi-phase
1051 process with opportunities for NTIA to review and strengthen
1052 the program through back-and-forth with states and
1053 stakeholders.

1054 Mr. Levin, what are the consequences if BEAD
1055 implementation is rushed?

1056 What metrics should we be -- instead be using to measure
1057 the success of the program?

1058 *Mr. Levin. Well, I think, as Congress correctly saw,
1059 the RDOF program done in the final days of the Trump
1060 Administration was a total disaster. It used a map that was
1061 inadequate, and funded places that shouldn't have been
1062 funded. It had participants who could not deliver on the
1063 promises they made. A promise made is not a promise kept.

1064 You would have other kinds of problems like that. I
1065 think everyone recognizes that problem, and that is why
1066 Congress wanted a much more deliberate, thorough process.

1067 *Ms. Matsui. Okay. I can't see how much time I have

1068 left. Three seconds, and that is it. So I have questions I
1069 will certainly provide for the record.

1070 [The information follows:]

1071

1072 *****COMMITTEE INSERT*****

1073

1074 *Ms. Matsui. I would yield back my three seconds.

1075 Thank you.

1076 *Mr. Walberg. I thank the gentlelady, and now I am
1077 delighted to recognize the chairwoman of the full committee,
1078 the gentlelady from Washington State, Mrs. Rodgers.

1079 *The Chair. Thank you, Mr. Chairman.

1080 Ms. Bloomfield, the Biden Administration touts NTIA's
1081 Broadband Equity Access and Deployment Program as a program
1082 built for local providers with local solutions. However, we
1083 hear concerns from providers about being forced to offer a
1084 certain rate and comply with burdensome labor requirements,
1085 making them reconsider participating in the BEAD program.

1086 Have these requirements caused your members to question
1087 whether they should participate in the BEAD program?

1088 *Ms. Bloomfield. You know, I am very excited about this
1089 program, but yes, indeed, I have got members that are taking
1090 a hard look at it, and I have got some members who think that
1091 it might not be workable for them. I think that states have
1092 done various levels of work in terms of things like the
1093 affordability.

1094 I will give Misty Ann and Montana a lot of props. I
1095 think Montana created a flexible rate that will help to bring
1096 my providers to the table in terms of participating.

1097 In terms of things like -- that you have raised, you
1098 know, the ability to do affordable labor, all of those

1099 things, you know, when you are looking at rates that are
1100 those rural rates or the urban rates, and why are they not
1101 comparable is going to make it more difficult.

1102 So I do think -- you know, I would love to see my
1103 members all participate. I think there are going to be a lot
1104 that will be very hesitant. I think there will be a lot that
1105 will be doing some evaluation. And at the end of the day it
1106 is going to have to make sense for them to actually serve
1107 some of these communities, which we have to recognize are the
1108 hardest-to-serve communities of all. They are the unserved.
1109 So when you think about what you are actually trying to do as
1110 a mission with the BEAD program, it is taking the most
1111 difficult areas and trying to make those economically
1112 feasible.

1113 *The Chair. Yes, yes, and that is important that we
1114 stay focused on the unserved, underserved.

1115 Director Giles, congratulations on being the first state
1116 to launch your grant application portal for BEAD funding.
1117 You were quoted in a recent news article saying, "Is it my
1118 job to be telling companies what they charge? I would say it
1119 is not.'" How do you navigate the burdensome requirements of
1120 the Biden Administration's -- you know, to find a low-cost
1121 option that was flexible enough to be a possibility and not
1122 discourage participation in the State of Montana?

1123 *Ms. Giles. Thank you for the question, Madam Chair.

1124 So in Montana, as I stated, a lot of our locations
1125 actually cost over \$300,000. So when you are asking our
1126 companies to go to the most remote areas, and taking a
1127 haircut on the other side when there are simply only one or
1128 two households, it is just the nature of Montana. It is very
1129 rural, with very low population density. So with that, what
1130 we looked at was trying to find a data-driven solution versus
1131 just putting our finger in the air of what is a low-cost
1132 option that we can offer that will not hopefully discourage
1133 participation in the program.

1134 So we built ours on the FCC Urban Rate Survey, utilized
1135 Western States data, and that came out to about \$69 and some
1136 odd change. We rounded that up to 70. We were very
1137 fortunate that we work with NTIA very closely, and made our
1138 pitch. They knew it was data-driven since it was not an
1139 arbitrary number, and they did approve that.

1140 Now, whether there is still a discouragement in the
1141 program is yet to be seen. Montana providers are concerned
1142 about the long tail of having to hold that price firm.
1143 Inflation is real. Everything is a little bit different in
1144 our state, depending on region, so -- but we are at least
1145 pleased with the outcome.

1146 *The Chair. Thank you.

1147 Mr. Alwan, NTIA recently released proposed guidance
1148 regarding alternative technologies like unlicensed fixed

1149 wireless, Low Earth Orbit satellite services. What are your
1150 thoughts on NTIA's proposed guidance that finally allows BEAD
1151 to truly be a technology-neutral program, as Congress
1152 intended?

1153 *Mr. Alwan. Yes, so we definitely welcome the
1154 clarification, and I think even more is going to be needed
1155 here because, as the rubber hits the road, so to speak, I
1156 think holding on to 100 percent coverage of unserved and
1157 underserved is going to be a pretty tough road, especially
1158 with some of the comments made about bidding and who is going
1159 to bid, given the challenges of running the business -- not
1160 just getting the funds, but -- and building the network, but
1161 then running the business thereafter.

1162 So I think it is really important now that we recognize
1163 that all these -- the technologies have stepped up that can
1164 deliver an end game broadband experience that don't require
1165 the same type of initial investment.

1166 *The Chair. Thank you. The timing is also so crucial
1167 in this program.

1168 And Director Giles, I come from eastern Washington.
1169 Snow and weather conditions definitely impact our
1170 construction season, and even a slight delay in the approval
1171 could cause much longer delays on the ground. And I know
1172 Montana has similar issues. How has NTIA's timing of
1173 announcing guidance and approvals affected your ability to

1174 get this program up and running?

1175 *Ms. Giles. Thank you for the question.

1176 I think from the state's perspective, that is probably
1177 our largest challenge. I think we all agree we don't want
1178 the program to be rushed. This is a lot of money. There is
1179 a lot of stakes on the line. This is about connecting the
1180 last of the last that need broadband, right?

1181 However, the guidance has not been timely. At the jump,
1182 throughout the process we started implementing our program,
1183 and then we would get new guidance and we would have to go
1184 backwards. So specifically with alternative technology, that
1185 came out almost a year too late. We welcome the guidance,
1186 but now all states have to go back and incorporate that in
1187 our initial proposals and try to figure out how to make it
1188 workable with our providers.

1189 *The Chair. Thank you. Thank you all for being here.
1190 I appreciate your insights.

1191 I yield back.

1192 *Mr. Walberg. I thank the gentlelady, and I recognize
1193 the gentleman from New Jersey, the ranking member of the full
1194 committee, Mr. Pallone.

1195 *Mr. Pallone. Thank you, Mr. Chairman. I want to dig
1196 in more to the low-cost plan requirements.

1197 So Mr. Levin, the Bipartisan Infrastructure Law
1198 explicitly allows each state to set its own cost for this

1199 plan, and the NTIA is given the authority to approve or deny
1200 a state's proposal. And this low-cost option requirement of
1201 service providers is a term of an agreement in exchange for
1202 government funding to build out monopoly networks, which will
1203 in turn give these providers more customers.

1204 So Mr. Levin, is what I just described rate regulation
1205 by any common or general use of the term?

1206 *Mr. Levin. Certainly not the way we use it on Wall
1207 Street.

1208 *Mr. Pallone. All right. So we saw a rushed and poorly
1209 designed broadband plan under the Trump Administration, the
1210 Rural Digital Opportunity Fund. And Mr. Levin, your
1211 testimony lays out both why Congress intentionally moved in a
1212 different direction with the BEAD program, but also how
1213 problems with that fund are now also causing problems with
1214 BEAD.

1215 So again, Mr. Levin, can you explain why it is so
1216 important that the Administration take a deliberative,
1217 thoughtful approach to implementing this historic \$42 billion
1218 program?

1219 *Mr. Levin. Yes, as I explained in the written
1220 testimony, if you simply want to make progress, you do what
1221 you did in the capital projects. You say, here is \$10
1222 billion, fund good projects, move the ball down the field.
1223 If you want to score a touchdown, you want to get to the

1224 endzone, it is a very different problem, as I am sure the
1225 fellow panelist in Montana would understand. It is what she
1226 has said, that trying to get everywhere requires a lot of
1227 different tools. And so the way you do the mapping, the way
1228 you do everything is much more complex.

1229 What we saw in the RDOF process, as you said earlier,
1230 were a number of problems that Congress wanted to avoid. But
1231 to avoid those problems it takes a more thoughtful, thorough
1232 process. And that is what I believe Congress did in the
1233 infrastructure bill.

1234 *Mr. Pallone. All right, thank you. Now, the last
1235 thing -- I am concerned that after all the time and effort
1236 that the states, the NTIA, and the other stakeholders have
1237 put into implementing BEAD, that it will turn -- it will be
1238 torn away, essentially, if Trump's Project 2025 plan becomes
1239 reality. So I was going to ask you what would happen if a
1240 new Trump Administration were to follow Project 2025's call
1241 to rewrite the BEAD program and, as they say, "set fresh
1242 priorities," in your opinion?

1243 *Mr. Levin. Well, in the Project 2025 Commissioner Carr
1244 laid out what would be the agenda, and talked about changing
1245 the priorities. What I would say is, you know, using Montana
1246 as an example in talking about what she was just talking
1247 about in terms of the timetable, if you suddenly say, okay,
1248 we are just going to stop everything -- I mean, she is on the

1249 10 yard line. She is ready to score for Montana. NTIA is
1250 ready to give her money. And if you suddenly say stop and
1251 let's have another winter go by, I think that would be -- or
1252 another summer go by, I should say -- I think that would be a
1253 disaster.

1254 In addition, I would say Project 2025 talks about firing
1255 civil servants. And a lot of the people who have done these
1256 programs both at the FCC and NTIA are civil servants, and
1257 they know more about this than anybody. They are very
1258 committed public servants. They served honorably and well
1259 under both Republicans and Democrats. You suddenly fire
1260 them, that could cause massive delays in terms of this
1261 program.

1262 So from a perspective of getting the job done, whatever
1263 happens in the election I would hope that we just kind of
1264 move forward and get this done.

1265 *Mr. Pallone. All right, thank you. I like the
1266 football analogies, too. Thanks a lot.

1267 *Mr. Levin. They seem to be in.

1268 [Laughter.]

1269 *Mr. Pallone. Okay. I yield back, Mr. Chairman.

1270 *Mr. Walberg. I thank the gentleman, and I recognize
1271 the favorite son of Florida and Greece, Mr. Bilirakis.

1272 [Laughter.]

1273 *Mr. Bilirakis. That is a first. I appreciate that,

1274 Mr. Chairman. Thank you. I thank the chairman again for
1275 holding this important hearing.

1276 My rural counties are extremely interested in a
1277 successful and timely implementation of the BEAD program. In
1278 fact, so are my constituents, they are very anxious.
1279 Telecommunications policy is typically a behind-the-scenes
1280 topic, but I have some -- there have been several newspaper
1281 articles and letters to the editor on the BEAD program since
1282 its creation. People are eager for the potential this
1283 program has. I represent quite a few rural areas in Florida.

1284 Ms. Bloomfield, just like my constituents, I am sure
1285 your members are anxious for BEAD money to start being
1286 awarded so they can begin deploying networks. One of the
1287 requirements for participating in BEAD is that providers must
1288 put up at least a 25 percent match in funds. Earlier this
1289 summer you sent a letter to Assistant Secretary Alan Davidson
1290 that included a concern about excessive weighting of match
1291 funds in BEAD scoring. Can you elaborate on your concern and
1292 problems that could arise if NTIA makes allocations based on
1293 the lowest bid or highest amount of match, as opposed to
1294 considering the experience and history of an Internet
1295 provider?

1296 *Ms. Bloomfield. Thank you so much for the question.

1297 And indeed, we have seen what happens when you do a
1298 little bit of a race to the bottom with a reverse auction

1299 when we look back at the FCC's RDOF program. And the problem
1300 was, you know, you are already getting folks who are turning
1301 back that funding saying, you know what? At the time I said
1302 I would build it for that amount of money, but who knew? I
1303 actually cannot afford to build it at that amount of time.
1304 So those consumers who actually thought a few years ago they
1305 would be probably first in line to get broadband deployment
1306 are now really at the end of the line. So we look at that
1307 and we think, you know, first of all, again, reverse auction
1308 race to the bottom. That is a problem.

1309 Second of all, for smaller providers a 25 percent match,
1310 and some states are making noises about going higher in that
1311 match. All you are going to do is, instead of getting those
1312 community-based providers who really know the area, who know
1313 how to fill in the gaps, the areas that they are already
1314 serving so well, you are going to discourage their
1315 participation because they simply will not be able to compete
1316 in that kind of environment, particularly if we look at very
1317 large bidding areas.

1318 So all the way around, you know, we would like to see
1319 more flexibility in that area. We would certainly like to
1320 see less of an emphasis and priority on that. I think that
1321 will bring more community-based providers to the table, and I
1322 think those are exactly the kind of providers you want to be
1323 bidding in BEAD.

1324 *Mr. Bilirakis. Thank you very much. I appreciate
1325 that.

1326 Ms. Giles -- and if I have -- I apologize if this
1327 question has been asked, but I was down in the health care
1328 committee. So I noticed Montana's approved version of
1329 initial proposal Volume 2 included a sentence that said, and
1330 I will quote, "While the Montana broadband office recognizes
1331 the importance of affordable access to broadband, we
1332 philosophically disagree with the NTIA's position that rate
1333 requirements are not rate setting.'`

1334 What instruction or feedback did you receive from NTIA
1335 that inform your understanding of the NTIA's position on rate
1336 requirements?

1337 *Ms. Giles. Thank you for the question.

1338 So the position of NTIA as given to the states is -- and
1339 as mentioned on this panel earlier -- is that this is a
1340 voluntary program, so it is not rate-setting. However, I
1341 would state that as a farce. It is a \$42.5 billion program.
1342 In Montana we call this a family affair. Companies, big and
1343 small, all different types of industries are going to need to
1344 come to the table to get this done. This isn't a Montana
1345 issue. This is a nationwide issue.

1346 We do philosophically disagree with the low cost and the
1347 structure of the program as it relates to that with NTIA, but
1348 as I stated we were able to work with our providers, take a

1349 data-driven solution, and were able to work through that. I
1350 think time will tell on whether it has a discouraging effect
1351 for our providers in terms of applying to the program.

1352 *Mr. Bilirakis. Thank you. Historically, we have seen
1353 things go wrong with telecommunications programs. Over-
1354 building communities is certainly a culprit of wasted
1355 funding, but we also need to make sure that funding is not
1356 allocated to fly-by-night operations, and that regulations do
1357 not impede long-term affordability of new connections.
1358 Otherwise, we will never connect the rest of America, no
1359 matter how much we spend. So let's keep that in mind.

1360 And I will yield back, Mr. Chairman. I appreciate it.

1361 *Mr. Walberg. I thank the gentleman. Now I recognize
1362 the gentlelady from New York, Ms. Clarke.

1363 *Ms. Clarke. Thank you very much, Mr. Chairman, and
1364 good morning to both Chairman Latta and Ranking Member
1365 Matsui. And I thank our panelists. This hearing is very
1366 important, and the NTIA's Broadband Equity Access and
1367 Deployment Program, the single largest investment in
1368 broadband access and affordability in our nation's history,
1369 is critical.

