# Testimony of

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**Energy and Commerce Committee** 

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Chairman Doyle, Ranking Member Latta, Chairman Pallone, Ranking Member Rodgers and members of the Committee: Thank you for the opportunity to testify today and for your leadership on broadband access, an immediate concern for people across the country.

My name is Chris Shelton. I am President of the Communications Workers of America (CWA). CWA represents working people in telecommunications, media, airlines, public service, and manufacturing. This includes more than 150,000 employees in wireline and wireless telecommunications. My own experience in this industry goes back to 1968, when I was hired by New York Telephone as a technician. I've worked in telecommunications and represented telecommunications employees my entire adult life. So I know a little something about this industry.

Today I'm going to talk about the path to universal broadband which the pandemic has made clear our nation must focus on addressing. This starts with recognizing the problem: the private sector alone has failed to close the digital divide. The crisis of the pandemic has forced us to recognize the need for collective action for the common good to finally solve this festering problem of digital disconnection for millions in our nation. As with electrification in the 1930s, the federal government has a critical role to play in closing the gaps in both access and adoption. We need an approach to broadband policy that accounts for the shortcomings of the recent decades of industry-driven deregulation and charts a new path with accountability and oversight as watchwords, and with frontline telecom workers as stakeholders whose jobs and voices matter, since they do the hard work of connecting all Americans.

The pandemic has made something clear to people across the country that CWA members have known for a long time: affordable, reliable broadband internet connections are a critical necessity for all Americans for work, education and healthcare and that millions of families in the United States do not have access to these connections. This is not a new problem, but one that has been years in the making. It has been exacerbated by deregulation across the industry over the last four decades leading to many of the broadband inequities we're

experiencing today. For years, we have protested as major telecom companies allowed their networks to deteriorate and failed to upgrade low-income communities to fiber-optic service. We fought to retain government oversight of providers so that rural communities wouldn't be left without advanced communications services as Wall Street set the broadband investment agenda. And with fewer regulatory tools to address this private sector neglect, workers, business owners, and especially consumers--in fact all Americans--have suffered as a result.

CWA's advocacy for universal broadband has often been prescient. In 2006, we launched the Speed Matters campaign, calling for better broadband maps at the FCC, faster broadband speeds, a strong Lifeline subsidy program to connect low-income households, and robust public investment to spur broadband deployment. If this sounds familiar, it's because we are still discussing the same issues 15 years later. CWA was an innovator, capturing real-time data on internet connection speeds and advocating for the United States to increase those speeds to be more competitive globally. In 2010, we called for gigabyte broadband service for anchor institutions -- hospitals, schools and libraries -- in every community, especially rural and lower income urban areas, because we knew that's the only way that applications like medical monitoring and diagnosis would bring the most benefit to the people of the United States. We worked with partners in the civil rights and digital equity communities to raise the issue that the digital divide was not just an urban/rural divide but also an urban/urban divide with growing numbers of communities of color being left out of the expanding fiber broadband networks around the country. We urged local, state and federal regulators and policymakers to take steps to stop and reverse this growing divide.

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<sup>&</sup>lt;sup>1</sup> Communications Workers of America, "Study of Real-Time Internet Connection Speeds Shows U.S. Still Lags behind Other Advanced Nations," Press release (Aug. 25, 2009). <a href="https://cwa-union.org/news/entry/study">https://cwa-union.org/news/entry/study</a> of real-time internet connection speeds shows u.s. still la

<sup>&</sup>lt;sup>2</sup> Communications Workers of America, "CWA: FCC's Call to Clarify Broadband Issues Will Move Buildout Forward," Press release (Sept. 1, 2010). <a href="https://cwa-union.org/news/entry/cwa fccs">https://cwa-union.org/news/entry/cwa fccs</a> call to clarify broadband issues will move build-out forward

While our Speed Matters coalition won some victories, such as the increase in the broadband speed benchmark in 2015 and the modernization of the Lifeline program to include broadband service, the promise of universal broadband has been stymied by industry intransigence and legislative inaction. Had our recommendations been enacted, we might not be facing the severe challenges we are now. That's because CWA has always been a union whose members know their interests lie with the communities they live in and serve -- we must fight for equity and full democratic participation, regulating our industry from the grassroots to connect everyone, everywhere.

