

**Statement by
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Chairman Scott, Ranking Member Thompson, and Members of the Committee, thank you for the opportunity to come before you today to discuss the state of high-speed internet in rural America, and the United States Department of Agriculture Rural Development's role in supporting connectivity across the country. Reliable, high-speed internet is no longer a luxury—it is a utility essential to modern life. It is also the cornerstone of rural economic growth—supporting education and healthcare as well as business and industry.

But, as need for high-speed internet becomes more ubiquitous, between 6 and 12 percent of Americans lack access to high-speed internet, and rural residents are almost twice as likely as urban counterparts to have insufficient access to broadband.¹ This gap widens significantly in communities of color and low-income families—a gap that was impacted particularly sharply during COVID-19 when the pandemic drove school and business online.²

The value of high-speed internet cannot be understated—it has the potential to transform rural life as we know it. High-speed internet strengthens connections within communities, as well as between rural America and the rest of the nation, providing new markets for rural business and giving people the ability to create and sustain rural economies. It allows communities to tap into external markets and regionalize economic opportunity, all while opening doors for rural students, healthcare facilities, and patients. It also helps foster much-needed collaboration in rural areas as communities try to respond and adapt to extreme weather, shifting markets and systemic barriers.

That's why I am grateful for President Biden's leadership and Congress' continued support for high-speed internet in rural America. The Bipartisan Infrastructure Law provides \$65 billion to expand rural broadband, including \$2 billion for Rural Development's ReConnect program. The President's Fiscal Year 2023 budget proposes an additional \$600 million in investment into ReConnect, and I am deeply appreciative that the House has approved \$450 million for FY23. If appropriated, I look forward to partnering with Congress as Rural Development administers these funds and supports high-speed internet in rural America.

Supporting Rural Economies

Broadband is make-or-break for rural America, connecting businesses to both domestic and international markets, and giving communities the tools they need to collaborate and share best

¹ <https://www.americanprogress.org/article/rural-broadband-investments-promote-inclusive-economy/>

² <https://www.americanprogress.org/article/rural-broadband-investments-promote-inclusive-economy/>

practices. High-speed internet also affects local business decisions every day—it significantly impacts the decisions of larger firms considering relocation to a remote area,³ and small local businesses as they work to expand and increase online sales. High-speed internet is also strongly tied to economic development and job growth across the country, benefits that could be felt deeply in rural areas. Independent economic modeling shows that there is a strong correlation between both job growth and GDP when broadband becomes more widely available.⁴

Rural Development, in close coordination with other federal partners, is working to close the digital divide in rural America, to meet the goal of the Biden-Harris Administration to connect all Americans to reliable, affordable high-speed internet, and to ensure that the opportunities provided by high-speed internet services are available to all. In the first two rounds of funding, Rural Development's ReConnect program has provided more than \$1.5 billion to 181 projects to increase broadband service. These projects will serve nearly 300,000 households nationwide. Part of the success of ReConnect can be attributed to its deep investment in administrative support for technology and staffing, which broadens the reach of the program to include the least connected communities.

In the Spring, Rural Development closed its largest-ever application window for the third round of ReConnect program funding. This will provide more than \$1 billion in broadband funds to rural communities, including \$401 million in already disbursed high-speed internet funds. Recently, we opened the fourth ReConnect program application window as part of distributing a historic investment in broadband funding provided by the Bipartisan Infrastructure Law for broadband programs operated by Rural Development. These investments are momentous and represent significant strides toward closing the digital divide and ensuring that all rural Americans can participate in the global economy.

Sustaining Rural Communities

The Biden-Harris Administration and Secretary Vilsack strongly support the desire of rural residents to live their entire lives in the place they call home. I hear from rural people that access to healthcare and education are integral to achieving that goal, and high-speed internet can increase access to both.

Health care, elder care, childcare, and behavioral care are critical to rural America, helping families remain in rural areas through all stages of life. Yet, healthcare in rural areas faces significant challenges. Even though approximately 20 percent of Americans live in rural areas, barely one-tenth of physicians practice there and 61.5% of all Primary Medical Health

³https://www.researchgate.net/publication/310466805_Broadband_Internet_and_New_Firm_Location_Decisions_in_Rural_Areas

⁴<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-charting-a-path-to-economic-growth.pdf>

Professional Shortage Areas in the United States are in rural areas.⁵ COVID-19 brought the critical need for access to care into very sharp focus—lack of access to care costs lives. Telehealth insurance claims rose 8,000 percent, driving a deeper wedge between rural and urban care.⁶ As COVID swept the country, it proved to be nearly twice as fatal for rural Americans as for urban Americans.⁷