1370 I am so proud of the work Democrats on this committee
1371 have done to bridge the digital divide that starts with the
1372 historic broadband investment in the Bipartisan
1373 Infrastructure Law we passed last Congress.

1374 At a time when high-speed Internet access has become a
1375 necessity rather than a luxury, an investment of this
1376 magnitude and scope is a -- is providing our country the
1377 resources needed to remain competitive globally.

1378 The implementation process for BEAD, the BEAD program,
1379 as laid out by the Bipartisan Infrastructure Law is
1380 intentionally thoughtful. The task of spurring significant
1381 investments in broadband deployment across 56 geographically
1382 and economically unique states and territories is no small
1383 feat, and I commend the NTIA for the work that they have done
1384 thus far.

1385 As of now, 40 states and territories have received
1386 approval on their initial proposals for the BEAD program,
1387 including my home state of New York, which has allocated over
1388 \$664 million to deploy or upgrade networks and ensure that
1389 all New Yorkers have access to affordable, reliable, high-
1390 speed Internet service.

1391 And let me also give a shout out to our governor,
1392 Governor Hochul, and her team at the New York Broadband
1393 Office for all of their hard work, as well.

1394 Just as the underlying statute's implementation process
1395 was deliberate, so too was the inclusion of key affordability
1396 provisions. Despite many Republican members' attempts to
1397 politicize affordability programs by describing them as rate
1398 regulation, the inarguable truth is that for millions of

1399 American households affordability is the primary obstacle to
1400 reliable connectivity. The BEAD program, particularly when
1401 coupled with a successful broadband affordability program
1402 like the Affordable Connectivity Program, is designed to
1403 address those affordable concerns -- affordability concerns
1404 bringing broadband infrastructure to unserved areas while
1405 also providing more affordable plans for low-income
1406 households.

1407 The truth is that the process of implementing any major
1408 Federal program is almost always going to be fraught with
1409 challenges, both expected and unforeseen. However, it is
1410 only by being thoughtful and diligent in the crafting of the
1411 underlying statute, receiving stakeholder feedback, and
1412 implementing the program that we can hope to be successful.

1413 It may be tempting to try to hastily roll out a new
1414 program in an effort to win headlines, but it simply does not
1415 work out well in the end. The rushed rollout of the Trump
1416 Administration's Rural Digital Opportunity Fund, which saw a
1417 frightening number of provider defaults, proves that we need
1418 to focus on results and not headlines.

1419 Unfortunately, rather than voice any legitimate concerns
1420 and attempt to work in a bipartisan manner, many of my
1421 colleagues across the aisle have refused to do so. Not a
1422 single Republican member of this committee voted for the BEAD
1423 program, and have offered nothing substantive to improve the

1424 program or even to address broadband affordability. House
1425 Republicans have already allowed the wildly successful
1426 Affordable Connectivity Program, perhaps one of the single
1427 best tools to address affordability concerns, to experience a
1428 lapse in funding. And now they want to cry foul and attack
1429 the statutory requirement that these taxpayer-funded networks
1430 actually provide an affordable service.

1431 I will never understand why some in Congress not only
1432 refuse to support legislation to help low-income families,
1433 but actively oppose seemingly all efforts to do so.
1434 Nevertheless, I remain ready and willing to work with any
1435 Member of Congress that is serious about closing the digital
1436 divide. Together we can ensure this historic investment
1437 helps as many Americans as possible.

1438 With that, Mr. Chairman, I yield back the balance of my
1439 time.

1440 *Mr. Latta. [Presiding] Thank you. The gentlelady
1441 yields back, and the chair now recognizes the vice chair of
1442 the subcommittee, the gentleman from -- oh, I am sorry -- I
1443 thought Mr. Walberg had already given his testimony.

1444 Sorry about that. The chair now recognizes the
1445 gentleman from Michigan for five minutes for questions to the
1446 witnesses.

1447 *Mr. Walberg. Well, Mr. Chairman, it is kind of cold.
1448 I get that bump up in salary and everything.

1449 [Laughter.]

1450 *Mr. Walberg. Nice chairmanship and --

1451 *Mr. Latta. The mark next to your name threw me.

1452 *Mr. Walberg. It was taken away already.

1453 [Laughter.]

1454 *Mr. Walberg. Though Gus will appreciate the fact.

1455 Thank you, Mr. Chairman. Thanks to the panel for being
1456 here today.

1457 Michigan received the fourth highest BEAD allocation in
1458 the country at \$1.6 billion. And that, I believe, highlights
1459 how serious the digital divide is in the state, especially in
1460 rural areas like my district. But with all this money, we
1461 must ensure that it is being used effectively and
1462 efficiently. Reports from states across the country about
1463 the Biden-Harris Administration's process and the resulting
1464 delays have been concerning, to say the least. Our
1465 constituents need connection now, not bureaucratic backlog.

1466 And I am particularly worried about the impact of
1467 unnecessary labor requirements that the NTIA has more or less
1468 mandated outside of the parameters of the original law.
1469 Specifically, NTIA in the BEAD NOFO encourages states to
1470 require the use of directly-employed personnel instead of
1471 contractors or subcontractors; the use of project labor
1472 agreements, labor peace agreements; and to commit to union
1473 neutrality.

1474 The overwhelming number of ISPs in this country do not
1475 have unionized workforces or rely only on directly-employed
1476 personnel. That just doesn't make sense for many companies.
1477 I am concerned that NTIA's requirements could deter ISP
1478 participation in already difficult labor markets because they
1479 are extremely burdensome and administratively difficult and
1480 inefficient. Most significantly, these requirements are
1481 nowhere to be found in the IIJA.

1482 Ms. Bloomfield, thanks for being here. You represent
1483 hundreds of smaller companies that serve some of the most
1484 rural and high-cost areas of the country. Do all your
1485 members directly employ the teams that will do the actual
1486 physical deployment of network facilities, or do some of them
1487 rely on contractors?

1488 *Ms. Bloomfield. They do not have all of their own
1489 construction operations. As a matter of fact, I would say
1490 the vast majority contract out. Only my largest community-
1491 based providers would actually have their own construction
1492 teams.

1493 *Mr. Walberg. How have your members been deploying
1494 broadband networks in rural areas?

1495 *Ms. Bloomfield. Well, you know because we have got a
1496 number of our providers that actually serve your constituents
1497 up there in Michigan --

1498 *Mr. Walberg. And may their tribe increase.

1499 [Laughter.]

1500 *Ms. Bloomfield. And, you know, I think they have been
1501 -- I will say they have been really busy, though. My members
1502 are still building out beyond their own territory. They have
1503 got fiber to 84 percent of their customer base, but they have
1504 now, over the course of COVID -- you know, after COVID we all
1505 realized how important broadband was. They have edged out
1506 further into those unserved communities. So they have been
1507 really busy.

1508 They are also very big recipients of the USDA ReConnect
1509 Program. So they have been using ARPA, ReConnect. Universal
1510 Service has been really critical.

1511 But you know, they do worry about labor because, again,
1512 getting that labor workforce into a rural community is an
1513 additional challenge. It is not like you are in a large,
1514 metropolitan area where you have got a lot to choose from.
1515 And --

1516 *Mr. Walberg. So you would say we don't have enough
1517 workers?

1518 *Ms. Bloomfield. Oh, we need more workers. Yes, that
1519 should be your next hearing on how we really increase that
1520 construction crew, that fiber designer, that network
1521 designer, absolutely. We have a workforce shortage.

1522 *Mr. Walberg. Yes. Ms. Giles, could you speak to that,
1523 as well, about the workforce and the needs of the workforce,

1524 and whether in Montana you have found a way to achieve that?

1525 *Ms. Giles. Thank you for the question. I don't think
1526 I have a magic eight ball to achieve it, but I will get to
1527 work on that.

1528 So -- but to Ms. Bloomfield's point, we are concerned
1529 about workforce. The requirements -- these companies are
1530 very small. So you add on all the nuances of the
1531 requirements, it is more of a paperwork game, right, for
1532 them. So we are concerned about their ability to comply, let
1533 alone have the workers. They do contract a lot of this out
1534 in Montana, as well.

1535 I think, beyond having a shortage -- we are looking at
1536 about 3,000 shortages across Montana in workforce -- we also
1537 have one of the largest housing shortages in the country. So
1538 even if we can attract the worker, we have state employees
1539 that often have to live in hotels for the first few months.
1540 Even us, as members of cabinet, when we first came in we had
1541 to do that. The housing shortage is significant. So even if
1542 we can hire them, I am not sure where we are going to put
1543 them.

1544 So we have got a multi-pronged problem that we are
1545 trying to address, both with our housing task force that the
1546 governor created and working with our youth system to create
1547 a workforce training program.

1548 *Mr. Walberg. Okay, so it is all hands on deck right

1549 now trying to find that eight ball. And maybe, Mr. Chairman,
1550 that would be a good hearing on workforce, to look further at
1551 how we can do that, including getting people to decide to go
1552 back to work, as well.

1553 With that I yield back.

1554 *Mr. Latta. The gentleman yields back, and that is a
1555 very good idea, because it is the same thing I hear across my
1556 district, and also find the trained workers and bucket trucks
1557 and everything else. So it would be a good hearing.

1558 The chair now recognizes the gentleman from Texas's 33rd
1559 district for five minutes for his questions.

1560 *Mr. Veasey. Thank you, Mr. Chairman. And I wasn't
1561 going to comment on workforce shortage, but when I think
1562 about the immigration issues that -- and challenges that we
1563 have been having here in Congress to address our H-1B visa
1564 shortages and, obviously, farm workers and other guest worker
1565 programs in here, just our failure to address a comprehensive
1566 bill has really led to a lot of these issues around
1567 workforce.

1568 In the State of Texas one of our leading economists, Dr.
1569 Ray Perryman, has said that we actually have more jobs than
1570 we have people. So it is something that we probably all need
1571 to roll up our sleeves and kind of move past the politics and
1572 get to work on.

1573 But I want to talk about improving the lives of everyday

1574 Americans across this country. I know that the Biden and
1575 Harris Administration and Democrats in this Congress, that we
1576 want to deliver broadband to people's homes. That is a big
1577 deal for us. And is it going to be hard work? Absolutely,
1578 it is going to be hard work. But I think that we need to
1579 roll up our sleeves and try to continue to get something
1580 done. It is good for rural America. It is good for urban
1581 America like I represent. It is something that is going to
1582 connect all of us. And we have heard from a number of
1583 witnesses today that the BEAD program is just one way that
1584 the Biden-Harris Administration has invested in American
1585 infrastructure.

1586 And so while it is the biggest pot of money, as Ms.
1587 Bloomfield noted in her testimony, nobody is just sitting
1588 around waiting. In Texas alone, we have already received
1589 more than \$160 million from NTIA through the various
1590 Bipartisan Infrastructure Law programs, and we also received
1591 about \$100 million from the Biden-Harris USDA for broadband
1592 through the ReConnect Program, and about 700 million through
1593 the American Rescue Plan. And so Texans have received about
1594 \$1 billion through the Affordable Connectivity Program before
1595 my Republican colleagues decided that we were not going to
1596 look for additional funds to support the program. And I know
1597 that ACP would have stretched BEAD dollars even further by
1598 ensuring that customers -- and return on investment on the

1599 other end of the build-out.

1600 And so, for those of you keeping track, that is nearly
1601 \$2 billion to our state. And obviously, as fast as we are
1602 growing, which is one of the reasons why we have more jobs
1603 than we have people, because we are growing just so
1604 astronomically fast, we know that this money has helped Texas
1605 deliver broadband and help get homes connected both in rural
1606 Texas and, again, in urban Texas like I represent.

1607 And so, Mr. Levin, you discussed in your testimony how
1608 some of these different programs were created with different
1609 goals in mind. Given how hard it is to actually deliver
1610 broadband to people's homes, can you discuss why it is
1611 important to have a multitude of programs working together
1612 but avoiding duplication to help meet our goals?

1613 *Mr. Levin. Yes. So there have been a series of
1614 broadband programs, actually. I worked with the National
1615 Urban League creating something that -- the Vladimir Plan in
1616 2020. And we looked at it and said there needs to be far
1617 better coordination in the Federal Government of these
1618 broadband programs. And I think NTIA has taken some steps in
1619 that regard. I think there is some legislation that would
1620 move that forward.

1621 There are a variety of different reasons, but ultimately
1622 it just -- if you are a city or you are a state and you have
1623 various different problems, you want to be able to

1624 efficiently access whatever government program is best for
1625 you. At the end of the day, the programs are fundamentally
1626 about subsidizing the capital expense or subsidizing the
1627 operating expense. By giving -- the ACP was critical because
1628 that meant that you were going to have more customers. And a
1629 consulting group, BCG, estimated that it would essentially
1630 increase the value of BEAD dollars by 25 percent if ACP were
1631 to continue. And of course, now it is expired.

1632 So -- and I testified in the Senate about this a couple
1633 of months ago -- as a result, a lot more -- there is going to
1634 have to be a lot more decisions to use cheaper wireless
1635 facilities, and a lot of people are going to lose,
1636 particularly in Texas, access to fiber because the BEAD
1637 dollars don't go as far. So you need the combination of the
1638 two to make the total business plan.

1639 *Mr. Veasey. Yes, yes, no, absolutely. And I hope that
1640 is something that all news networks talk about, not just a
1641 few, about how important these dollars were to people that
1642 lived in a variety of different places across Texas and the
1643 rest of the United States.

1644 *Mr. Levin. Yes, and Texas, by the way, is getting the
1645 most money of any state in terms of BEAD allocation.

1646 *Mr. Veasey. Absolutely.

1647 Mr. Chairman, thank you.

1648 *Mr. Latta. Thank you. The gentleman yields back, and

1649 the chair now recognizes the gentleman from Georgia's 1st
1650 district for five minutes for questions.

1651 *Mr. Carter. Thank you, Mr. Chairman. And thank all of
1652 you for being here. It is good to see you.

1653 Director Giles, it is good to see you again. And I can
1654 certainly understand why the State of Montana would want to
1655 poach one of Georgia's finest and one of our Georgia peaches.

1656 [Laughter.]

1657 *Mr. Carter. And thank you for all the work you did in
1658 the State of Georgia. I am sorry for all those bad things I
1659 said about you when you were in the governor's office. But
1660 anyway --

1661 [Laughter.]

1662 *Mr. Carter. No, seriously, thank you for being here.

1663 And I want to point this out because what we are talking
1664 about here about high-speed broadband access, unfortunately,
1665 we are trying to fill the digital divide. And as you know,
1666 Director Giles, there are two Georgias, there is Atlanta and
1667 everywhere else. And we are talking about everywhere else in
1668 the rural part of Georgia, particularly in south Georgia. So
1669 that is very important.

1670 And we all know -- everyone on the panel and everyone
1671 here knows about the strain on permitting agencies not only
1672 at the Federal level, not only at state level, but also at
1673 the local level. That is why, when you got 56 states and

1674 territories all trying to build out roughly within the same
1675 four-year time period, that speed in the permitting process
1676 will be a key to BEAD's success. We all understand that, and
1677 that is why I introduced H.R. 3557, the American Broadband
1678 Deployment Act, which would streamline the permitting process
1679 by establishing timelines and shot clocks, if you will, for
1680 reasonable application fees. So without these permitting
1681 reforms to reduce the burden on these agencies and on those
1682 trying to lay the lines, potential delays will lead to not
1683 only rising costs but wasted government funding. And we
1684 don't want that.

1685 Director Giles, what kind of steps is Montana taking
1686 that -- to streamline permitting, can you share that with us?

