Statement by

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Closing the Digital Divide: Connecting Rural Americans to Reliable Internet Service

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INTRODUCTION

Congressman Delgado, thank you for the opportunity to testify on the importance of rural broadband and closing the digital divide.

My name is Jason Miller. I am currently the Vice President, Treasurer, and General Manager of Delhi Telephone Company (DTC – founded in 1897) and DTC Cable headquartered in Delhi, New York. I started with DTC in May 2008 and have held various roles within the company over the past 11 years, becoming GM in 2013. Delhi Telephone is a local rural telecommunications provider serving areas (or will be serving) in the Towns of Delhi, Bovina, Meredith, Kortright, Unadilla, Franklin, Hamden, Walton, Tompkins, Masonville, Afton, Bainbridge, Sidney, Oneonta, Davenport, Worchester, and Maryland.

DTC currently provides our customers with local telephone, long distance, internet, television, security, and IT consulting. DTC has over 35 employees and over 3,500 customers. In addition, we have partnered with Margaretville Telephone Company and the Delaware County Electric Cooperative on the Delaware County Broadband Initiative (DCBI) since 2015. As part of this partnership, DTC has a total of $30 million (DTC portion) in New York state grant awards. DTC will be completing 1,200 miles of fiber optic builds, passing approximately 15,000 homes, mostly outside of the telephone franchise service territory. DTC is also an Alternative Connect America Cost Model (ACAM) company, and DTC Cable has received $2.1 million in Connect America Fund (CAF) Phase II funding being provided in partnership with the New NY Broadband Program to deliver robust voice and broadband services outside of its historical incumbent serving area.

Deploying broadband takes time, and includes many hurdles – designing the network, make ready efforts (including pole attachments, easements, tree-trimming, franchise agreements, permits, etc.), construction, splicing, testing, marketing, and installations – all of which are very difficult and costly within a short time frame. We make our best efforts to accomplish these tasks in as cost effective and timely a way as possible so that our customers can enjoy the high-speed connections they need. Through our company's long experience in the industry, combined with much-needed support from the federal and state governments, we have been able to successfully deploy these networks in and around Delhi, New York for the rural residents of our community.

Our commitment to our customers is demonstrated by these investments and partnerships. Nonetheless, rural areas present unique issues to DTC and the more than 850 rural broadband providers represented by NTCA–The Rural Broadband Association that serve nearly 35% of the nation's landmass, but less than 5% of the population. Low population densities and significant distances are the root cause of why it is very difficult to build a business case to provide broadband in these high-cost areas left behind by larger providers, and to then sustain these networks and services once deployed. In order to succeed in delivering reliable internet service, it takes support at the federal, state, and/or local levels along with the aforementioned commitment to the community. It is this public-private partnership model that has resulted in getting broadband to our customers and should serve as the model for reaching and then sustaining the delivery of broadband in the remaining unserved rural areas.

Once built, our networks allow rural small businesses to communicate with suppliers and sell to new markets. They enable education of our children on par with opportunities in urban areas, and they make our communities attractive destinations for people and businesses to relocate. In rural America, that translates into economic development that produces jobs, not only in agriculture, energy, manufacturing, and other industries with a strong rural presence, but in the healthcare sector, and just about any other retail industry that requires broadband to operate.

BROADBAND IS ESSENTIAL RURAL INFRASTRUCTURE

Rural broadband has far-reaching effects for both urban and rural America, creating efficiencies in healthcare, education, agriculture, energy, and commerce, and enhancing the quality of life for citizens across the country. A report released in 2019 by Purdue University in conjunction with the Foundation for Rural Service (FRS) found that when evaluated as a snapshot in the year 2017, small, rural communications providers in the United States contributed to more than 77,000 jobs and supported more than $10 billion in economic activities across a wide range of industries just from the direct act of investing in and deploying broadband-capable networks.[1] These firms created and supported these 77,000 jobs across many different industries, and included direct, indirect, and induced jobs. For every job created by an NTCA member in the study group, almost two additional jobs (1.9) were created due to the interaction with other industries such as manufacturers of semiconductors, professional engineering firms, certified public accountants, and legal counsel.[2] Looking more broadly beyond the economic benefits associated specifically with network construction and deployment activities in rural areas, a recent study by the U.S. Chamber Technology Engagement Center (C_TEC) found that up to $47 billion a year could be added to the U.S. economy and more than 360,000 jobs would be created over the next three years if digital connectivity and adoption of online tools improved among rural businesses.[3]

Indeed, the broader socioeconomic benefits of broadband services for users and communities cannot be ignored. A Cornell University study, for example, found that rural counties with the highest levels of broadband adoption have the highest levels of income and education, and lower levels of unemployment and poverty.[4]

Access to healthcare is a critical issue for rural areas, where the lack of physicians, specialists, and diagnostic tools normally found in urban medical centers creates challenges for both patients and medical staff. Telemedicine applications help bridge the divide in rural America, enabling real-time patient consultations and remote monitoring, as well as specialized services such as tele-psychiatry. One study found that doctors in rural emergency rooms are more likely to alter their diagnosis and their patient's course of treatment after consulting with a specialist via a live,

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[1] Job Creation From Rural Broadband Companies, Roberto Gallardo and Indraneel Kumar, Purdue University (August 2019).
[2] Ibid.
[3] U.S. Chamber Technology Engagement Center (2019).
[4] Broadband's Contribution to Economic Health in Rural Areas, Community & Regional Development Institute, Cornell University (February 2015).

interactive videoconference. Other benefits accrue in the form of distance learning. A shortage of teachers in parts of rural America means public school districts rely on high-speed connectivity to deliver interactive video instruction for foreign language, science, and music classes.