#### Early actions during the pandemic

CWA's members work on the frontlines building broadband networks, installing equipment in subscribers' homes, and providing customer support. During the pandemic, CWA's strong collective bargaining agreements enabled us to quickly negotiate protections for our members including access to protective equipment, protocols to ensure technicians did not have to enter customers' homes if the situation was unsafe, and work-from-home for customer service and sales representatives. In doing so, we were able to ensure continued service for customers who badly needed it, without unnecessarily putting workers and their families at risk.

We also partnered with allies to fight for increased access to broadband early in the pandemic. In March 2020, CWA led a letter calling on broadband providers to lift all data caps and waive all data cap fees for all customers -- wired and wireless -- during the pandemic; and to remove barriers to immediate access to enrollment, including any waiting period and any disqualification of those with unpaid balances.<sup>3</sup> The demands went further than the FCC's

<sup>3</sup> Communications Workers of America, "

https://cwa-union.org/news/releases/cwa-and-consumer-advocacy-groups-urge-broadband-ceos-lift-data-caps-and-waive-fees

inadequate Keep America Connected pledge that carriers signed and the agency allowed to lapse in June.<sup>4</sup>

Our demands have since been proven to be necessary -- Comcast, for example, announced at the end of 2020 that the company intends to roll out data caps in their northeast footprint, charging customers \$10-and-up for using more than 1.2 terabytes of data starting this March.<sup>5</sup> Facing pressure for imposing data caps during the pandemic, Comcast agreed to delay the imposition of these data caps until July,<sup>6</sup> but its actions demonstrate that providers are chomping at the bit to profit off the connectivity that we cannot do without during this pandemic.

In May 2020, CWA, together with the American Federation of Teachers (AFT) and the Service Employees International Union (SEIU), wrote to Congress on behalf of our collective 4.4 million members, many of whom are on the frontlines of the fight against the pandemic. We called on Congress to fund broadband infrastructure expansion; appropriate \$4 billion for an Emergency Connectivity Fund through the FCC's E-Rate program; and direct the FCC to create an Emergency Broadband Benefit for low-income households of \$50 per month to cover the cost of adequate broadband service.

Again, CWA's policy demands acted as an early clarion call to address concrete needs on the ground and helped lay the groundwork for important Congressional action: Thanks to the leadership of Chairman Doyle, Chairman Pallone, and the important work of many on this committee, House Democrats were able to break through the years of resistance and gridlock to get millions of people much-needed help. In the latest pandemic relief package, Congress appropriated \$3.2 billion for a low-income household Emergency Broadband Benefit. This

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<sup>&</sup>lt;sup>4</sup> Marguerite Reardon, "FCC's Keep Americans Connected pledge is over. Now what?" cnet.com (June 30, 2020). https://www.cnet.com/news/fccs-keep-americans-connected-pledge-is-over-now-what/

<sup>&</sup>lt;sup>5</sup> Rob Pegoraro, "As Comcast enforces data caps nationwide, will AT&T, Verizon, Charter and other internet providers follow?" *USA Today* (Nov. 25, 2020). <a href="https://www.usatoday.com/story/tech/columnist/2020/11/25/comcast-xfinity-data-cap-att-verizon-charter-">https://www.usatoday.com/story/tech/columnist/2020/11/25/comcast-xfinity-data-cap-att-verizon-charter-</a>

https://www.usatoday.com/story/tech/columnist/2020/11/25/comcast-xtinity-data-cap-att-verizon-charter-internet-provider/6425921002/