1687 *Ms. Giles. Yes, sir, and good to see you again, as
1688 well.

1689 So obviously, we are working -- essentially, what we
1690 know with the law to be true. The guidance from NTIA has
1691 been minimal, at best. It is much more a restatement of the
1692 law and the processes that are in place at the Federal --
1693 and, you know, obviously, we have our own at the state level
1694 -- with a declaration of there is going to be a joint
1695 responsibility of how this is going to work, yet how that
1696 joint responsibility is going to be defined has yet to be
1697 seen.

1698 So we have essentially just been working with our local

1699 and state agencies internally to try to get ready to what we
1700 know to be true. MEPA in Montana, the Montana Environmental
1701 Protection Act, is obviously in place. It mirrors much of
1702 NEPA. So we have just been trying to work the best we can
1703 internally because right now we don't know the rules of the
1704 road, if you want to use that term, as to what is going to be
1705 expected on the state side fully, as it relates to --

1706 *Mr. Carter. Right, right.

1707 *Ms. Giles. -- requirements from NTIA.

1708 *Mr. Carter. Well, your governor, who is a good friend
1709 and a former member of this committee, as a matter of fact,
1710 certainly is -- will be great at helping with that. And he
1711 understands it all too well.

1712 But what about NTIA's ever-changing guidance on
1713 permitting? That has got to be throwing you a curve. And
1714 how is that helping or hurting with your preparation for
1715 rolling out BEAD?

1716 *Ms. Giles. That is a great question.

1717 So I think we all know that permitting is probably one
1718 of the more important issues when it relates to broadband
1719 deployment, right? There is a lot of Federal hoops and
1720 hurdles, state hoops and hurdles, and then local, as well, so
1721 it does require a lot of local coordination and state
1722 coordination and working with our Federal counterparts.

1723 So we are open for business. My application is already

1724 open, yet I don't have full clarity on how we are going to do
1725 environmental. As stated, we are working through what we
1726 know to be true. That is the law, and just working through
1727 the basic guidance we do have.

1728 But just recently we were informed we have to use a
1729 permitting process that they want that will not be available
1730 for six to eight months. So I think we are more left with
1731 questions than answers, and just trying to do the best we
1732 can, and keep our companies calm, that we will work through
1733 the process and we will continue to push on NTIA to see what
1734 guidance will come down the pike. But we need clarity soon
1735 because at least three states are open. And as stated by a
1736 member of the committee earlier, 40 states are already
1737 approved.

1738 *Mr. Carter. Right.

1739 *Ms. Giles. So that one-year shot clock has already
1740 started.

1741 *Mr. Carter. Right.

1742 *Ms. Giles. The final --

1743 *Mr. Carter. Well, you know, let me tell you this. No
1744 matter what sector of our economy we are talking about or
1745 wherever I go, it is always the same. Permitting,
1746 permitting, regulations. Crushing us, crushing us. Whether
1747 it be energy, health care, broadband, whatever it may be,
1748 that is something.

1749 Ms. Bloomfield, how are your members already impacted by
1750 permitting, and how are those affected -- and how are those
1751 effects being mitigated?

1752 *Ms. Bloomfield. So Congressman, we strongly support
1753 your legislation, and really appreciate your insight into
1754 offering to put that out there, because permitting is a
1755 problem. And I think -- and again, it goes down through
1756 every single layer that you noted.

1757 So we are, you know, looking to figure out how you solve
1758 that. Honestly, part of that is getting bodies. It is
1759 getting bodies who can actually process the applications,
1760 getting bodies who understand what they are doing. So
1761 training people appropriately, making sure that they can do
1762 it. RUS, for example, has six people who actually do the
1763 processing of some of those permitting on the Federal level
1764 for that program. That is not nearly sufficient for the
1765 amount of funding that is going out the door.

1766 The other thing is I think we can be more common sense
1767 about it. If something has been previously disrupted for
1768 construction, that should actually have a pretty quick
1769 approval process. NTIA is trying to deal with NEPA and with
1770 some of the historical preservation, but it is moving slowly
1771 at best.

1772 *Mr. Carter. Great. Don't tell me about historical
1773 preservation. Coming from Savannah, Georgia, the largest

1774 historical district in the nation, we know all about how that
1775 can hold things up.

1776 Thank you, Mr. Chairman, and thank all of you for being
1777 here, and thank you for this important work. So thank you
1778 all.

1779 *Mr. Latta. Thank you very much. The gentleman's time
1780 has expired, and the chair now recognizes the gentleman from
1781 Florida's 9th district for five minutes for his questions.

1782 *Mr. Soto. Thank you, Mr. Chairman. The Biden-Harris
1783 Administration had a bold vision: Internet for all
1784 Americans, especially our rural areas. And it built upon an
1785 amazing tradition by Franklin Delano Roosevelt, by President
1786 Johnson, among others, when they electrified so many areas of
1787 rural America.

1788 You know, we talked a lot about the infrastructure law,
1789 and I will get into that. But the good work in our state
1790 actually started with the American Rescue Plan. When we
1791 passed that in March 11 of 2021, my state got -- of Florida
1792 got \$144 million. We saw, working between the Biden
1793 Administration and the DeSantis Administration, that funding
1794 get deployed in areas like south Osceola County that I have
1795 the honor of representing, of ranch country, where we saw 791
1796 folks served in places like Yeehaw Junction and Kenansville.
1797 Another 1,000-plus folks served in Deer Creek and Bull Creek,
1798 folks who are doing important work to help feed America and

1799 finally getting the first part of that Internet. Of course,
1800 spectrum worked very closely in that build-out with the State
1801 of Florida.

1802 And then, of course, to the infrastructure law signed in
1803 November of 2021, a few months after the American Rescue
1804 Plan, and we saw our state submit the first letter of intent
1805 in July of 2022. And then, after that, we got our first
1806 notice of the amounts we were eligible for, \$1.17 billion for
1807 the State of Florida. And we just had Secretary Raimondo in
1808 here just a few months ago talking about how a lot of this
1809 will wrap up this fall. We know this is a huge undertaking.
1810 We have talked about 50 states and multiple territories and
1811 just trying to work on this for the whole nation.

1812 Mr. Levin, what do you think are some of the keys for
1813 various states as far as making sure this -- all these plans,
1814 particularly Volume I plans, are approved for -- this
1815 October, I believe, is when Secretary Raimondo had mentioned
1816 was sort of their key deadline.

1817 *Mr. Levin. Well, I think the states have done a
1818 terrific job of starting from scratch and building up
1819 broadband offices. Most of them have now been approved. I
1820 think the actual number is 48. I think NTIA put out a note
1821 this morning saying 48 plans have been approved.

1822 *Mr. Soto. So we are probably going to meet this
1823 October deadline, then.

1824 *Mr. Levin. Yes, no, I think we are going to meet it.
1825 I think the challenge now -- and it is a different challenge
1826 -- there is a mapping challenge in terms of the grant, which
1827 is very, very difficult.

1828 I think the states need to start taking advantage of
1829 some of the things that NTIA has done that get no publicity,
1830 but I think are really valuable and important. For example,
1831 when you give a grant, how do you document getting the
1832 receipts? And there is certain kinds of ways of expediting
1833 that and making it much better --

1834 *Mr. Soto. And that is partially our job, as the
1835 oversight committee --

1836 *Mr. Levin. That is right, that is right.

1837 *Mr. Soto. -- to make sure it is being spent wisely.

1838 *Mr. Levin. I think that, and I think all the panelists
1839 would agree with this, that it is very important to work with
1840 the ISPs to get as many of them kind of at the table in the
1841 game as possible as they move to the next thing.

1842 And as I said earlier, we are on the 10 yard line now.
1843 Let's get the ball over the touchdown. But that really means
1844 everybody has to come together.

1845 *Mr. Soto. Well, and we have a bipartisan bill with
1846 Congresswoman Cammack on this committee, the Rural Internet
1847 Improvement Act, requiring Department of Ag to use FCC maps
1848 to determine eligible areas. So we are working on that in a

1849 bipartisan fashion.

1850 I was excited to see August 26, just last month, the
1851 NTIA finally starts considering satellite Internet. You
1852 know, we launched those Starlink satellites from central
1853 Florida. We will soon be seeing Kuiper Belt being launched.
1854 It would be great to hear from you, Ms. Bloomfield, about how
1855 important it is for that -- those hardest-to-reach areas for
1856 Low Earth Orbit satellites as part of this broadband mix.
1857 Fiber, you know, has a lot of strong aspects to it, but there
1858 is some areas it is going to be harder to reach otherwise.
1859 So where do you think that fits in?

1860 *Ms. Bloomfield. Well, I do believe it is going to take
1861 every tool in the tool kit. If we are really serious about
1862 Internet for all, it is -- you are going to have to look at
1863 everything depending on your topography, your population
1864 density, all of those things.

1865 You know, we are very fiber-centric because we think it
1866 is a future-proof technology. We also think that, you know,
1867 the other thing for a rural area to keep in mind is the fact
1868 that you are also talking about your opex. So the operating
1869 expenses in the long run become a lot shorter with fiber,
1870 because in our areas we have what we call truck rolls, and
1871 there may be three or four hours where somebody is going out
1872 to do some maintenance.

1873 So at the end of the day fiber first, for sure. But

1874 will those other technologies have a role to play?

1875 Absolutely, if we are really going to be committed to making
1876 sure that everybody does get service.

1877 *Mr. Soto. Sure, because in my area we have some folks
1878 clustered near each other, but some they could be 5, 10 miles
1879 away from their nearest neighbor. So I appreciate your
1880 comments.

1881 And Mr. Chairman, I yield back.

1882 *Mr. Latta. Thank you. The gentleman's time has
1883 expired, and the chair now recognizes the vice chair of the
1884 subcommittee, the gentleman from Texas's 14th district, for
1885 five minutes for questions.

1886 *Mr. Weber. Thank you, Mr. Chairman.

1887 Ms. Bloomfield, I am going to come to you first. Under
1888 the BEAD guidelines states are allowed to collect BEAD
1889 project proposals. We have been talking about that. Areas
1890 as small as a single address or entire pre-defined area units
1891 like a census block or a county.

1892 I don't think we should be prioritizing bureaucratic
1893 convenience over efficient and effective projects. I am a
1894 former business owner, 35 years in the air conditioning
1895 company.

1896 Your organization has expressed concern to NTIA that
1897 larger project careers will deter participation by smaller
1898 ISPs. We are talking about that. How can we apply the

1899 lessons from the past broadband programs to find the right
1900 balance of BEAD project areas?

1901 And the follow-up to that is how many -- I don't know
1902 how many members or organizations you have, but are you all
1903 meeting in groups and having -- I mean, we are doing this
1904 committee hearing, and what -- are you all meeting in groups,
1905 and are you all sharing all that?

1906 I yield to you.

1907 *Ms. Bloomfield. Oh, thank you so much for the
1908 question.

1909 So yes, the project size is really -- you know, again, I
1910 think community-based providers are so well positioned to do
1911 this. They know what rural service -- you know, they have
1912 got seven customers per square mile. They know what it
1913 takes. They know what it costs.

1914 *Mr. Weber. Yes.

1915 *Ms. Bloomfield. They know the challenges that they are
1916 going to have out there. So you know, here in D.C. we are,
1917 what, 400 or 500 per square mile. So it is a matter of
1918 economics.

1919 So the smaller the area, the better opportunity to get
1920 priority broadband built, and I think to be able to then
1921 address how you serve those really far-off parts of that
1922 territory. So -- and we have seen that be very successful.
1923 The smaller the areas, the more the communities can kind of

1924 fill in that Swiss cheese effect. So that is certainly -- to
1925 answer your first question.

1926 And then, to your second point, you know, I think that,
1927 as we go forward, you know, putting this priority on making
1928 sure that, you know, we are making the smart decisions does
1929 mean having those conversations. So, you know, I have 850
1930 companies. We spend every opportunity together to compare
1931 notes. We are --

1932 *Mr. Weber. Is that annually or is that quarterly?

1933 *Ms. Bloomfield. Oh, it is all the time. We are a
1934 trade association.

1935 *Mr. Weber. But, I mean, do you have an annual meeting
1936 that is --

1937 *Ms. Bloomfield. Yes, we do.

1938 *Mr. Weber. -- that we could attend?

1939 *Ms. Bloomfield. Yes, you --

1940 *Mr. Weber. Members of Congress could actually attend.

1941 *Ms. Bloomfield. Yes, so we have an annual, we have
1942 fall, we have regional meetings. So we go around the country
1943 to see what is each region thinking. Because you know what?
1944 What works in Texas isn't necessarily going to work in
1945 Montana. So the ability to compare notes.

1946 And the other part that I think has been really
1947 important has been getting the vendors to the table to talk
1948 about the technology and to also be working with the state

1949 broadband offices, both the NTIA folks as well as the folks
1950 that are actually the officers in the state. That
1951 collaboration, those discussions, those stakeholder meetings
1952 talking about what is working and what isn't working is a
1953 really critical component. They can also compare notes on
1954 mapping.

1955 And then I will say it is kind of the -- the
1956 undercurrent that we have got here at this hearing is that
1957 mapping is a big part of the issue here. And until we get
1958 mapping done better and more accurate, I think the work that
1959 everybody has to do is going to be a lot more complicated.

1960 *Mr. Weber. So are you inviting folks like Director
1961 Giles to come in and sit in on you all's meetings?

1962 *Ms. Bloomfield. We actually do, absolutely.

1963 *Mr. Weber. Does she show up?

1964 You don't have to answer.

1965 [Laughter.]

1966 *Ms. Bloomfield. Oh, yes, she is terrific. We talk
1967 frequently.

1968 [Laughter.]

1969 *Mr. Weber. So Director Giles, I will come to you.
1970 Montana has had a thoughtful, sensible approach to defining
1971 project areas. Montana is a huge state. Not quite as big as
1972 Texas, okay, but big. And yet you chose smaller area units
1973 in the form of census block groups for BEAD projects. Why?

1974 *Ms. Giles. Thank you. That is a great question. It
1975 was a lot of back and forth, honestly, over about six or
1976 eight months with our providers.

1977 To Ms. Bloomfield's point, this is a dialogue. It
1978 wasn't, you know, just a heavy hand. Census block groups
1979 were just kind of the right size. We wanted to have a big
1980 enough of an area, given our state size, so we were not, you
1981 know, trying to put together 1,000 little puzzle pieces. But
1982 we also are allowing our providers the flexibility to
1983 identify those areas up front which are too expensive for
1984 them to deploy fiber so we can see it through their lens and
1985 then have those conversations immediately with them and
1986 industry.

1987 So it was just essentially the right balance, given our
1988 state size and our state need.

1989 *Mr. Weber. Did the NTIA weigh in on that? Were they
1990 giving you conflicting messages or signals about that? Did
1991 they change those goalposts, if you will?

1992 *Ms. Giles. No, sir. This is one area that they gave
1993 states full flexibility, given the uniqueness of all the
1994 states. We pled our case in our IP 2, and talked through the
1995 rhyme and reason, and the stakeholder outreach with our
1996 providers, and we had it successfully approved.

1997 *Mr. Weber. Okay. So you have had delayed guidance and
1998 revisions to previous guidance impacting the process in

1999 states like Montana. If you could, in a sentence,
2000 encapsulate what they should do different, what would you say
2001 to the NTIA?

2002 *Ms. Giles. Consider the impact of their own timelines
2003 with the impact of state operations.

2004 *Mr. Weber. And stay the frigging course.

2005 [Laughter.]

2006 *Mr. Weber. Mr. Chairman, I yield back.

2007 *Mr. Latta. The gentleman yields back, and the chair
2008 now recognizes the gentleman from California's 29th district
2009 for five minutes for his questions.