To increase access to healthcare in rural communities, Rural Development operates the Distance Learning and Telehealth (DLT) Grant Program and the Community Connect Grant Program. DLT aims to increase the adoption and use of telemedicine technology to provide(?) to offer opportunities for improving rural care in the future. Community Connect provides funding for public entities to get access to high-speed internet service for the purpose of delivering educational, healthcare, and public safety opportunities to their communities. In some cases, applicants have helped place telemedicine carts at rural hospitals, rural health clinics, and rural penitentiaries for healthcare and behavioral healthcare purposes. Paired with the nearly \$2 billion in ReConnect funding through the Bipartisan Infrastructure Law, Rural Development is working to ensure that even the most unserved residents have access to telehealth services in their home.

In addition to healthcare, access to education remains a significant challenge for rural communities. This challenge was exacerbated during the COVID-19 pandemic, as schools shifted to a virtual learning environment. Rural communities also cannot thrive unless families have access to education for their kids, and COVID-19 drove home exactly how critical high-speed internet is to a modern education. During the pandemic, as schools shifted to a virtual learning environment, the already-existing “homework gap” widened dramatically between students with access to high-speed internet and those without. During the pandemic rural students were twice as likely to not have the technology they needed to complete their homework, and those without high-speed internet often resorted to doing coursework in parking lots to avoid falling behind. The repercussions of this learning environment will have consequences beyond the pandemic, especially as schools and institutions of higher education increase their use of digital learning strategies—students without broadband or appropriate technology were roughly a half a grade level behind their peers⁸, impacting postsecondary success and workforce readiness.⁹

To increase access to education in rural communities, DLT and Community Connect provides support to rural schools to expand virtual learning capacity. DLT helps rural communities use telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. For example, this program can link teachers and in one area to students in another. Community Connect provides financial assistance to applicants, like

⁵ <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>

⁶ CAP report

⁷ <https://www.cidrap.umn.edu/news-perspective/2021/09/rural-americans-more-likely-die-covid-19>

⁸ <https://www.washingtonpost.com/education/2022/06/17/student-internet-access-rural/>

⁹ https://quello.msu.edu/wp-content/uploads/2020/03/Broadband_Gap_Quello_Report_MSU.pdf

schools, that will provide broadband service in rural, economically challenged communities where service does not exist. The impact of both programs is more students connected to the resources they need to learn, advance academically, and complete their education in the place they call home.

Oversight & Coordination

At Rural Development, we understand that high-speed internet cannot be deployed in rural and remote areas without tackling existing challenges. To address these challenges, Rural Development is working in close partnership with other Federal agencies, states, local governments, Tribes, and Congress to ensure seamless deployment of reliable, affordable high-speed internet.

Particularly during the deployment of the Bipartisan Infrastructure Law funds, close and careful coordination is critical to preventing duplication of funding. Although USDA, the Federal Communications Commission (FCC), and the National Telecommunications and Information Administration (NTIA) are the three primary federal agencies charged with broadband deployment, more than half of the fifteen federal departments have some responsibility for broadband funding¹⁰. President Biden has made coordination a top priority, convening standing meetings between agency senior staff to coordinate on access, affordability, and avoiding overbuilding. In addition, last month USDA, Treasury, NTIA, and FCC signed a data sharing memorandum of understanding to develop consistent reporting processes and share yet more information with each other about broadband projects.

It is also essential that Rural Development projects are serving their proposed service territory, that providers are meeting their buildout requirements, and that we continue to monitor broadband deployment to ensure efficient buildout. Once an award is approved, USDA takes a multifaceted approach to monitor the progress of the construction. Award funds are advanced only for specific projects that have been approved for funding. Our national office staff monitors the progress of the advances and ensures that the construction conforms to the approved application. In addition, USDA has a general field representative (GFR) in each region throughout the country who visits the project and inspects construction that is being completed. Awardees are also required to submit reports providing that all proposed premises are actually served and submit a final report when all construction has been completed. The GFR then conducts field visits to make sure that the premises are getting served.

The Rural Development model focuses on funding community-driven projects, awarding funds to providers who do not overpromise and underdeliver, all while bringing affordable high-speed internet to the families and businesses in rural America who need it the most.

Conclusion

¹⁰ <https://www.gao.gov/assets/gao-22-104611.pdf>

These programs demonstrate remarkable success in the drive to sustain and create rural economies in a coordinated and collaborative way. Rural businesses, healthcare providers and schools know what works for them, and Rural Development aims to support their successes and their goals by improving access to reliable affordable high-speed internet.

Rural Development is poised to meet and expand our commitment to high-speed internet deployment in rural America. I look forward to working with this Committee to support this mission.