<sup>&</sup>lt;sup>6</sup> Mitchell Clark, Comcst is delaying its rollout of 1.2TB data caps that would have hit 12 states in March," The Verge (Feb. 3, 2021). <a href="https://www.msn.com/en-us/news/technology/comcast-is-delaying-its-rollout-of-12tb-data-caps-that-would-have-hit-12-states-in-march/ar-BB1dmODb">https://www.msn.com/en-us/news/technology/comcast-is-delaying-its-rollout-of-12tb-data-caps-that-would-have-hit-12-states-in-march/ar-BB1dmODb</a>

much-need measure will provide up to \$50 per month to eligible households, and up to \$75 for those on tribal land. In addition, we applaud the House Energy and Commerce Committee vote last week to advance language in its section of the coming COVID-19 budget reconciliation measure that would allocate \$7.6 billion for E-rate remote learning funding.

It is worth noting that, in March 2019, when the idea of a pandemic closing much of the country for a year would have been unimaginable to most people, CWA released an infrastructure proposal that called for bold public policy to promote investment in broadband networks that would also support the growth of good jobs, fair labor standards, and respect for workers' rights in the telecommunications industry. We called for \$40 billion in public investment to build broadband to unserved communities, raising the broadband speed benchmark to keep pace with advances in technology, deploying fiber networks to facilitate smart city applications, and closing the homework gap with a spectrum auction -- an idea popularized by the current Acting Chair of the FCC, Jessica Rosenworcel. Less than two years after we released this platform, most of its proposals are now considered common sense among broadband policymakers.<sup>7</sup>

#### The private sector has failed to deliver universal broadband deployment.

It's important to understand the reason we're in this mess. Major telecom companies' lack of investment has made the digital divide worse. Major broadband providers, both telecom and cable, have chosen not to build their networks to areas they deem less profitable, and not to upgrade many existing customers left behind by outdated technology. For example, Frontier Communications revealed recently that it targets an internal rate of return above 20% for new fiber builds within just a few years -- the kind of short-term cash return Frontier's new hedge

<sup>7</sup> Communications Workers of America, "CWA Broadband Infrastructure Proposal," (Mar. 2019). https://drive.google.com/drive/u/1/folders/1qQi91xbKAa 3b91miXQGGn3fMQfpRstk fund owners are looking for, but not the kind that will reach all communities. 8 Cable providers are infamous for striking deals with each other to swap customers, creating cable monopolies in areas they deem profitable enough to serve, and using their dominance to avoid pressure for upgrades. 9

While many have placed enormous faith in the idea of competition in this sector, CWA knows well that competition alone is not an adequate solution to ensure universal access in a capital-intensive industry like telecommunications. As our elected leaders recognized in the 1930s, government plays a crucial role in establishing regulations and oversight that ensure all households have access to affordable, high-quality essential services -- whether it be electricity, water, or communication. Broadband industry players -- wireline and wireless -- have used every means available -- from lobbying Congress and state legislators to aggressively litigating -- to dismantle protections for residents, including *carrier of last resort* statutes. As in so many other parts of contemporary American life, from healthcare to banking, the choices that private companies have made in the wake of this deregulation have served to deepen racial and economic inequality.

Late last year, CWA and the National Digital Inclusion Alliance published a report revealing how AT&T, the nation's largest communications services provider, is making the digital divide worse and harming its customers and workers by failing to invest in crucial fiber-optic buildout. <sup>10</sup> The report draws on an analysis of service availability in AT&T's 21-state network, a survey of CWA members, and reports by local advocates; it reveals widespread

<sup>&</sup>lt;sup>8</sup> Jon Brodkin, "Frontier agrees to fiber-network expansion in plan to exit bankruptcy," Ars Technica (Jan. 6, 2021). <a href="https://arstechnica.com/tech-policy/2021/01/frontier-agrees-to-fiber-network-expansion-in-plan-to-exit-bankruptcy/">https://arstechnica.com/tech-policy/2021/01/frontier-agrees-to-fiber-network-expansion-in-plan-to-exit-bankruptcy/</a>; Frontier Communications, Quarterly Investor Update, Sept. 3, 2020, at 19, <a href="https://s1.q4cdn.com/144417568/files/doc\_financials/2020/q2/Frontier-Q2-2020-Investor-Update-Final.pdf">https://s1.q4cdn.com/144417568/files/doc\_financials/2020/q2/Frontier-Q2-2020-Investor-Update-Final.pdf</a>