2010 *Mr. Cardenas. Thank you very much, Chairman Latta and
2011 Ranking Member Matsui, for having this important hearing.
2012 And I appreciate the witnesses coming forth and giving their
2013 knowledge and opinions on what is going on out there with the
2014 program.

2015 I am glad that we are gathered here today to discuss the
2016 issue of Federal broadband infrastructure funding
2017 successfully reaching our communities, something that this
2018 Administration and House Democrats have had a tremendous,
2019 tremendous amount of work on. I, like many of my colleagues,
2020 was proud to vote for the Bipartisan Infrastructure Law that
2021 created the \$42 billion BEAD program to help build and deploy
2022 broadband infrastructure in unserved and underserved areas.

2023 Unfortunately, that bill got no support from my

2024 Republican colleagues on the other side of the aisle on this
2025 committee. And while some are complaining about the process
2026 and length of time to get this money out, I also want to
2027 point out that there are several Republicans, including many
2028 on this committee, who asked the Administration for a delay
2029 in the program.

2030 I would like to enter into the record, Mr. Chairman, two
2031 letters signed by my -- members of this committee asking the
2032 NTIA to delay the BEAD progress -- process to wait for more
2033 accurate maps.

2034 *Mr. Latta. Without objection.

2035 [The information follows:]

2036

2037 *****COMMITTEE INSERT*****

2038

2039 *Mr. Cardenas. Thank you, Mr. Chairman. What this says
2040 to me is that attacks now on the time it is taking to
2041 thoughtfully administer this program are purely political.

2042 In fact, as we near the end of this Congress I am trying
2043 to think of any effort the majority has had to increase
2044 access to affordable Internet for all Americans. Their most
2045 impactful action on the digital divide actually sent us in
2046 the wrong direction. I am, of course, speaking about their
2047 inaction that allowed the Affordable Connectivity Program to
2048 expire, a program that helped millions of American families
2049 access affordable broadband in every corner of our country.
2050 In spite of this, we are once again hearing that the BEAD
2051 affordability requirements in the IIJA are an example of
2052 "rate regulation." You have to wonder. Where exactly do my
2053 Republican colleagues land on this issue when it comes to the
2054 funding?

2055 The affordability requirements in the infrastructure
2056 bill exist to ensure that these investments are accessible to
2057 families that need them the most. I think if we want to talk
2058 about affordable broadband, maybe we should have a hearing on
2059 the Access -- Affordable Connectivity Program and the
2060 negative impact that is -- allowing it to run out of funding
2061 is having on all American families. On that note, I think it
2062 is important that we talk about the impact that the
2063 Affordable Connectivity Program's expiration has had on the

2064 BEAD rollout.

2065 For example, Mr. Levin, in your testimony you reference
2066 how the ACP expiring has "caused untold additional hours of
2067 state and ISP resources," as they had to spend the past two
2068 years developing multiple BEAD plans for how to allocate
2069 funds within ACP and without one.

2070 *Mr. Levin. Yes, that is right because if you are doing
2071 your plans -- and whether it be in the geographic areas or
2072 otherwise -- the economic impact of having BEAD or not having
2073 BEAD is fundamentally different. Again, as the BCG study
2074 showed, it is like a 25 percent differential. So you had a
2075 lot of challenges with that.

2076 Secondly, with the BEAD program expiring, the ISPs have
2077 had to do a lot of work explaining to people why they are
2078 suddenly getting a bill.

2079 Third, they have had to develop their own plans for
2080 offering low-income, which they want to serve. And in this
2081 regard, again, I wish the FCC would make the national
2082 verifier available because the ISPs are very good at a lot of
2083 things. They are not good at verifying income. The FCC has
2084 a -- has something that can do that. That should be made
2085 available. But I think the FCC believes it needs
2086 authorization from Congress. So that is a very quick thing
2087 that you could do to improve it.

2088 But it has caused -- and there is another thing, and I

2089 was actually talking to some states about this about a year
2090 ago. If ACP goes away, suddenly that provision about
2091 affordability, which everyone said, "Not a problem, because
2092 we will just use ACP, and it is \$30, and it is fine,"
2093 suddenly every state had to develop its own program. And as
2094 Montana has indicated, their plan has been approved by NTIA.
2095 So it is a problem. It takes a lot of work, but we will get
2096 there.

2097 *Mr. Cardenas. Okay. So thank you. So in a nutshell,
2098 it has had a negative impact on the program. Thank you.

2099 *Mr. Levin. Yes.

2100 *Mr. Cardenas. In your testimony you also addressed the
2101 idea that calling the BEAD affordability provisions "rate
2102 regulation" is wrong as a matter of law and history. Mr.
2103 Levin, could you expand on how common it is that an
2104 affordability requirement is included as a condition of
2105 receiving a Federal subsidy?

2106 And also, what are some of the examples? Is this really
2107 as out of the ordinary as our friends on the other side of
2108 the aisle are making it out to be?

2109 *Mr. Levin. The simple answer is no, it is not out of
2110 the ordinary. I know the time has expired. I will simply
2111 say my expertise is really with telecommunications and the
2112 FCC.

2113 Since the 96 Act, which I was involved with, we have had

2114 essentially some price constraints when we subsidize,
2115 essentially, a monopoly. But I believe there are similar
2116 requirements for grants related to energy, water, and other
2117 kinds of things.

2118 *Mr. Cardenas. Thank you so much.

2119 My time having expired, I yield back. Thank you.

2120 *Mr. Latta. The gentleman's time has expired, and the
2121 chair now recognizes the gentleman from Pennsylvania's 13th
2122 district for five minutes for his questions.

2123 *Mr. Joyce. Thank you, Chairman Latta and Ranking
2124 Member Matsui, for holding such a timely hearing. And thanks
2125 to the witnesses for giving your time to testify here today.

2126 Mr. Alwan, I did appreciate the tower visit with Mr.
2127 Guardino in Pennsylvania 13 just a few months ago, and he can
2128 tell you about the mountainous topography of my district in
2129 Pennsylvania and the cause -- effect that that has on
2130 deployment of broadband. It is difficult, and it can be
2131 costly. This is what makes BEAD funding so critical when it
2132 can be deployed effectively and in support of rural
2133 communities like what I represent in south central and
2134 southwestern Pennsylvania.

2135 Since last December we have seen firsthand that
2136 burdensome standards put forth by NTIA have stood in the way
2137 of deploying fast and reliable Internet connections to my
2138 constituents. Just last month I sat down with Commissioner

2139 Carr in my district to discuss this delayed implementation.
2140 And while in Pennsylvania's 13th congressional district,
2141 Commissioner Carr noted how in the 996 days since the BEAD
2142 funding was signed into law, not one shovel of dirt has been
2143 turned. Not one shovel.

2144 From rate regulation to mismatched labor requirements to
2145 DEI criteria, the NTIA is making it impossible for states to
2146 effectively deploy broadband capabilities. One area that has
2147 posed a problem in Pennsylvania is the prevailing wage
2148 requirements. The BEAD program's NOFO heavily suggests that
2149 payments or prevailing wages and benefits to workers and
2150 contractors requires compliance with Davis-Bacon and service
2151 contract requirements. However, the mismatch between Federal
2152 and state prevailing wage structures will result in
2153 disproportionate wages compared to actual job requirements,
2154 not only causing waste, but pushing out small to mid-sized
2155 providers who are best positioned to connect rural households
2156 to the broadband services that they so desperately need right
2157 now.

2158 Ms. Giles, it is interesting how the Administration is
2159 saying they want Internet for all, and yet they are sticking
2160 huge labor price tags on these programs. How are states
2161 grappling with insurmountable labor costs while trying to
2162 ensure all the unserved and the underserved are being
2163 developed?

2164 *Ms. Giles. Thank you for the question. So I will
2165 answer more specifically to Montana.

2166 We obviously have a pretty good workforce that pays
2167 already above prevailing wage in our state. We ran the data,
2168 and we are already above those numbers. So we struck that
2169 balance by making prevailing wage optional. Our companies
2170 can get an additional point coming in through the application
2171 portal if they want to opt in to a full Davis-Bacon, but we
2172 do not believe in having a hard -- a heavy hand on those
2173 requirements and requiring it of our companies.

2174 So our bigger challenge is the workforce shortage. We
2175 are about 3,000 workers short. We are partnering with our
2176 youth system, trying to create programs there, and then we
2177 have a housing shortage if we can attract any talent.

2178 *Mr. Joyce. Do you feel that allowing those wages to be
2179 optional, the stated wages that often interfere, do you feel
2180 that allows you to have more bids for more companies, that
2181 they can look and see if the requirements are there, and if
2182 they have the workforce in place to make these bids?

2183 *Ms. Giles. Yes, sir, I do.

2184 *Mr. Joyce. Thank you. Ms. Giles, what impacts are the
2185 labor requirements having on small providers?

2186 And I am going to ask you, Mr. Alwan, to answer that
2187 question, as well.

2188 *Ms. Giles. So our concern is that there is too many

2189 requirements on top of each other, right?

2190 I mean, you have the cybersecurity, you have workforce,
2191 you have low cost. You have all of these nuances in this
2192 program that our small providers have not seen in other
2193 broadband programs. And so, you know, you are talking about
2194 companies that have 6 to 10 personnel. The secretary may be
2195 the one ordering the materials, and she is handling all of
2196 the operations, and she is making sure the crews go out. And
2197 she is also doing all the compliance. And so --

2198 *Mr. Joyce. Mr. Alwan, my time is expiring. Are you
2199 seeing the same issues?

2200 *Mr. Alwan. I think the same issues are there. The
2201 small providers are essential, in my opinion. They have done
2202 a -- they served a huge purpose in this country serving the,
2203 you know, less dense areas. And they are the most
2204 experienced. So we need as many of them at the table as we
2205 possibly can get.

2206 One of the specific things I think we could do that
2207 would improve the program is allow for hybrid areas. That is
2208 to say not force any area to have only one technology, but
2209 let the provider who is on the ground and knows the
2210 topography to provide a hybrid bid. I think that would make
2211 a big difference, as well.

2212 *Mr. Joyce. Ms. Bloomfield, what actions could NTIA
2213 take today that would alleviate the burden of these

2214 prevailing wage requirements on providers?

2215 *Ms. Bloomfield. Well, prevailing wages will be a
2216 problem. I won't lie about that. But I do think the --
2217 making sure that you are matching metro rates to metro builds
2218 versus what might be a more relatable urban -- rural rate to
2219 a rural build, because otherwise you are going to just have
2220 that mismatch in terms of the ability for small providers.

2221 *Mr. Joyce. Do you feel that that mismatch allows the
2222 rural areas, like where I represent in south central
2223 Pennsylvania, to be underserved?

2224 Do you feel that that continues to allow that
2225 development to be delayed?

2226 *Ms. Bloomfield. It can be a deterrent, absolutely, and
2227 people will factor that into whether or not they can make the
2228 economic decision to move forward with the program.

2229 *Mr. Joyce. Mr. Chair, my time has expired. Again, I
2230 thank all of the witnesses for being present here today, and
2231 I yield.

2232 *Mr. Latta. Thank you. The gentleman's time has
2233 expired, and the chair now recognizes the gentlelady from
2234 Texas's 7th district for five minutes for her questions.

2235 *Mrs. Fletcher. Thank you so much, Mr. Chairman, and
2236 thanks to you and Ranking Member Matsui for holding this
2237 hearing. I am really glad to have the opportunity to hear
2238 about the implementation and the progress being made in the

2239 historic investments from the Infrastructure Investment and
2240 Jobs Act, and the BEAD program in particular today. And I
2241 really want to thank our witnesses for your time to testify
2242 today, and also for your work in this really important area.

2243 In my home state of Texas, more than seven million
2244 Texans lack access to broadband. And in June of last year
2245 NTIA announced that Texas will receive \$3.3 billion in BEAD
2246 funding to connect all Texans to broadband. This is the
2247 largest allocation of any state, and we know that the proper
2248 deployment of all of these funds and resources just takes an
2249 incredible amount of time and resources to do and to do
2250 right.

2251 And I have been glad to be in contact with the folks in
2252 Texas who are working on the implementation, who are working
2253 closely in the state and with providers, and communicating
2254 with us about the challenges and the opportunities that this
2255 presents for Texans. And certainly, we know that there are
2256 going to be challenges in implementing something of this
2257 scale, and we have talked a little bit about some of them
2258 already this morning.

2259 But among the challenges it is clear to me, as someone
2260 else said earlier, a consistent issue is really relying on
2261 efficient and responsive permitting. And so I appreciated
2262 the responses earlier to Mr. Carter's questions about
2263 permitting.

2264 I am pleased with some of the work that NTIA has done so
2265 far to streamline permitting, adding 30 new categorical
2266 exclusions for types of projects that don't require a high
2267 level of scrutiny. I think that is really important. But as
2268 you raise, Ms. Bloomfield, many smaller rural communities
2269 just don't have the workforce -- I think you have also raised
2270 this, Ms. Giles -- or the expertise to process the permitting
2271 applications and do that sort of quickly and efficiently.

2272 So, not surprisingly, I introduced a bill on this, the
2273 Broadband Incentives for Communities Act, that would help
2274 address the issue, giving communities the tools they need
2275 through grants to have the resources in place, and the
2276 training and other assistance that they need.

2277 So what I would love is just a little bit more
2278 information, Ms. Bloomfield. If you could, talk about some
2279 of the challenges of deploying broadband in smaller
2280 communities that may not have the personnel or tools needed
2281 to provide expedited permitting requests. And my proposal
2282 was originally kind of a grant program to help enable
2283 communities to have -- to add staff, to add resources to be
2284 able to do that work. Can you just talk about that a little
2285 bit?

2286 *Ms. Bloomfield. That is so vital. And I think not
2287 only just to find the bodies who actually understand
2288 broadband enough to understand what your permitting so that

2289 you can move pretty quickly, but as each of these agencies
2290 come back and think through things like some of the
2291 streamlining that we are seeing, that staff then has to
2292 actually take that back and implement what those streamlined
2293 processes are.

2294 So you have also got to have a pretty flexible workforce
2295 that understands, as new rules are coming down, okay, now we
2296 are going to -- because this was previously disturbed
2297 territory, we are going to be able to move faster here. That
2298 is going to be really important.

2299 The other thing I would throw out that really is also a
2300 really big issue on the ground -- not necessarily anything
2301 you have control over -- but railroad crossings is huge in
2302 rural America. When you are talking about deploying
2303 broadband in a rural area, and you might be talking about a
2304 huge rural county, you might be having to look at a bill that
2305 crosses a railroad line five or six times. That is tens of
2306 thousands of dollars. It is months in delay. Things that
2307 could be accelerated in terms of broadband deployment, I
2308 would also add railroad crossings to the list.

2309 *Mrs. Fletcher. Okay, great. That is helpful.

2310 You know, one of the things that we have seen with a lot
2311 of the different programs -- and there are so many programs
2312 that this Administration is rolling out from the IIJA, but
2313 there has been a real effort to have increased technical

2314 assistance available for the applicants and folks who are
2315 working on these programs. Do you have any recommendations
2316 or thoughts on sort of the level of technical assistance and
2317 potentially additional assistance that would be needed?

2318 *Ms. Bloomfield. So I think that, while it is really
2319 helpful from the Federal level, what is really happening is
2320 you have got 56 states that are doing things a little bit
2321 differently. So it is almost more importantly that people
2322 have that direct line of communication, that the state
2323 offices are having those discussions about the ability to
2324 answer those questions because they are run so differently,
2325 because they are mapped differently, because they are
2326 different sized, because they have different technology
2327 requirements. That is the dialogue that really is, I think,
2328 the most critical, as opposed to having it at the Federal
2329 agency level.

