

Testimony of Tim Donovan, President & CEO of Competitive Carriers Association
Before the United States House of Representatives Committee on Energy and Commerce
Subcommittee on Communications and Technology
Wednesday, March 5, 2025

As efforts to achieve ubiquitous connectivity continue, this Subcommittee plays a key role in shaping policies to work towards that goal. Competitive Carriers Association (CCA) represents communications providers ranging from small, rural providers, serving fewer than 5,000 customers, to regional and nationwide providers serving millions, as well as vendors and suppliers throughout the communications ecosystem, connecting communities using all technologies available, including mobile, fixed wireless, wired, and satellite. Every day, CCA members work to provide high quality broadband services by upgrading and expanding their networks, including in rural communities and some of the most remote and hard to reach areas across the country.

Executive Summary:

Our industry needs decisive action from the government to survive and to expand services, including through:

- addressing an existential threat to the Universal Service Fund (USF) and updating aspects to continue this important program;
- improving the 5G Fund and basing eligibility on reliable data;
- supporting successful implementation of the Broadband, Equity, Access, and Deployment (BEAD) Program with reasonable modifications;
- supporting network security;
- restoring spectrum auction authority and making additional full power spectrum available for wireless use;
- and reforming the siting and permitting process to provide operators with greater certainty and drive rural broadband deployment.


These actions are critical to ensuring that all Americans have access to reliable broadband services that support economic growth, innovation, and connectivity in today's digital world.

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President & CEO
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Chairman Hudson, Ranking Member Matsui, and Members of the Subcommittee, thank you for the opportunity to testify about the challenges facing rural communications providers. As efforts to achieve ubiquitous connectivity continue, this Subcommittee plays a key role in shaping policies to work towards that goal. Competitive Carriers Association (CCA) represents communications providers ranging from small, rural providers, serving fewer than 5,000 customers, to regional and nationwide providers serving millions, as well as vendors and suppliers throughout the communications ecosystem, connecting communities using all technologies available, including mobile, fixed wireless, wired, and satellite. Every day, CCA members work to provide high quality broadband services by upgrading and expanding their networks, including in rural communities and some of the most remote and hard to reach areas across the country.

Against the backdrop of convergence and technology upgrades in the industry and uncertainty regarding programs to support rural connectivity, policymakers face an inflection point. Decisions being made today can maintain and advance American leadership in the communications industry, including 5G and beyond wireless services, while continuing work to close the digital divide, or abandon previous federal and private sector investments in rural networks, leaving those that depend on them with reduced access or cut off entirely. Our industry needs decisive action from the government to survive and to expand services, including through addressing an existential threat to the Universal Service Fund (USF) and updating aspects to continue this important program; improving the 5G Fund and basing eligibility on reliable data; supporting successful implementation of the Broadband, Equity, Access, and Deployment (BEAD) Program with reasonable modifications; ensuring network




security; restoring spectrum auction authority; and reforming the siting and permitting process to provide operators with greater certainty and drive rural broadband deployment. These actions are critical to ensuring that all Americans have access to reliable broadband services that support economic growth, innovation, and connectivity in today's digital world.

USF is Critical to Providing and Maintaining Connectivity.

USF is the most effective tool for bridging the digital divide, including preserving existing networks while work continues to expand broadband access. Congress codified principles for USF in the Telecommunications Act of 1996, directing the Federal Communications Commission (FCC) to ensure that consumers in all areas have services and rates that are “reasonably comparable” to those provided in urban areas. As the backbone for connectivity for rural and underserved communities, USF is indispensable for ensuring that carriers and consumers in high-cost and hard to reach areas have access to service. Because rural and remote areas require significant upfront costs with lower potential revenue than urban markets, CCA members rely on this support, combined with private investment, to deploy and maintain networks in areas that would otherwise remain unserved or underserved. For mobile networks in particular, this connectivity has been a proven lifeline during emergency situations, not only for the local subscribers served by a rural carrier, but for *all* Americans as they roam onto networks that would not otherwise exist without USF support.

Despite its importance, USF is under threat and could suffer a fatal blow this year as the Supreme Court considers challenges to the constitutionality of the fund. While the Fifth, Sixth, and Eleventh Circuit Courts of Appeals upheld USF's constitutionality, in July 2024, the Fifth

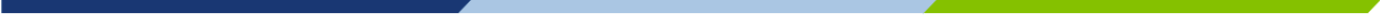


Circuit, in a rehearing *en banc*, ruled that USF delegations, considered together, were unconstitutional. CCA believes that these claims are baseless, but is defending Congress's USF statute at the Supreme Court because a bad decision would be disastrous to broadband connectivity in the United States and all the benefits that connectivity provides. Nearly all Congressional districts would be negatively impacted by the loss of USF, with millions of your constituents losing life-saving connectivity, weakening public safety, stifling economic opportunity, and deepening the digital divide.