Despite this great progress, many parts of rural America still need better connectivity. Thirteen percent of NTCA member customers don't have access to even 10/1 Mbps broadband. And while the Federal Communications Commission (FCC) has indicated that 90 percent of Americans already have affordable access to 25/3 Mbps service and many urban consumers and businesses benefit from 100 Mbps or Gigabit speeds, broadband access in rural America lags behind urban areas despite the best efforts, innovation, and entrepreneurial spirit of NTCA's members. According to NTCA's 2018 Broadband/Internet Availability Survey Report, even as NTCA members have led the charge in deploying higher-speed broadband in rural areas, nearly 30 percent of NTCA member customers are still unable to receive speeds in excess of 25 Mbps downstream.[5] And even where broadband has been deployed, sustaining it in areas where consumers are scattered across great distances is itself a substantial and often underappreciated challenge.

The rural broadband industry has a great story of success, but we also have much more work to do – and this is where public policy plays such an important role in helping to build and sustain broadband in rural markets that would not otherwise justify such investments and ongoing operations.

KEY PRINCIPLES FOR BROADBAND DEPLOYMENT AND SUSTAINABILITY

As policymakers consider potential initiatives to promote broadband infrastructure deployment – including execution of USDA's ReConnect Broadband Program and implementation of the FCC's upcoming Rural Digital Opportunity Fund (RDOF) – we believe it is essential to build upon what has worked to date, leveraging successes, and taking account of lessons learned from prior efforts. In doing so, there are several key principles that should guide next steps on infrastructure policy. These principles include: providing federal support to make the business case for investment and ongoing operation; leveraging existing experience and expertise; making long-term capital investments; targeting resources for new construction; coordination of efforts among governmental programs; streamlining construction processes; and ensuring accountability for any recipients of scarce federal resources.

Robust broadband infrastructure is crucial to the current and future success of rural America. Small, rural telecom providers like DTC are deploying faster broadband throughout their service areas, but no carrier – regardless of size – can deliver high-speed, high-capacity broadband in rural America without the business case to justify and then recover the initial and ongoing costs of sustaining such infrastructure investment in high-cost areas.

Many federal efforts are now dedicated to the pursuit of universal service and broadband connectivity across rural America. Since December 2018, three significant federal measures have

[5] NTCA 2018 Broadband/Internet Availability Survey Report (2018).

advanced these efforts: (1) the most recent Farm Bill became law and added a grant component to the existing loan program with hundreds of millions of dollars authorized for USDA's Rural Utilities Service (RUS); (2) the ReConnect Broadband Program also launched at RUS with $1.15 billion in appropriated funds for loans, grants, and loan/grant combinations; and (3) the FCC announced the rollout of the RDOF, which will include $20.4 billion over the next ten years. While the rules of some of these programs are still to be written, all of them will hopefully aim for higher speeds in rural communities to be comparable with their urban and suburban counterparts. As these programs move forward, it is also important that policymakers strive to use limited resources to focus not only on speed, but to focus on lowering latency and improving service quality for customers so that they can truly participate in the digital economy. In addition, legislators have wisely included language in these programs to prevent overbuilding, with the prudent goal of preserving scarce federal resources and distributing them most effectively. It is no longer a debate within either policy circles or the federal government itself as to whether ubiquitous broadband is essential for all Americans – it is an accepted fact, with these many complementary efforts being dedicated to the pursuit of this goal.

THE IMPORTANCE OF MAPPING

Accurate broadband mapping data is also critical to the ability to deliver and sustain service in rural America – and bad mapping data risks leaving rural consumers stranded without broadband. Without any meaningful validation process or the ability to challenge the "FCC Form 477" reports submitted by providers that are translated into the FCC's maps, much-needed support through the FCC's Universal Service Fund (USF) program is being denied in areas where that support is in fact very much needed – which then translates into rural consumers not getting served. And that is perhaps the most important part of this problem. While improving the maps on the front end is undoubtedly important and is attracting much of the attention these days, without any ability to validate or correct on the back end the self-reported data that gets populated into these maps and is then used by agencies to decide where funding should go, the end user is ultimately the one who suffers. Thus, even as there is a push to improve the standards and granularity of how providers report, it is equally important not to forget the importance of making sure that there is some opportunity to "double-check" the accuracy of the data being self-reported by providers.

The FCC has taken significant strides recently to move toward more granular and accurate broadband availability data collections and maps – and it is seeking input now on how to implement these measures and possibly take additional steps to improve our nation's broadband maps. But Congress has an important role here still and can and should provide vital guidance and direction to the FCC on how to proceed next.

CONCLUSION

Due in large part to the commitment of leaders like Congressman Delgado and others on this committee, small, rural broadband providers like DTC and others in NTCA's membership have made great strides in reducing the digital divide in rural America. But the job is far from done. Adhering to the broadband principles I outlined, combined with better broadband maps, can play

a key role in making sure that we both build broadband where it is lacking and sustain broadband where it exists today.

Robust broadband must be available, affordable, and sustainable for rural small businesses and underserved populations to realize the economic, healthcare, education, and public safety benefits that advanced connectivity offers. As noted in this testimony, it takes an effective mix of entrepreneurial spirit, access to capital, commitment to community, and federal USF support to enable and sustain deployment of communications infrastructure in many parts of rural America.

On behalf of DTC and NTCA–The Rural Broadband Association, your commitment to identifying and solving these challenges is greatly appreciated. We look forward to the continued discussion and advancement of measures such as those being considered today. Thank you for inviting me to be with you, and I look forward to your questions.