2330 *Mrs. Fletcher. Okay.

2331 *Ms. Bloomfield. That is where the questions lie right
2332 now.

2333 *Mrs. Fletcher. Okay, thanks. That is helpful. I am
2334 going to run out of time here, and this is really interesting
2335 and really important, obviously, to everyone across the
2336 country.

2337 So I probably won't have time to get an answer to this
2338 question, but, Mr. Levin, I just want to direct it to you and

2339 maybe you can provide your response off -- in writing, for
2340 the record. I just want to highlight that one of the BEAD
2341 requirements set out in the statute is that the networks
2342 built using the funds be reliable and resilient. And in
2343 Houston, where we have got our eyes on the Gulf again this
2344 week and watching the storms that are coming our way, we know
2345 how important that is.

2346 Can you just supplement and talk a little bit about why
2347 it is important to plan for reliability and resiliency and
2348 the kinds of things that we should be thinking of or
2349 enabling, or whether there is any assistance that -- further
2350 assistance that we can provide?

2351 I have gone over my time now very quickly, I might add,
2352 Mr. Chairman, Mr. Weber, so I will yield back with that. But
2353 I thank you all very much for your time and your work.

2354 *Mr. Weber. [Presiding] We will dock you on the next
2355 go-around.

2356 [Laughter.]

2357 *Mr. Weber. The chair now recognizes Mr. Allen.

2358 *Mr. Allen. Thank you, Mr. Chairman, and I want to
2359 thank Chair Latta for convening this hearing to conduct
2360 oversight of the NTIA's administration of the \$42.5 billion
2361 Broadband Equity Access and Deployment program.

2362 I would like to start by thanking each of our witnesses
2363 for taking time to be with us today, and I would like to

2364 share particular appreciation, which has already been done,
2365 to Director Giles for being here today, for your service to
2366 -- both to the State of Georgia and Governor Perdue's
2367 Administration and for the nation while at USDA. It is most
2368 appreciated for your continued service.

2369 And I would like to congratulate you on the State of
2370 Montana becoming the first in the nation to open your BEAD
2371 program application portal. You know, one of the things that
2372 -- there are a lot of funding agencies for this. You know,
2373 we want to get -- I think everybody -- I think, you know, it
2374 is not a partisan issue. Everybody wants to get broadband
2375 just like we electrified the country years ago.

2376 And, you know, I was thinking, hey, the best way to do
2377 it is block grant the money to the states and let the states
2378 do it. Much simpler because, you know, like in the --
2379 several places in the BEAD program Notice of Funding
2380 Opportunity, it expresses preference for a unionized
2381 workforce. And of course, Georgia is a work -- right to work
2382 state, so that doesn't work too well in Georgia.

2383 It also talks about paying prevailing wages and
2384 providing detailed information regarding a subgrantee's
2385 compliance of his contractors and subcontractors, and on and
2386 on and on and on, compliance after compliance, rule after
2387 rule. The overwhelming number of ISPs in this country do not
2388 have unionized workforces or rely on directly-employed

2389 personnel. It doesn't make sense for many companies. I am
2390 concerned the NTIA's requirements could deter ISP
2391 participation in already difficult labor markets, because
2392 they are extremely burdensome and administratively difficult
2393 and inefficient.

2394 Ms. Blumenthal, do you -- do all of your members
2395 directly employ the teams that will do the actual physical
2396 deployment of network facilities, or do some of them rely on
2397 contractors?

2398 *Ms. Bloomfield. The vast majority of my member
2399 companies do rely on contractors. And, you know, the ability
2400 to plan in advance to get that construction team is probably
2401 just as much of a challenge as anything.

2402 To your point about prevailing wages, I will say that a
2403 combination of supply chain issues, workforce availability,
2404 my folks have seen an increased cost in actual construction,
2405 about 20 to 30 percent year over year.

2406 *Mr. Allen. Right, right.

2407 *Ms. Bloomfield. So --

2408 *Mr. Allen. Just -- I am curious. How many of your
2409 members have unionized workforces today, or can the unions
2410 actually furnish the workers to get the job done?

2411 *Ms. Bloomfield. So I have about 850 community-based
2412 companies. We do not track this information, but my best
2413 guesstimate is about 75 of those 850 do have union shop, you

2414 know, employees within their organization.

2415 *Mr. Allen. And how long have your members been
2416 deploying broadband networks in rural areas?

2417 *Ms. Bloomfield. Since it was invented.

2418 [Laughter.]

2419 *Mr. Allen. Okay. All right, great.

2420 Director Giles, while I support closing the digital
2421 divide that exists in rural America, I am worried about --
2422 that adding the 5G fund on top of the Rural Digital
2423 Opportunity fund, the BEAD fund, the Capital Projects fund,
2424 and the ReConnect fund -- program will lead to wasted funding
2425 instead of connectivity. Like I said, it is coming from
2426 every different direction.

2427 How are you handling the vast amount of broadband funds
2428 that are being thrown at your state?

2429 *Ms. Giles. That is a great question. We do have a lot
2430 of cooks in the kitchen, as this is a pretty big problem to
2431 solve.

2432 I think it really comes down to mapping. I know that
2433 was raised several times, that mapping is a concern, and it
2434 is still a concern. But we are working through the challenge
2435 process and with the requirements of NTIA, talking to our
2436 providers, trying to get our hands on every single data set
2437 we can. I know USDA -- to give them a shout out -- they have
2438 been an incredible partner of keeping us up to date, so we

2439 have that data. But it really comes down to adequate
2440 mapping, so we can really see where those resources are
2441 going.

2442 *Mr. Allen. That is a perfect lead-in to my next
2443 question. Where are you, as far as the maps in -- the
2444 accurate maps in Montana?

2445 *Ms. Giles. That is a great question. We have had some
2446 challenges with getting the new fabric from NTIA. So we are
2447 actually operating on two-year-old fabric. We are still
2448 working through that process with our challenge results. We
2449 are hoping that we can clean this up on the back side after
2450 we get the grant proposals in. But most states are actually
2451 operating on August 2022 fabric, due to the delays between
2452 the FCC, NTIA, and the states of getting that data.

2453 *Mr. Allen. So have we got the cart before the horse
2454 here?

2455 *Ms. Giles. Yes, sir, a little bit.

2456 *Mr. Allen. And so here we are, yes. Federal programs,
2457 yes. So, anyway, thank you. I yield back and thank you for
2458 your being here today and trying to help us get this done.

2459 *Mr. Weber. The gentleman yields back. The chair now
2460 recognizes the gentlelady from Michigan for at least five
2461 minutes.

2462 *Mrs. Dingell. Thank you, Mr. Chairman, and thank you
2463 to the witnesses for joining us today.

2464 Expanding strong broadband Internet access is critical
2465 to modernizing our country's infrastructure, and we must
2466 ensure that connectivity reaches the communities that need it
2467 the most. The Biden-Harris Administration's 42 billion
2468 investment in the Broadband Equity, Access, and Deployment,
2469 BEAD, as we are all calling it, brings high-speed Internet
2470 access to rural and underserved areas by funding broadband
2471 planning, infrastructure deployment, and adoption programs in
2472 all 50 states and U.S. territories.

2473 At the same time, we need to ensure that Internet
2474 service is not only available, but affordable to all
2475 Americans, and that is something I am going to fight for, and
2476 I know many of my colleagues are every day. Unfortunately,
2477 the COVID-19 pandemic showed us that many families are
2478 disadvantaged without reliable Internet access at home,
2479 putting them -- preventing them from participating in school,
2480 telehealth, and other services that just too many of us take
2481 for granted. Ensuring that all households have equal access
2482 to online resources and opportunities is a top priority. We
2483 have worked hard on this committee to deliver billions of
2484 dollars to expand access to reliable, affordable, high-speed
2485 Internet to underserved and underserved [sic] households.

2486 Last month the National Telecommunications and
2487 Information Administration approved Michigan's initial
2488 proposals for the BEAD program, enabling my state to access

2489 funding and begin implementation. It is a significant step
2490 towards closing the digital divide and providing every
2491 household with affordable, reliable, high-speed Internet.

2492 But I want to ensure that Michigan fully leverages this
2493 investment to address affordability, digital skills, and
2494 access to devices, which are all essential steps towards
2495 achieving digital equality. However, the BEAD program has
2496 faced criticism recently for not moving quickly enough. And
2497 I understand the frustration of those underserved and
2498 underserved [sic] communities who are waiting for that
2499 connectivity.

2500 But it is important for my Republican colleagues, all of
2501 whom voted against this program while taking credit for it,
2502 to remember that the Bipartisan Infrastructure Law clearly
2503 outlines a timeline for implementing the BEAD program. It
2504 involves substantial efforts, including, in some cases,
2505 creating and staffing state broadband offices, engaging with
2506 stakeholders and the public, developing a comprehensive five-
2507 year action plan, establishing the BEAD challenge process,
2508 and designing a robust subgrantee selection framework, among
2509 other activities. These steps take time if they are going to
2510 be done right.

2511 Congress set an ambitious goal for BEAD: 100 percent
2512 availability of high-speed Internet. Achieving this goal has
2513 got to be thorough and intentional. So Mr. Levin, given the

2514 scale and the complexity of the BEAD program, are you
2515 surprised at where we are now in terms of the BEAD program
2516 timeline?

2517 *Mr. Levin. No. But if I can offer a personal note for
2518 a second, I had the honor of working with your late husband
2519 in both the development and the implementation of the 1996
2520 Telecom Act. He was quite a critic of some of the things we
2521 did, but he was a model of criticism in terms of being clear
2522 and very focused on what can you do better. And I just
2523 wanted to say I really appreciated that.

2524 *Mrs. Dingell. Thank you.

2525 *Mr. Levin. So no, the timeline -- it is, you know,
2526 arguably taking a little bit longer than I might have thought
2527 back in 2021, but it is roughly on target.

2528 And again, I think that the reason -- and you have laid
2529 out a number of things that need to be done -- is because
2530 Congress was reacting to the disastrous 2020 RDOF auction,
2531 and I think it was appropriate to look at that and
2532 continually learn. That is the purpose of congressional
2533 oversight.

2534 *Mrs. Dingell. Thank you.

2535 As many of you know, affordability will continue to go
2536 hand in hand with the BEAD program. We don't want to invest
2537 these funds to build these networks just for folks not to be
2538 able to afford to connect to them. And because of that, it

2539 is crucial to find a balance between making sure BEAD-funded
2540 networks are sustainable and keeping connections affordable
2541 to all Americans.

2542 Mr. Levin, as an outside observer, what have you seen
2543 states do to achieve this balance?

2544 *Mr. Levin. Well, a lot of states have done it in
2545 different ways. And I would just point out it is interesting
2546 to me that there has been criticism of both the price and the
2547 labor requirements in BEAD, but Montana has gotten through
2548 it, and I think that is an example of what you need to do.

2549 So states are going to look at this differently. If the
2550 ACP had been extended, I think the states would have had a
2551 fairly uniform way of doing it, but I don't want to question
2552 any particular state. The governors are in a great position
2553 to understand what needs to be done.

2554 And if I can -- I know we are over time, but COVID,
2555 which you mentioned, was the best evangelist ever for
2556 universal broadband, far better than the executive director
2557 of the National Broadband Plan, because it demonstrated the
2558 different ways in which constituents needed the service.
2559 Governors are in a great position to understand how to
2560 address the trade-offs.

2561 *Mrs. Dingell. Thank you.

2562 I am out of time, Mr. Chair, so I will yield back and
2563 submit some questions for the record.

2564 [The information follows:]

2565

2566 *****COMMITTEE INSERT*****

2567

2568 *Mrs. Dingell. Thank you.

2569 *Mr. Weber. The gentlelady yields back. The chair
2570 recognizes the gentleman from Idaho, Mr. Fulcher, for five
2571 minutes.

2572 *Mr. Fulcher. Thank you, Mr. Chairman and to the panel
2573 for being here.

2574 I appreciate your input. This is a huge issue for my
2575 home state of Idaho, and I had a question to start with --
2576 for Ms. Bloomfield.

2577 You mentioned in your testimony the need for scalable
2578 technology deployment as a way to be more cost effective, and
2579 that caught my attention. In Idaho we have got a tremendous
2580 amount of Federal lands, 33 million acres -- that is M, for a
2581 million. And, you know, quite frankly, they just go
2582 unmanaged. There is not the resources to manage them. The
2583 Forest Service, BLM is overwhelmed from that standpoint. And
2584 if they do get a project for management, they get sued. And
2585 you know, the next thing you know you have got somewhere
2586 between 300,000 to 400,000 acres on fire right now, which is
2587 what we have got.

2588 And so when you said scalable technology deployment,
2589 that kind of at least caught my eye. Could you look at that
2590 and expand on that through the lens of a scenario that I
2591 frame for Idaho, where you have got -- you are trying to
2592 manage with these challenges, keeping fire roads, trails

2593 clear when the infrastructure challenge is so high? Could
2594 you just expand on your thoughts there?

2595 *Ms. Bloomfield. So I will share that -- I appreciate
2596 the question -- that when I think about scalable networks, I
2597 really think about how we make sure that we use this time and
2598 this opportunity and this historic moment to really build
2599 future-proof networks.

2600 I look at folks in Idaho and I think, you know, we
2601 shouldn't be making people who live in a rural state or rural
2602 area second-class citizens. And at the end of the day, you
2603 know, you have to measure the value of the network over the
2604 life of the network, particularly when we are using taxpayer
2605 resources, which is why I am very bullish about a fiber
2606 preference, because I think that is the way to make sure that
2607 we are doing a sustainable investment.

2608 You do have unique challenges with -- you know, as we go
2609 back to permitting, you know, in the State of Idaho --

2610 *Mr. Fulcher. Yes.

2611 *Ms. Bloomfield. -- with Bureau of Land Management and
2612 Forest Service and all of those things that really do also
2613 slow down these projects, but you also have some incredibly
2614 remote areas, which is, again, that -- even though I will say
2615 fiber first, that looking at that toolkit, that making sure
2616 that you have got the opportunity to build to that person who
2617 lives on the mountaintop or across the river.

2618 I think we have got to be adaptable with technology to
2619 make sure that we actually are able to connect all Americans
2620 because, again, your state will have some unique resource
2621 challenges. But if we can get Bureau of Land Management and
2622 some of those permitting moving quicker, I think you are
2623 going to see deployment moving even faster in some of those
2624 western states.

2625 *Mr. Fulcher. It desperately needs to happen. I am
2626 going to play off of that, and I am going to come back to you
2627 in a second. But I go to Ms. Giles first.

2628 And so that is a discussion on the infrastructure
2629 component. I want to talk timeline for a minute here. As I
2630 just referred to, we have got somewhere between 300,000 and
2631 400,000 acres on fire. In my neighboring state you are
2632 familiar with those types of challenges, Ms. Giles. Can you
2633 -- and then I am going to ask Ms. Bloomfield the same
2634 question -- can either of you provide any ideas regarding
2635 timeline reforms that maybe we can put in place to help on
2636 infrastructure for local broadband companies to get relief on
2637 the timeline for the BEAD implementation?

2638 Ms. Giles?

2639 *Ms. Giles. Thank you for the question.

2640 I think a couple of things we have already discussed a
2641 little bit today is permitting is key, making sure we have
2642 that resolved. Do not have states be mandated to use the

2643 NTIA's system that will not even be ready for six to eight
2644 months. That is going to slow up states like Montana and
2645 others that are a little bit ahead of the curve.