Congress has consistently demonstrated bipartisan support for the USF, including the recent bicameral, bipartisan amicus brief supporting the FCC's defense of the USF. Building on strong Congressional support for USF, CCA urges Congress to be prepared to quickly address and resolve any constitutional shortcomings the Supreme Court may identify to ensure continuity of USF support and protect the program from future spurious litigation attempts.

Once the constitutionality of USF is confirmed, by the Court or Congress, policymakers should continue work to modernize and strengthen the program to ensure long-term sustainability and effectiveness. This includes putting the contributions base on a sustainable path by considering ways to broaden stakeholders that contribute to USF, to include all that benefit from the services supported by it. Congress should consider whether and how "big tech" companies, including digital advertisers, large streaming providers, and platforms, should contribute to USF. Where legislative action is needed for meaningful contribution reform, Congress should provide the FCC with clear directives to sustain USF going forward.

Additionally, policymakers should affirm the important role of USF for ongoing operational support. Building networks using USF support alongside private resources is only




the first step – ongoing maintenance, upgrades, and operational expenses complicate the task of continually and completely serving rural America. Recognizing that the same challenges that necessitate federal support for deployment also extend to sustaining those networks over time, sufficient support must be provided to protect investments and ensure networks and towers stay operational. Otherwise, legacy investments, including USF support, will be stranded, and coverage in rural areas will shrink.

The 5G Fund Needs Improvements to Succeed.

Within the USF High Cost Fund, the FCC established the 5G Fund in October 2020 as a successor to previous USF support for mobility, providing up to \$9 billion for carriers to deploy 5G mobile services in rural America. This program was more recently modified by the FCC through an update in August 2024. While we appreciate several changes, CCA has serious concerns about the 5G Fund as a successor mobility program, its ability to effectively expand the deployment of 5G wireless networks in rural areas, and how to appropriately synchronize the 5G Fund with other federal broadband deployment programs. Without certain improvements to the 5G Fund, moving forward as structured could unintentionally lead to mobile connectivity in rural areas that is *worse* than what is currently available.

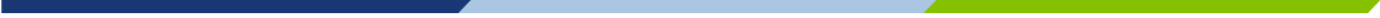
Policymakers should consider important changes before the 5G Fund auction moves forward, including:

- basing any transition away from legacy support on availability of ongoing operational support;

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- establishing service and speed eligibility thresholds at levels that more closely match consumer expectations; and
 - appropriately setting the 5G Fund budget based on anticipated needs to complete the work, including considering reallocating resources from other USF programs.

Additionally, for the 5G Fund to succeed, eligibility must be determined using reliable coverage data. This Subcommittee is well aware of the importance of reliable data to guide programs like the 5G Fund, and the FCC's current mobile coverage maps do not reliably represent the need for mobile broadband in rural America, and need improvement. Overstated or unreliable coverage data threatens the 5G Fund's potential to succeed, failing to direct resources where they are needed and even potentially leading to reduced coverage. Further, the current 5G Fund determines eligible areas for support based on outdoor stationary measurements instead of mobile measurements, which not only does not reflect how consumers use mobile networks, but also potentially overstates coverage and could exclude areas that need 5G Fund support. Congress can provide leadership, oversight, and guidance on this critical program to course-correct in order to prevent a "5G Gap" in the United States and ensure mobile networks are available alongside fixed services to provide ubiquitous connectivity.


This Subcommittee was instrumental in creating a broadband data framework to guide all federal broadband investments in enacting the Broadband DATA Act. While progress has been made, further work is necessary to meet the promises of this important legislation. As it relates to the 5G Fund, the FCC has failed to meet the requirements of the Broadband DATA Act to "establish a user-friendly challenge process through which consumers, State, local, and Tribal



governmental entities, and other entities or individuals, may submit coverage data” for mobile challenges. For example, CCA understands that no bulk challenges to mobile data have been accepted by the FCC. The FCC must comply with the Broadband DATA Act requirements before determining eligible areas for a 5G Fund auction.

With regard to the timing of the 5G Fund, the FCC should sequence the 5G Fund auction to leverage other federal broadband funding programs, including the BEAD Program. These programs could support significant fiber and fixed wireless infrastructure deployments that can be leveraged to provide mobile connectivity, significantly reducing the cost of bids for 5G Fund support and stretching limited resources. For example, where BEAD deploys fiber, it can be used by mobile carriers for backhaul to lower the cost mobile 5G services. Where BEAD deploys fixed wireless access, those deployments can be leveraged in many cases to provide 5G mobility without additional capital expenditure funding from the 5G Fund.

In addition, Congress should seek to synchronize federal broadband deployment funding programs and promote interagency coordination to remove duplicity and enhance effectiveness of deployment efforts. Specifically, interagency coordination would enhance USF’s effectiveness. Congress, the FCC, and other agencies should ensure that other federal funding programs do not jeopardize existing networks that depend on USF to maintain connectivity. CCA members believe that increased efforts around goal measurement and provider accountability are needed. For example, some CCA members report that the ETC designation and the associated obligations are valuable accountability tools. Congress and the FCC should also ensure that new government programs do not jeopardize existing networks that depend on USF for future existence. Funding previously invested to support services in rural and high-




cost areas should not be stranded or abandoned because of partial overlap with other broadband providers.

Targeted BEAD Improvements will Maximize Deployment.

The BEAD program is an important investment to expand broadband access, and targeted improvements for the program can help maximize deployment and align implementation more closely with Congress's original intent to connect all Americans in an efficient manner. Building on significant work to implement BEAD to date, targeted improvements do not need to inject significant delays and will speed up expanding connectivity. Specifically, BEAD must ensure that all technologies are available to deploy fixed connectivity, including fiber, fixed wireless access, and satellite. BEAD should empower local providers that best know how to connect the communities they serve to select the technologies that make the most sense for each situation, especially in instances where geography, topography, population, or other challenges make it cost or time prohibitive to deploy fiber. Fiber provides a great solution to anchor institutions, pockets of population density, and support to wireless towers. Fixed wireless access is the fastest-growing form of broadband among consumers, and particularly when deployed using fiber-fed towers with sufficient spectrum access, can quickly provide reliable high-speed connectivity. Satellite services are increasingly growing as effective solutions for the most remote areas. States should be able to choose the right blend of all these services to efficiently connect all Americans.

Additionally, policymakers should avoid conditions that make BEAD participation prohibitively challenging, including labor requirements that can be particularly challenging in




rural markets; complexities regarding affordability plans, especially where ongoing support may not be available; uncertainty regarding other aspects that set artificial benchmarks that frustrate technological neutrality; and needlessly challenging permitting processes. Supporting workforce development and permitting processing improvements can help address some of these concerns. Finally, Congress can ensure that BEAD resources go as far as possible by amending tax laws to make certain that federal broadband deployment funding will not be considered taxable income. This commonsense policy will make sure that every dollar provided for broadband services goes towards connecting Americans.

Keys to Promote Secure Rural Networks.

CCA commends this Committee for its focus on network security, including passing the Secure and Trusted Communications Networks Act (STCNA) in 2020, and for providing the funding necessary for reimbursement program participants to comply with the national security mandate to remove untrusted equipment and services from American networks and replace it with equipment and services from trusted vendors. CCA is deeply grateful to the members and staff of this Subcommittee who tirelessly worked to secure this funding. Thank you.

CCA members are actively engaging with the FCC to ensure that the Rip & Replace work is completed efficiently as funding is made available. The FCC can continue to expedite the process by streamlining reimbursement submission reviews, facilitating project modifications, and making other program updates to keep progress moving forward. Our members look forward to additional details from the FCC, including clarification of reimbursement timelines,



funding disbursements, and programmatic improvements. CCA remains committed to working with Congress and the FCC to make sure the program works efficiently to secure our networks. Beyond Rip & Replace, CCA members, like all communications providers, face an ever-growing array of cyber threats. CCA members work closely with Federal agencies to identify and mitigate threats but note the need for clear guidance and information from the Federal government on network security. These agencies produce valuable work and proactively seek collaboration with industry, but our member companies may lack the resources to participate, and are burdened by inadequate coordination of different federal cybersecurity requirements.

For example, in developing cybersecurity plans, there are many different standards that wireless carriers must consider. These range from industry standards, for example those from 3GPP and other international standards organizations, as well as those from the FCC, Department of Homeland Security's (DHS) Cybersecurity & Infrastructure Security Agency (CISA), and the Department of Commerce's National Institute of Standards and Technology (NIST). For example, there could be major differences between a standard from CISA and what is required by an agency with broadband funding programs like the FCC, NTIA, or the Treasury or Agriculture Departments. CCA strongly encourages the federal government to continue to provide clear, unambiguous directions regarding the risks for communications networks so government and industry can allocate resources to protect national security while maintaining seamless connectivity for your constituents. It would be beneficial to have one centralized authority and set of directives on cyber hygiene.




Reinstating the FCC's Spectrum Auction Authority is Overdue.

All wireless carriers must have access to spectrum to meet our nation's insatiable demand for wireless connectivity, especially as carriers deploy 5G and prepare for 6G services. It has been almost two years since the lapse of the FCC's auction authority. As auction authority remains stalled, wireless carriers face surging network demand but have limited opportunities to access additional spectrum to keep pace. The lack of spectrum auction authority is a critical issue that negatively impacts U.S. global leadership and risks the U.S. ceding our authority on these issues to geopolitical adversaries, and creates uncertainty across the entire wireless ecosystem, including consumer applications and business models that will improve lives and drive economic development nationwide.