2646 I think also shedding some sunlight on what is the
2647 timeline for the final proposal. We don't have that template
2648 yet. We don't know if it is going to take another six,
2649 eight, nine months once we submit to get approval. That will
2650 cost a lot of us western states to lose another construction
2651 season.

2652 I think as it looks with this alternative technology, we
2653 need that guidance to be fleshed out further. The
2654 undersecretary is still the ultimate arbitrator of what types
2655 of technology you use. That makes my state a little nervous,
2656 given that we have some unique challenges, much like your
2657 state.

2658 So I think those are kind of three big rocks that would
2659 alleviate a lot of the pain, if we could just get some
2660 sunlight on some of these things and see what is the end of
2661 the tunnel.

2662 *Mr. Fulcher. Okay. Ms. Bloomfield, let me come back
2663 to you. I think I know where you might be going when you
2664 mentioned permitting and how that stretches out, but I would
2665 like to get your answer anyway.

2666 *Ms. Bloomfield. Well, I will also add that my
2667 companies have been building 24/7, again, you know, post-

2668 COVID, and when everybody realized how important broadband
2669 was. So they are not waiting for BEAD, so they are already
2670 doing a lot of construction projects at this point in time.

2671 So I would say that, you know, if we can streamline and
2672 get mapping to be more accurate, if we can be thinking about
2673 access to supplies -- I worry about 2025, when BEAD really
2674 opens up and everybody is searching for fiber across the
2675 country, just like we did during 2020. That is a concern to
2676 me.

2677 Labor, workforce, all of those types of things I think
2678 are all going to impact the timeline as we have got
2679 construction going.

2680 *Mr. Fulcher. Okay, thank you.

2681 Mr. Chairman, I have got about 10 minutes more
2682 questions, but I don't think you are going to give it to me.
2683 So --

2684 *Mr. Weber. The gentleman is correct.

2685 [Laughter.]

2686 *Mr. Fulcher. I yield.

2687 *Mr. Weber. Does the gentleman yield back?

2688 *Mr. Fulcher. The gentleman yields, yes.

2689 *Mr. Weber. The gentleman yields back. The chair
2690 recognizes the gentlelady from Illinois for at least five
2691 minutes.

2692 [Laughter.]

2693 *Ms. Kelly. Thank you, Mr. Chair and Ranking Member,
2694 for holding this important hearing today. And thank you to
2695 all the witnesses.

2696 As a member who represents a district that is urban,
2697 suburban, and rural, I know the importance and the continued
2698 need to ensure that all Americans have access to high-speed,
2699 reliable, and affordable Internet services so that they can
2700 participate in our modern society.

2701 There is no denying that closing the digital divide in
2702 denser, more urban parts of my district outside of Chicago is
2703 just as important as doing so in more rural parts, closer to
2704 Fairbury. And some of my areas have nothing. Having access
2705 to affordable, high-speed Internet is critical, as you know.
2706 However, access only matters -- so much of my constituents
2707 cannot afford it.

2708 The bipartisan members who passed the infrastructure law
2709 had the good sense to not only create the historic Affordable
2710 Connectivity Program, or ACP, but also to include a separate
2711 affordability requirement within the BEAD program.

2712 Responsibility was given to each state to determine its own
2713 low-cost figure, subject to approval or disapproval by the
2714 NTIA.

2715 Mr. Levin, these affordability measures are essential to
2716 the success of the BEAD program, as they help to ensure there
2717 are customers willing and able to get connected. May you

2718 please explain why affordability is necessary for success of
2719 the BEAD program and our bipartisan goal of universal
2720 connectivity?

2721 *Mr. Levin. Well, in the infrastructure bill Congress
2722 found that access to broadband was essential to participating
2723 in the economy and in society, and which, by the way, we did
2724 in 2010 in the National Broadband Plan. But COVID made that
2725 very, very clear.

2726 So to achieve that goal you have to have both the
2727 access, the networks, and the affordability component. But
2728 they work together because, as I have mentioned earlier, if
2729 you have an affordability program where you are subsidizing
2730 low-income folks, that makes the -- building the access
2731 component much more affordable to Shirley's members and to
2732 others. And so that is how they work together.

2733 I might also add -- and we haven't talked about it here
2734 -- it also, for example, I think, reduces the cost of
2735 Medicaid because one of the things COVID taught us is that
2736 increasingly we are offering services in health care over
2737 communications networks, and the same is true for job
2738 training, and job searching, and education, and other ways.

2739 So it really is a virtuous cycle. But if you take one
2740 piece out of it, the affordability piece, you cause the whole
2741 system to become much more expensive.

2742 *Ms. Kelly. Well, it is funny you mentioned workforce

2743 because I was going to go -- give you a chance to address the
2744 workforce and supply chain issues that you --

2745 *Mr. Levin. Yes.

2746 *Ms. Kelly. -- noted would play a determining role in
2747 the fate of BEAD.

2748 But I will say I do a lot of health care work, and a lot
2749 of my doctors said their patients did not miss appointments
2750 because of being able to, you know, go online. And that was
2751 across the United States because I worked with a lot of
2752 doctors during the COVID period.

2753 But I will give you a chance to talk about workforce and
2754 supply chain issues.

2755 *Mr. Levin. Yes, I think those are critical issues.
2756 And I want to say, if you are going to hold another hearing
2757 on permitting, throw in workforce and supply chain.

2758 I might note, you know, look, there have been concerns
2759 about the price constraints and the labor things. But as
2760 Montana has illustrated, those have been worked out with
2761 NTIA. My fellow panelist from Montana, when asked about what
2762 were her biggest problems -- I saw an article in which she
2763 said geography, workforce, and supply chain. And I think
2764 those are actually the biggest problems, and they are across
2765 the state.

2766 I might note that the Commerce Department did a very
2767 good job of bringing more supply chain Buy America into the

2768 United States. They worked with Nokia and others, and I
2769 think largely successful.

2770 But part of what is happening is that the private sector
2771 in about 2017 started the AT&T and Verizon and Frontier and
2772 other telcos who had previously thought the Fios experiment
2773 was bad for business suddenly said, oh my God, we have got to
2774 shift. We are losing too many DSL customers. We are going
2775 to shift to fiber. And so you do not just have the public
2776 buying more fiber, you also have the private sector buying
2777 more fiber.

2778 So I think those are all very, very significant things,
2779 and I would really urge you to hold hearings on all three of
2780 those.

2781 And if I can add one more thing on permitting, I think
2782 this is consistent with what my panelist, fellow panelist,
2783 has said. Rural America doesn't put up a lot of obstacles to
2784 building things. That is really an urban phenomenon, with
2785 all due respect. But what urban America lacks are some of
2786 the tools, particularly software tools, and I think that is
2787 an incredibly important part of the permitting process,
2788 making sure that rural folks, those small areas, have access
2789 to software which can solve a lot of these problems more
2790 quickly.

2791 *Ms. Kelly. Thank you.

2792 I had a question for you, Mr. Alwan, about fiber, but I

2793 am respecting my time, so I will submit it.

2794 [The information follows:]

2795

2796 *****COMMITTEE INSERT*****

2797

2798 *Ms. Kelly. I yield back.

2799 *Mr. Weber. The gentlelady yields back. The chair now
2800 recognizes the gentleman from Florida, Dr. Dunn.

2801 *Mr. Dunn. Thank you very much, Mr. Chairman. Today's
2802 topic is certainly timely. I frequently hear from my
2803 constituents who ask me why they haven't been connected to
2804 high-speed Internet yet, and I have testimony from a
2805 constituent who lives in one of our harder-to-reach counties,
2806 and I will get to that in a minute.

2807 But my district borders Georgia and Alabama to the
2808 north, the Gulf of Mexico in the south, and everything in
2809 between is pretty much agricultural, rural, and remote. My
2810 constituents, many of them, live in hard-to-serve areas that
2811 are receiving fliers in the mail that says Internet service
2812 providers are advertising high-speed Internet connectivity,
2813 and they call them regarding the offer, and they say, "Oh,
2814 not you, you can't get connected in your location, no matter
2815 what you want to pay," right?

2816 So this illustrates how complex the broadband ecosystem
2817 really is between the big ISPs and rural co-ops, cable
2818 companies. And the really hard-to-service areas just don't
2819 get built out on a priority basis. And the truth is
2820 connecting underserved areas is extremely difficult and it is
2821 not economically viable.

2822 So I think we are finding out through the BEAD process

2823 that a one-size-fits-all approach of just build fiber
2824 everywhere is not the right answer for everyone. You know,
2825 we are four years into the program. Implementation in
2826 Florida is still quite far behind, quite honestly.

2827 Mr. Alwan, you mentioned in your testimony how
2828 technology is always advancing. And your company, Tarana
2829 Wireless services customers as far as 22 miles away. I
2830 think, you know, there is alternative technologies to Low
2831 Earth Orbit satellite, broadband services -- which we all
2832 know are coming, and are growing daily, and not just one,
2833 there are several -- I think that must be part of the
2834 solution to collect 100 percent of our remote areas and a lot
2835 of my remote areas.

2836 NTIA recently revised their requirements around using
2837 alternative technologies in certain high-cost areas. And I
2838 wonder, do you believe the NTIA has done enough to make sure
2839 that the states and the people know that they can use and
2840 sponsor these alternative technologies?

2841 And has NTIA provided any support to the states or the
2842 people to navigate the programs so they can understand that?

2843 *Mr. Alwan. Well, thank you for the question.

2844 First of all, never enough, because things have changed
2845 pretty dramatically --

2846 *Mr. Dunn. A little closer to your mike, or turn it on
2847 if it is not.

2848 *Mr. Alwan. It is on, but maybe I can lean in a little
2849 bit. Yes, yes, okay.

2850 To your question -- thank you for the question -- never
2851 enough. We have a long way to go here. Technology has
2852 really advanced, and even today people still believe fiber,
2853 in many cases, is the only answer. It brings up permitting,
2854 workforce issues. But wireless has actually come a long way,
2855 to the point where it can be a legitimate -- not only a
2856 legitimate, but a peer way to offer broadband. And we need
2857 to take advantage of that. It is super important.

2858 In fact, my view is -- I am somewhat comforted by the
2859 fact that I think economics will rule the day. In other
2860 words, in the end we will not be able to get 100 percent
2861 coverage unless we take pretty good advantage of these
2862 technologies.

2863 *Mr. Dunn. I am so glad to hear you say that. I am a
2864 big fan of it. I actually own one of those ground base
2865 stations, and I use it to compete against my home, which has
2866 got -- you know, is wired, as well, but -- and it works just
2867 fine.

2868 *Mr. Alwan. Yes.

2869 *Mr. Dunn. I do live video feeds to Ukraine constantly.
2870 I mean, it is just -- so it is pretty easy.

2871 So Ms. Bloomfield, we are seeing a different problems
2872 with the BEAD program like implementation delays, build-out

2873 requirements that act as social programs instead of Internet
2874 service requirements, and providing high-speed broadband, so
2875 things about regulating rates, labor requirements, buy and
2876 build America, and what not. In your opinion, have we been
2877 really streamlining this process, or are we making it more
2878 difficult?

2879 *Ms. Bloomfield. I think any time you add additional
2880 requirements or burdens, it is going to slow things down, it
2881 is going to make it more difficult. People are going to
2882 think through the different hoops before they are willing to
2883 go through them.

2884 However, I would say I do find NTIA has been actually
2885 very accommodating, at least willing to discuss some of these
2886 issues. And when we have really hit a wall on certain things
2887 like the Buy American provision, Part 200, we saw definite
2888 movement on their part.

2889 *Mr. Dunn. Thank you. So there is also a thing called
2890 the RDOF, Rural Development -- Rural Digital Opportunity
2891 Fund, and -- separate from BEAD -- and I have a feeling that
2892 the states don't always know that they can access both of
2893 those. And can you speak to, you know, how these multiple
2894 programs broadband -- again, Ms. Bloomfield -- the -- and
2895 what do you think the solution is for states in remote areas
2896 that are having problems?

2897 *Ms. Bloomfield. So I think the key is coordination

2898 because, to your point, there are numerous programs.

2899 So the RDOF program run by the -- is run by the FCC.
2900 USDA has ReConnect and the loan programs over there. NTIA
2901 with BEAD, Treasury with capital funds. You have got a lot
2902 of different entities. And that is why I think all roads
2903 eventually go back to mapping. We have got to make sure they
2904 are coordinated. We have got to make sure that we are not
2905 overbuilding. We have got scarce resources, and we need to
2906 make sure we use the most efficiently.

2907 *Mr. Dunn. Well, my constituents would be most grateful
2908 for all of these programs, and I thank you very much for
2909 that.

2910 Mr. Chairman, I yield back.

2911 *Mr. Weber. The gentleman yields back. The chair
2912 recognizes the gentlelady from California for at least five
2913 minutes.

2914 *Ms. Eshoo. This gentlewoman?

2915 *Mr. Weber. Yes, ma'am.

2916 *Ms. Eshoo. Thank you, Mr. Chairman, and thank you to
2917 the ranking member for holding this very important hearing.

2918 I have served on this subcommittee for 30 years, 30
2919 years. So I have seen innovation just dance over all of
2920 these decades. And the advancements, of course, are to the
2921 benefit of the American people. And so I am so pleased that
2922 this -- that the subcommittee is having this hearing because

2923 it is so important to do oversight to see how the decisions
2924 we have made are advancing.

2925 We have made a huge investment, recognizing that
2926 broadband is one of the most important undertakings in our
2927 nation for the future of everyone in our country. Everyone
2928 was impacted by the pandemic in some way, shape, or form.
2929 But were it not for the technologies that we had, we simply
2930 would not have functioned, as difficult as it was. But at
2931 least we could communicate with one another and the platforms
2932 that have been established.

2933 So, you know, the votes for these programs, you know,
2934 the Democrats stepped up. They really stepped up. I am not
2935 here to bash anyone, but I will note that we were the only
2936 ones that voted for it. For 30 years Republicans and
2937 Democrats on this subcommittee, wringing our hands over
2938 getting broadband to everyone in our country, and it has to
2939 be affordable. If it is not affordable, then it simply
2940 doesn't exist.

2941 So with the BEAD program today -- it is very sad to me
2942 that the appropriation for it has been allowed to lapse.
2943 That is the responsibility of the majority. And, you know,
2944 over 40 percent of the families that received these great
2945 rates are military families in our country. So really, shame
2946 on us. Shame on us. I hear from constituents, you know,
2947 querying constantly, "What is happening with this," because

2948 we have used it and it has been so important to them.

2949 There has been a discussion here about -- and
2950 legitimately -- relative to resilience, and reliability, and
2951 that, you know, fixed wireless is -- that the -- you know,
2952 fixed wireless is unreliable, and the questions that have
2953 been asked of Mr. Alwan. I am proud of what you have
2954 accomplished and what you continue to do. I find it very
2955 exciting. But I think it is very important to note that the
2956 NTIA listened very hard, listened very hard. Mr. Alwan and
2957 anyone else that is in a related technology part of the
2958 industry have been taken seriously by the NTIA and Alan, who
2959 heads it up.

2960 Would you like to -- would you maybe tell us a very
2961 short story of -- I know where you started, but I think it is
2962 important for the record, for the committee's record, to know
2963 how the presentation was made, who came to meet with you and
2964 that because, you know, it said that, you know, the Federal
2965 agencies are so far away from people that they don't know who
2966 they are, you can't get a phone call in, you can't get a
2967 meeting with them. It is a different story for Tarana.
2968 Would you tell us, enlighten the rest of the committee, Mr.
2969 Alwan, on that?

2970 *Mr. Alwan. Yes, thank you. Thank you for the
2971 question. For sure.

2972 I mean, I do want to comment that the NTIA has been

2973 engaging us really well. And the framework of the law was a
2974 very fiber-first law when it first came out.

2975 *Ms. Eshoo. Yes, it was the preference of the
2976 Administration.

2977 *Mr. Alwan. It is a preference. And truth be told, at
2978 the time it was put together that was appropriate.
2979 Technology has just advanced so much.

2980 And what I do appreciate is our engagement with the NTIA
2981 and their openness to reevaluate and kind of put out new
2982 guidelines, which they have done. It is never fast enough,
2983 as I mentioned, because, you know, things are happening right
2984 now. And I think the equation closing that equation is going
2985 to be so difficult. But we have had a constant good
2986 interaction with the NTIA. There has been a lot of good
2987 feedback. I think it has been a good two-way engagement.

2988 *Ms. Eshoo. How does next-generation fixed wireless
2989 address the issue of reliability and resilience?

2990 *Mr. Alwan. Yes, so it is a great -- it is a good
2991 question.

2992 It is interesting. Fiber is certainly great, but fiber
2993 is not just fiber. Sometimes aerial fiber has real issues
2994 with reliability, as well. The nice thing about fixed
2995 wireless or wireless in general is there -- the medium is
2996 non-existent, it is air. There is no issue with crossing
2997 railroad tracks. You don't need a permit for that.

2998 *Ms. Eshoo. Yes.

2999 *Mr. Alwan. So it actually is -- in fact, we are
3000 finding in some countries a strong preference for wireless
3001 over fiber, where -- in places where trenching happens kind
3002 of randomly, and where there is not an opportunity to control
3003 things. So I think wireless has gotten to the point -- and a
3004 big part of this is the technology we put together for
3005 managing spectrum, where it can be very reliable, very much
3006 like a wireline network, and very, very high speed.

3007 *Mr. Weber. The gentlelady's at least five minutes has
3008 expired.

3009 *Ms. Eshoo. I know, thank you, Mr. Chair.

3010 [Laughter.]

3011 *Mr. Weber. The chair now recognizes gentlelady from
3012 Tennessee --

3013 *Mr. Alwan. I apologize.

3014 *Mr. Weber. -- for at least five minutes.

3015 *Ms. Eshoo. Thank you.

3016 That is all right.

3017 *Mr. Weber. All good.

3018 *Ms. Eshoo. Thank you to all of you.

3019 *Mrs. Harshbarger. Okay, thank you, Mr. Chairman.

3020 Thank you for the panel for being here today.

3021 You know, an entry level economics class could explain
3022 why price controls at a grocery store would lead to food

3023 shortages. But it is less obvious how something like
3024 broadband could be impacted by price controls. So my
3025 question is to you, Ms. Bloomfield. What harm could come
3026 from a price control on broadband?

3027 And how would that affect people in my district, rural
3028 east Tennesseans, or other rural communities having their
3029 networks built by the BEAD program be hurt by a price cap on
3030 broadband, which on the surface sounds like a great deal?

3031 *Ms. Bloomfield. And I appreciate the question greatly.

3032 So I do think that, you know, the important thing has
3033 been allowing some of the states to really be able to
3034 determine using data and quantifiable analysis in terms of
3035 what rates make the most sense for their state. So I think
3036 that flexibility is really important. Obviously, not all
3037 states adhere to that. You know, I look at the State of New
3038 York mandating \$15. That is going to make it very difficult
3039 to bring any provider to the table.

3040 However, I would say that the unsung hero, you know, in
3041 terms of affordability and things to be pondering on that,
3042 really, is the Universal Service program. Because if that
3043 program goes away, rural rates will go up to probably about
3044 -- you know, our latest survey shows about \$163 a month for
3045 rural consumers. We start weighing some of that. Then, you
3046 know, whether or not you build the network will become
3047 irrelevant because people won't be able to afford it.

3048 *Mrs. Harshbarger. That is terrible, 163 a month.

3049 Mr. Alwan, my constituents are just the type you
3050 describe in your testimony. My district is very rural. Many
3051 homes are nestled away in the mountains. A lot of them are
3052 in the Great Smoky Mountains, beyond the sightline of the
3053 nearest tower. So how does Tarana utilize spectrum to
3054 deliver high-quality Internet beyond the sightlines of its
3055 towers?

3056 And why should taxpayer dollars from the BEAD program go
3057 toward your technology?

3058 *Mr. Alwan. Yes, it is one of the great things I have
3059 experienced in my career in Silicon Valley is that things
3060 that weren't possible all of a sudden become possible with
3061 another turn of the crank, and this is one of those moments.

3062 And specifically, the way we do is quite technical, but
3063 you can think of it as we are able to, in the digital domain,
3064 reconstruct signals of reflections and defractions,
3065 refractions, and actually reconstruct a signal, even though
3066 it is bouncing off of all kinds of things in real time. It
3067 is a quite interesting mathematics trick, but what it results
3068 in is a non-line-of-sight, very high reliability signal at
3069 very high speeds. And we are seeing that -- the
3070 demonstrations we have done, including with Ms. Eshoo and
3071 around the country have really proven out that we can do non-
3072 line-of-sight, even through trees, at very high speeds.

3073 And the impact of that is the issue. And in a lower
3074 density area, that is economics. That is economics. That
3075 means you can offer it to more people, a great service.

3076 *Mrs. Harshbarger. Okay. Well, I think that is it, Mr.
3077 Chairman. I will yield back.

3078 *Mr. Weber. The gentlelady yields back. The chair now
3079 recognizes the gentlelady from Florida for at least -- that
3080 is what I have been doing, Cat, where have you been?

3081 [Laughter.]

3082 *Mr. Weber. The preceding comment was an editorial
3083 statement not necessarily reflecting the views of the
3084 management.

3085 [Laughter.]

3086 *Mr. Weber. The chair recognizes the lady from Florida
3087 for at least five minutes.

3088 *Mrs. Cammack. It is not working. Shit.

3089 [Laughter.]

3090 *Mrs. Cammack. All right, my microphone is not working.
3091 I will leave it. Is it working?

3092 *Mr. Weber. It is working.

3093 *Mrs. Cammack. Okay, the light is not working. All
3094 right. Well, at least one of those is on the record. All
3095 right. Thank you all. Sorry about the confusion today. We
3096 are running back and forth, lots of things happening at the
3097 same time.

3098 So jumping into BEAD, of all the states' plans NTIA has
3099 approved so far, each has identified a specific price or
3100 range of prices. Many of the states that have yet to be
3101 approved by NTIA, including Florida, my home state, have thus
3102 declined to do so, resisting NTIA's pressure campaign to get
3103 states to regulate broadband rates in direct conflict with
3104 the infrastructure law text. Now, not only does this rely on
3105 questionable legal authority and longstanding commitment to
3106 not regulating broadband rates, but it is also bad policy.

3107 I would like to enter into the record South Carolina's
3108 cured Volume 2 proposal, which was "without the establishment
3109 of an approved low-cost broadband service option.'" The NTIA
3110 will not open to the State of South Carolina its additional
3111 allocation of \$546,535,983.05.

3112 *Mr. Weber. Without objection.

3113 [The information follows:]

3114

3115 *****COMMITTEE INSERT*****

3116

3117 *Mrs. Cammack. In BEAD funds. Thank you.

3118 Director Giles, Montana was able to get approval from
3119 NTIA, albeit at a higher price than other states. Did NTIA
3120 make clear to you that it would only approve a plan that
3121 included an identified price for the low-cost plan?

3122 *Ms. Giles. Yes.

3123 *Mrs. Cammack. Okay. With the low-cost plan Montana
3124 has selected, how long is the provider responsible for
3125 providing that rate, and are they able to raise the rate to
3126 account for inflation?

3127 And additionally, what guidance has NTIA given in
3128 regards to the future of the low-cost requirement?

3129 So three parts.

3130 *Ms. Giles. Thank you, that is a great question.

3131 So to the guidance piece specifically, so -- well, let's
3132 walk that back. So the requirement, first and foremost, is
3133 for 10 years.

3134 As it relates to inflation, yes and no. Some plans have
3135 been approved that have inflationary increases. It is
3136 unclear as to whether that will be allowed or not.

3137 Obviously, companies are pushing for that certainty. Ten
3138 years is a long time. The data that we use is updated every
3139 single year, but I still think we would like to have some
3140 clarity in that. So I hate to give an unclear answer, but
3141 the guidance is unclear. So we are still kind of waiting to

3142 see how that shakes out in different states.

3143 *Mrs. Cammack. I have yet to meet a witness who says
3144 that they don't like an unclear answer. They love unclear
3145 answers.

3146 All right. So now we have talked about the delays that
3147 Montana and many other states may be facing if NTIA continues
3148 to offer guidance that conflicts with previous requirements.
3149 One thing that we haven't talked about is the impact that you
3150 perceive this delay will have on providers in Montana. So,
3151 Director Giles, how do the delays impact Montana's ISPs and
3152 stakeholders?

3153 And what happens to the BEAD timeline if Montana loses
3154 the 2025 build construction season?

3155 *Ms. Giles. Thank you, that is a great question. I
3156 know we have talked a lot about timelines, and I think it is
3157 all important to realize that this law was enacted in 2021,
3158 and at best right now we will have fiber in the ground in
3159 2029. So that is eight years out --

3160 *Mrs. Cammack. Ouch.

3161 *Ms. Giles. -- that Americans are without these
3162 services, be it fixed wireless, fiber in the ground, or Low
3163 Earth satellite.

3164 For Montana specifically, we are hoping to get our final
3165 proposal in by early spring. I think a big thing that we are
3166 unclear on is how long that will take to get approval

3167 because, obviously, if we miss a 2025 construction season,
3168 that is another year for us that we have to delay. We only
3169 get May through maybe October, at best. That is in a good
3170 year.

3171 So I think for the western states, it is pretty critical
3172 to ensure that those approvals are very fast. Otherwise, we
3173 are going to lose another year, and we are into now 2030 of
3174 looking at connecting Americans.

3175 *Mrs. Cammack. Now, Mr. Alwan, I am going to jump to
3176 you. Can you discuss the process for receiving NTIA's
3177 approval of your technology? Very briefly.

3178 *Mr. Alwan. Yes. There is no formal process for
3179 approving the technology. We fit into what is called non-
3180 priority and alternative. So after fiber, it is automatic.
3181 If fiber is not available at the correct price point, we
3182 would be approved for use.

3183 *Mrs. Cammack. Do you like it that way?

3184 *Mr. Alwan. I think if the -- if we were to do that
3185 bill now, we would put fiber and next-gen fixed wireless on
3186 the same footing. I don't think there is a reason to have a
3187 priority anymore. At the time there may have been. Times
3188 have changed.

3189 *Mrs. Cammack. Okay, something to consider.

3190 *Mr. Alwan. Yes.

3191 *Mrs. Cammack. Ms. Bloomfield, we have seen some of the

3192 shortcomings -- and you highlighted them in your testimony --
3193 including inadequate vetting of bidders until after the end
3194 of the reverse auction.

3195 So to the point that so much of the FCC has provided
3196 amnesty to RDOF, some winners -- there have been some in my
3197 state that have fallen through -- what are some of the
3198 lessons learned that BEAD should implement from those
3199 situations?

3200 *Ms. Bloomfield. That is a great question, and I think
3201 that is where some of the frustration comes with how this is
3202 taking so much time. The difference is this is vetting up
3203 front, because the last thing any one of us wants to do is in
3204 five years be in front of you and tell you why this didn't
3205 work.

3206 So I think that is the beauty because, you know, you
3207 know you have got constituents who thought they were going to
3208 get broadband three years ago and then, you know, their
3209 provider called uncle because they couldn't meet the RDOF
3210 requirements.

3211 *Mrs. Cammack. Yes.

3212 *Ms. Bloomfield. So I do think there have been some
3213 lessons learned, and I think -- I would like to think we are
3214 implementing them.

3215 *Mrs. Cammack. And would you agree that the census
3216 track model, it is a flawed one?

3217 *Ms. Bloomfield. Oh, the smaller the better in terms of
3218 service territories in my book.

3219 *Mrs. Cammack. Absolutely. And I know I am getting
3220 close to my -- the end of my time, or I am over my time, but
3221 I am filibustering for the -- my gentleman and colleague in
3222 the -- two floors down from the great State of Texas. So
3223 give me some leeway here, Mr. Chairman.

3224 *Mrs. Miller-Meeks. Yes, give her leeway, Mr. Chairman.
3225 [Laughter.]

3226 *Mrs. Cammack. So in talking about the census element
3227 being so broken, right, what about the crowdfunding of maps?

3228 *Ms. Bloomfield. Oh, so, you know, I think the more
3229 data you can get into the map system, the better. And I
3230 think, you know, there should be more verification on the
3231 ground. I mean, I am a big fan of, you know, go out there
3232 and see it, because right now --

3233 *Mr. Weber. We are --

3234 *Ms. Bloomfield. -- all a provider has to do is do --
3235 advertise rates. They don't actually have to be able to
3236 provide it.

3237 *Mr. Weber. Okay, we are going to have to end there. I
3238 apologize. So I was enjoying your soliloquy.

3239 The chair now recognizes the gentlelady from Iowa --

3240 *Mrs. Cammack. Thank you.

3241 *Mrs. Miller-Meeks. -- Landslide Miller-Meeks.

3242 *Mrs. Miller-Meeks. Thank you very much, Mr. Chair, and
3243 also Chairman Latta and Ranking Member Matsui, for holding
3244 this hearing today. I also want to thank our witnesses for
3245 testifying before the committee.

3246 In Iowa our household businesses, farmers, and health
3247 care providers rely on affordable, secure, accessible
3248 Internet service. The BEAD program has the potential to make
3249 significant progress towards closing the digital divide for
3250 rural states such as Iowa. However, we are soon approaching
3251 three years since the program was created without a single
3252 home connected yet.

3253 Now, if we had more and better connectivity, more Iowans
3254 could watch Caitlin Clark break records in the WNBA on her
3255 way to Rookie of the Year.

3256 So Ms. Bloomfield, the NTIA's push to require states to
3257 set prices for broadband service through the BEAD program has
3258 come up a number of times. When it comes to the requirement
3259 in the IIJA for a low-cost broadband service option, what is
3260 NCTA's [sic] recommendation for how states should establish
3261 such a plan so that it also complies with the IIJA's mandate
3262 against rate regulation?

3263 *Ms. Bloomfield. So as somebody who has 30 of my
3264 community-based providers in your congressional district, you
3265 know well how important this is.

3266 And I will also say Iowa is an example of a really well-

3267 done state program. So a number of my companies out in your
3268 state have been building, thanks to what the state has had
3269 the foresight to do even before BEAD rolled out.

3270 In terms of the low-cost option, again, I think it all
3271 goes back to really doing some analysis on the ground in
3272 terms of what is affordability, not just taking a number and
3273 plugging it in. And I think, again, some states, including
3274 Montana, Virginia, and some others have done a very, very
3275 nice job on that.

3276 Again, I am going to go back to the fact, particularly
3277 in a state like Iowa, Universal Service high-cost funding,
3278 that is what is keeping the rates reasonable for your folks
3279 and for the ability to roll out initiatives like smart ag out
3280 there. So I keep that in mind on a parallel track.

3281 *Mrs. Miller-Meeks. And can you also explain the
3282 complications and impacts on provider of mandating an
3283 arbitrarily low price that is untethered to market forces?

3284 *Ms. Bloomfield. It will make it very difficult for
3285 smaller providers who can't -- who are already struggling to
3286 make a business case to build to a very high-cost, unserved
3287 area to actually make that business case to do so. So you
3288 might have some providers who will walk.