Spectrum auctions have been resoundingly successful at making this critical resource available for industry innovation and returning value to taxpayers by fueling American competitiveness and leadership in the wireless space while generating over \$230 billion in revenue since 1993. CCA commends this Subcommittee's continued bipartisan efforts to reinstate spectrum auction authority and identify more federal spectrum for commercial use. Early efforts in the 119th Congress to address this critical issue were welcomed and demonstrate commitment and understanding of this critical issue. CCA encourages Congress to reinstate general spectrum auction authority without delay.


In addition to reinstating the FCC's spectrum auction authority, it is vital for Congress to ensure that spectrum will be available for the FCC to auction for licensed, full power use. We must have a long-term strategy to identify and reallocate frequencies for commercial use, with an immediate focus on mid-band spectrum. Wireless carriers need a clear understanding of



potential spectrum opportunities and timing as they plan their future auction and network strategies. Because spectrum is such a scarce resource, there is hard work ahead for carriers and federal users of spectrum to find workable paths forward. Efforts should continue to explore opportunities in the lower 3 GHz band and the 7/8 GHz bands currently under consideration as well as additional spectrum opportunities going forward. Congress has a key role to play to ensure that our nation's spectrum strategy enables continued industry innovation and leadership.

As policymakers grapple with the challenge of identifying and making available additional federal spectrum for commercial use, Congress should also consider ways to improve and maximize use of existing commercial bands to help propel America's wireless leadership. For example, supporting higher power use of licensed spectrum in the 3.55-3.7 GHz CBRS band is low-hanging fruit to immediately improve wireless services, especially in rural areas. CCA supports additional consideration of such opportunities. Policymakers should explore opportunities to repurpose additional spectrum in the Upper C-band at 3.98-4.2 GHz for commercial, full-powered, terrestrial wireless use, where current satellite users have identified 100 MHz that could be reallocated. Indeed, all options for spectrum reallocation should be considered, including building on the success of the Broadcast Incentive Auction facilitated by Congress in the 2012 Spectrum Act to examine opportunities for existing broadcast spectrum users to voluntarily relinquish access in exchange for a portion of auction proceeds, replicating the auction design and execution that won the FCC an Emmy award last year.


In reinstating auction authority, Congress should reaffirm the current requirements for spectrum auctions to support opportunities for a wide variety of applicants, including rural



competitors, as an important pillar for spectrum auctions. Congress should continue to direct the FCC to create auction rules and frameworks encouraging participation by carriers of all sizes in all areas. Providing a meaningful opportunity for a broad variety of applicants, including rural providers and small businesses, to bid on and to win spectrum licenses directly benefits consumers and enhances competition while supporting rural deployments. Tools to support these outcomes include higher rural bidding credits, appropriately sized geographic license areas and power levels, reasonable spectrum aggregation limits, opportunities for secondary market spectrum transactions, and interoperability. FCC led spectrum auctions, along with Congressional guidance and oversight, can ensure all carriers have meaningful opportunities to compete for this valuable resource.

Siting and Permitting Updates Can Accelerate Deployment and Economic Growth.

As Congress explores ways to support deployment through broadband programs like BEAD and USF, updates to siting and permitting processes should align and enhance these initiatives. CCA members need permits from Federal, State, and local authorities, depending on the area, to deploy, maintain, and upgrade their networks. Current processes for acquiring the necessary permits from various entities can take months or even years. Efficient, manageable, and predictable permitting processes will be increasingly necessary to process the volume of applications and workload which will inevitably come with the rollout of BEAD and other programs. This Committee has a strong record on these issues, notably in RAY BAUM's Act by promoting the use of standard applications for deployments on federal property; creating a shot clock for application reviews by executive agencies; creating a database of federal property



capable of supporting broadband infrastructure; and furthering the adoption of dig-once policies.

CCA encourages this Subcommittee to build on these actions and remove the additional barriers to deployment, particularly on Federal lands, and policy actions which could incentivize state, local, and Tribal governments to adopt streamlined process independently, outside of a Congressional mandate, to facilitate upgrades and deployments through their zoning and permitting functions. Duplicative or redundant regulations stemming from the National Historic Preservation Act (NHPA) and National Environmental Protection Act (NEPA) can significantly delay deployment. Full environmental and historic reviews are unnecessary if a site has been “disturbed” or has a communications structure or apparatus currently in use. Providers must be able to update and adjust services on their networks in a timely manner, and the goals of preservation and deployment can coexist through common sense policies.

Every CCA member has an interest in ensuring that all Americans have access to the latest broadband services, especially those in rural and high-cost service areas. CCA is committed to working with all stakeholders to accomplish the challenging task of promoting broadband connectivity for millions of consumers in rural America. Thank you for the opportunity to testify at this important hearing, and I welcome any questions.