3289 *Mrs. Miller-Meeks. What requirements in state BEAD
3290 plans -- since we were mentioning Iowa's program -- might
3291 prevent your members from participating, and therefore affect

3292 how much competition states see in their BEAD programs?

3293 *Ms. Bloomfield. I think the more regulations, the more
3294 requirements that get piled on, I think the more difficult it
3295 becomes. So I think getting the states to put out their
3296 guidance as soon as possible so that providers can actually
3297 evaluate whether or not they are going to make the
3298 investment.

3299 *Mrs. Miller-Meeks. In the midst of a national effort
3300 to deliver Internet for all, FCC has chosen to saddle the
3301 industry with two sets of unnecessary rules that will only
3302 make the effort more difficult. The FCC has rightly been
3303 taken to court after its decision to impose title 2 utility-
3304 style regulations on broadband, and to create an open-ended
3305 digital discrimination regime that diverges significantly
3306 with congressional intent.

3307 Your members have expressed that title 2
3308 reclassification threatens substantial burdens for your small
3309 providers. If the FCC's rules are allowed to stand, does
3310 that change the economics for your members' ability to
3311 participate in BEAD?

3312 *Ms. Bloomfield. I will be honest with you. My members
3313 are already fairly regulated because of the Universal Service
3314 program, so they are probably more concerned about digital
3315 discrimination than they are about net neutrality.

3316 *Mrs. Miller-Meeks. Director Giles, in your testimony

3317 you stated that the cost of the deployment, combined with a
3318 four-year implementation period, will strain Montana's
3319 ability to implement the program.

3320 You also noted that, due to long winters, providers in
3321 Montana and comparable states such as Iowa will be lucky to
3322 have half of that time to deploy their networks. Can you
3323 explain how the lack of proactive guidance from NTIA has
3324 exacerbated this issue and others when it comes to
3325 implementation?

3326 *Ms. Giles. Thank you for the question.

3327 Yes, as stated in my testimony, all the western states
3328 are going to have half the time of the four-year period to
3329 implement these funds. So I think getting ahead of the
3330 curve, and so the companies -- to the points made earlier --
3331 can have those expectations, know what they are up against,
3332 buy their materials would be helpful to just ground the
3333 program in some practicality of just sheer differences in
3334 weather. We can't change that. I mean, that is just a
3335 uniqueness we all have.

3336 So the sooner the better, though. Our companies are all
3337 asking, "If I do receive funding, will I have four years,"
3338 because that is not plausible.

3339 *Mrs. Miller-Meeks. Can you explain the delay from
3340 December 2023, briefly, until last month, before NTIA
3341 approved your plan?

3342 *Ms. Giles. We went through several rounds of curing,
3343 most of which was not substantive, and then it was pretty
3344 much dark for about four months, just waiting for crickets to
3345 gain approval. That is a very short summary.

3346 *Mrs. Miller-Meeks. Thank you very much.

3347 And thank you and I yield, Mr. Chair.

3348 *Mr. Weber. The gentlelady yields back. The gentleman
3349 -- I recognize the chair -- the gentleman from Texas for five
3350 minutes.

3351 *Mr. Pfluger. Thank you, Mr. Chairman, and I appreciate
3352 the opportunity for this hearing.

3353 I just came from another hearing, where we were talking
3354 about the Chinese Communist Party and how we are competing
3355 against them. I know that the subject of this hearing is not
3356 rip and replace, but I would urge that the committee take
3357 strong and immediate action when it comes to competing with
3358 China and the malign activities that they have, and commit to
3359 fully funding the rip and replace program during the
3360 remainder of this particular year, this fiscal year, so that
3361 we can not only compete with the Chinese Communist Party, but
3362 know what our network is doing and the issues that we have
3363 technologically. A 2023 GAO report identified 133 broadband-
3364 supporting programs across 15 different Federal agencies.
3365 Both the GAO and Commissioner Carr have recommended a
3366 national broadband strategy to help synchronize these

3367 efforts. Billions of dollars have been spent, and I think it
3368 is critical that we do exactly that.

3369 Director Giles, I will start with you. In a previous
3370 role you served as chief of staff for the Rural Development
3371 at USDA, which you mentioned in your testimony, which
3372 included administering the ReConnect program, one of the
3373 previously mentioned broadband-supporting programs. I
3374 represent a very rural area in Texas, 317 miles east to west,
3375 and as chief operating officer for Montana in charge of
3376 coordinating the multitude of broadband funding opportunities
3377 for your state, how has your office deconflicted the
3378 broadband awards?

3379 *Ms. Giles. So we have been working through our mapping
3380 process. I think our biggest challenge is having access to
3381 most accurate data. Most states are actually operating on
3382 August 22 fabric, so we are already 2 years behind the jump.
3383 There is a lot of delays between getting the FCC data down to
3384 the NTIA, down to the states. That is just a lot of hoops
3385 and hurdles. So -- but mapping is key.

3386 We have been trying to partner with our Federal
3387 partners. USDA has been a fantastic partner. Granted, I
3388 have a little bit of home turf advantage with those folks.
3389 And then just trying to navigate all the different moving
3390 parts and talking to the companies to make sure, if they are
3391 doing private build, we have that data pretty quickly. But

3392 it really comes down to how accurate is your map.

3393 *Mr. Pfluger. So the lack of a strategy, the inaccuracy
3394 of the maps, the overlapping 15 agencies, all these programs,
3395 I mean, how ripe is this for fraud, waste, and abuse?

3396 *Ms. Giles. I think that is a great question. I don't
3397 think there is a risk of fraud, waste, and abuse. I think
3398 there is a risk of, without getting the mapping efforts
3399 correct, that we could overbuild in areas -- and then we are
3400 already seeing this with some of my ARPA projects,
3401 specifically -- we have to go back, and then we have to
3402 deconflict, those companies already made plans. So it is
3403 creating more rigmarole and bureaucracy both for the state
3404 and the provider and uncertainty.

3405 So I think we just need to make sure our data is
3406 accurate and we have all of that, and then all the agencies
3407 be better about coordinating internally up at the Federal
3408 level.

3409 *Mr. Pfluger. I think we are seeing the same, but also
3410 there is a very plausible scenario where fraud, waste, and
3411 abuse can happen, and especially in some urban areas, as
3412 well.

3413 I will get into the mapping side of it. Some ISPs have
3414 expressed ongoing challenges in reconciling the data. You
3415 have kind of alluded to this. And for some providers,
3416 despite participating in the biannual efforts for data

3417 collection as a process, the serviceable locations are still
3418 missing from the maps as locations. Many of you are nodding
3419 your heads.

3420 I will go with Ms. Bloomfield. How are the FCC and NTIA
3421 working with states and providers to ensure that these maps
3422 are as accurate as possible before those BEAD dollars are
3423 deployed?

3424 *Ms. Bloomfield. So I would put this on the list of --
3425 another hearing that you all could do could be about mapping.

3426 [Laughter.]

3427 *Ms. Bloomfield. Honestly, mapping is just the
3428 fundamental basis for everything that we are talking about
3429 today. And so I am still seeing some of my folks, you know,
3430 getting told that, you know, bales of hay or big rocks in the
3431 field are a serviceable location. I have a company in
3432 Montana that has a ghost town, and it came back as a
3433 serviceable location. And somebody told me, well, maybe if
3434 they brought broadband it wouldn't be a ghost town. But, you
3435 know, I think we have got to be smart about it. So I think
3436 the specs that were put out in terms of what data -- how the
3437 data was collected, doing things based on what is advertised
3438 as opposed to what is real is really important.

3439 And you have got to make this challenge process work.
3440 The challenge process is really cumbersome. It is really
3441 expensive. And unless you can actually kind of do that

3442 verification, which I will say USDA has done extraordinarily
3443 well on the ground, I think that is going to be an issue. So
3444 I do think there is a lot to be said for coordinating and
3445 getting better maps done.

3446 *Mr. Pfluger. I think those maps are -- and we have had
3447 some hearings on mapping, as well.

3448 In the remaining time -- and thank you all for the -- I
3449 am sorry I didn't get to everybody -- but last week I was
3450 proud to introduce the PROTOCOL Act with Congresswoman
3451 Dingell, and the bill would standardize and expand the data
3452 collected for NTIA's Access Broadband database and the FCC's
3453 Broadband Deployment Locations map. The act would require
3454 that broadband supporting agencies use the updated map and
3455 request non-mandatory reports.

3456 I would like to enter two letters into the record in
3457 support of the PROTOCOL Act from the Taxpayer Protection
3458 Alliance and America's Communications Association.

3459 *Mr. Weber. Without objection.

3460 [The information follows:]

3461

3462 *****COMMITTEE INSERT*****

3463

3464 *Mr. Pfluger. And with that, Mr. Chairman, I yield
3465 back. Thanks.

3466 *Mr. Weber. The gentleman yields back. The chair now
3467 recognizes the gentleman from New York, Mr. Tonko, for five
3468 minutes.

3469 *Mr. Tonko. Thank you, and I appreciate Chair Latta and
3470 Ranking Member Matsui convening this hearing. And thank you
3471 both to our witnesses, also, for being here to share their
3472 experiences and expertise.

3473 Expanding broadband access to underserved and unserved
3474 areas has been a cornerstone of my work in Congress. In
3475 today's digital age, access to high-speed Internet is indeed
3476 essential. It impacts students, job seekers, health care
3477 services, and entrepreneurs alike.

3478 The Bipartisan Infrastructure Law is a landmark
3479 investment in our broadband infrastructure, allocating some
3480 \$42 billion to the Broadband Equity, Access, and Deployment,
3481 BEAD, program. This represents the largest effort in
3482 American history to ensure every household has access to
3483 reliable, affordable, and high-speed Internet.

3484 Just last month I was proud to see New York's initial
3485 proposal for the BEAD program approved by NTIA, unlocking
3486 over \$664 million to expand broadband to underserved
3487 communities across my state. This is not just about
3488 connecting homes. It is about connecting people, people to

3489 opportunities. I am especially proud of how this funding is
3490 being effectively managed, thanks to the work of the Office
3491 of Internet Connectivity and Growth, which I championed
3492 through my Access Broadband Act in 2020.

3493 So Mr. Levin, the Office of Internet Connectivity and
3494 Growth has played a pivotal role in managing Federal
3495 broadband spending, engaging with communities, and
3496 facilitating coordination amongst Federal and state agencies.
3497 Given the complexity of the BEAD program's mission to close
3498 the digital divide, how is the office coordinating --
3499 office's coordinating role critical to ensuring that funding
3500 is efficiently and effectively allocated?

3501 And what specific actions can the office take to further
3502 streamline the program's implementation and address ongoing
3503 challenges in the underserved communities?

3504 *Mr. Levin. Thank you for your question. I think it
3505 plays a very critical role.

3506 As has been discussed throughout this hearing, there are
3507 a number of different Federal programs. I look at it from
3508 the perspective of if I was a mayor or a governor and I saw a
3509 gap in our situation, how would I know what program to appeal
3510 to? And so, for example, in the application forms there
3511 ought to be some kind of standardization. There ought to be
3512 some kind of coordination.

3513 One thing we really haven't talked about is -- we have

3514 talked about the accessibility, but that is really a capital
3515 issue. We have talked about affordability. That is really
3516 an operating expense issue. But there is also about
3517 training, there is inclusion. There are a number of other
3518 things that we found that, to really achieve the goal of
3519 making sure that we have networks everywhere, and everybody
3520 on it, and we are improving the way we deliver essential
3521 services by using broadband, you have to have a better
3522 coordinated Federal effort. And I think that office is very
3523 important for that.

3524 *Mr. Tonko. Thank you so much. And Mr. Levin, as you
3525 also mentioned in your testimony, the BEAD program includes
3526 provisions to ensure that federally-funded broadband services
3527 are affordable for the most vulnerable.

3528 *Mr. Levin. Yes.

3529 *Mr. Tonko. It is very important that those provisions
3530 not be watered down, particularly with the expiration of the
3531 separate but related Affordable Connectivity Program.

3532 So my office alone has heard from well over 3,000
3533 constituents about concerns over allowing the ACP to expire.
3534 What steps should Congress take to address this issue,
3535 especially to ensure BEAD funds continue to be effective in
3536 connecting low-income communities? And we heard that from
3537 Chair Eshoo earlier.

3538 *Mr. Levin. Yes. In the short term I think it would be

3539 non-controversial to clearly authorized the FCC to allow the
3540 National Verifier to be used by the ISPs, many of whom have
3541 low-income programs but don't want to be in the business of
3542 verifying incomes. That is -- but that is just a short-term
3543 solution.

3544 The longer-term solution is to essentially fold the
3545 Affordable Connectivity Program into the Universal Service
3546 Program, but also make sure that the Universal Service
3547 Program is economically viable. The most recent report from
3548 the Universal Service Administrative Corporation demonstrates
3549 the contribution base is as low as ever, and the contribution
3550 factor, therefore, is as high as ever. That is not
3551 economically viable in the long term.

3552 And then you have the problem of the Fifth Circuit case
3553 ruling the whole system unconstitutional. I know there is an
3554 effort, a bipartisan effort. We can't wait that much longer.
3555 We really need to fix this problem.

3556 *Mr. Tonko. Thank you. Well, I see I only have about a
3557 half a minute left.

3558 So Ms. Bloomfield, I am going to send your way a
3559 question concerning mapping, which I share as a
3560 representative of the capital region of New York State.

3561

3562

3563

3564 [The information follows:]

3565

3566 *****COMMITTEE INSERT*****

3567

3568 *Mr. Tonko. I appreciate the comments made today about
3569 mapping, and with that I will yield back so that the --

3570 *Ms. Eshoo. Would you yield your two seconds?

3571 *Mr. Tonko. I will yield to --

3572 *Ms. Eshoo. I just want to set something down for the
3573 record.

3574 There has been many references to rate regulation. I
3575 think we all have to remember that we have put up -- the
3576 Congress has put up a ton of Federal money into a program.
3577 Democrats, I think, we all believe -- but we always -- it is
3578 a first for us to have affordable rates. And you can't just
3579 -- companies can't just take the Federal money and then
3580 charge people whatever they want to charge. So some may call
3581 that rate regulation. I call it affordability.

3582 *Mr. Weber. Does the gentlelady have a request for
3583 unanimous consent?

3584 *Ms. Eshoo. Well, I did, but I understand, Mr. Chairman
3585 -- you are very kind -- that the -- that this letter has
3586 already been placed in the record.

3587 *Mr. Weber. Then the gentlelady's time has expired.

3588 *Ms. Eshoo. Yes, thank you.

3589 [Laughter.]

3590 *Mr. Weber. Okay.

3591 *Mr. Tonko. And with that, Mr. Chair, I yield back.

3592 *Mr. Weber. All right.

3593 *Mr. Tonko. Thank you.

3594 *Mr. Weber. I appreciate you yielding that negative
3595 amount back.

3596 [Laughter.]

3597 *Mr. Weber. Seeing there are no further members wishing
3598 to be recognized, I would like to thank our witnesses for
3599 being here today.

3600 I ask unanimous consent to insert in the record the
3601 documents included on the staff hearing documents list.

3602 Without objection, that will be in order.

3603 [The information follows:]

3604

3605 *****COMMITTEE INSERT*****

3606

3607 *Mr. Weber. We are finished.

3608 Oh, I am sorry. Thank you, staff.

3609 I remind members that they have 10 business days to
3610 submit questions for the record, and I ask the witnesses to
3611 respond to the questions promptly. Members should submit
3612 their questions by the close of business on Tuesday,
3613 September 24.

3614 And now, without objection, the subcommittee is
3615 adjourned.

3616 [Whereupon, at 1:23 p.m., the subcommittee was
3617 adjourned.]