<sup>&</sup>lt;sup>9</sup> These deals are called "clustering arrangements" and are documented in Susan Crawford, "The Looming Cable Monopoly," *Yale Law & Policy Review* (June 1, 2010). https://ylpr.yale.edu/inter\_alia/looming-cable-monopoly

<sup>&</sup>lt;sup>10</sup> Communications Workers of America, "New Reports Detail How Telecom Companies Like AT&T are Failing to Provide Broadband and Good Jobs" (Oct. 5, 2020). <a href="https://cwa-union.org/news/releases/new-reports-detail-how-telecoms-companies-att-are-failing-provide-broadband-and-good">https://cwa-union.org/news/releases/new-reports-detail-how-telecoms-companies-att-are-failing-provide-broadband-and-good</a>

service below the FCC's broadband definition of 25/3 Mbps and demonstrates AT&T's disinterest in building fiber-optic cable, which it halted in mid-2019 after meeting an FCC-imposed deployment benchmark tied to its acquisition of DIRECTV. In all, AT&T has made fiber-to-the-home available for fewer than one-third of the households in its network. AT&T's employees -- many of whom are CWA members -- know that the company could be doing much more to connect its customers to high-speed Internet if it invested in upgrading its wireline network with fiber. They know the company's recent job cuts -- more than 50,000 since 2018 -- are devastating communities and hobbling the company's ability to meet the critical need for broadband infrastructure. We understand AT&T is ramping up for renewed fiber deployment, which we welcome, though AT&T's planned expansion to 2 million locations in 2021 is not as aggressive a deployment as we have called for. 12

The result of deregulation and private sector under-investment is a persistent and deeply harmful digital divide that leads directly to children sitting in fast food parking lots to do their homework during a public health crisis. Home broadband is a necessity for all, regardless of race, income or geography — especially as we're being asked to stay at home whenever possible to stop the spread of the virus. Yet according to the FCC's most recent Internet Access Services report, 44 million households -- 36 percent of all households -- do not have a broadband connection that meets the FCC speed benchmark, either because they do not have access or they can't afford it.

Broadband access is stratified by race and income. The digital divide remains deep, both because of inadequate access and because broadband service is unaffordable for many. Only

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<sup>&</sup>lt;sup>11</sup> Communications Workers of America and the National Digital Inclusion Alliance, "AT&T's Digital Redlining: Leaving Communities Behind for Profit," (Oct. 2020). <a href="https://cwa-union.org/sites/default/files/20201005attdigitalredlining.pdf">https://cwa-union.org/sites/default/files/20201005attdigitalredlining.pdf</a>

<sup>&</sup>lt;sup>12</sup> CWA called for AT&T to invest one quarter of its annual free cash flow (projected to be more than \$25 billion) into rapid fiber deployment, which could fund deployment to more than 6 million locations per year. AT&T said it plans deployment to 2 million locations in 2021. See AT&T, Inc., Fourth Quarter 2020 Earnings Call, January 27, 2021. <a href="https://seekingalpha.com/article/4401349-t-inc-t-ceo-john-stankey-on-q4-2020-results-earnings-call-transcript?part=single">https://seekingalpha.com/article/4401349-t-inc-t-ceo-john-stankey-on-q4-2020-results-earnings-call-transcript?part=single</a>

25% of households eligible for Lifeline subsidies participate in the program, according to the most recent data, which precedes the current economic crisis. <sup>13</sup> According to Pew Research, 34 percent of Black households and 39 percent of Latinx households do not have a wired broadband connection, compared to 21 percent of white households. <sup>14</sup> The Census Bureau recently found that Native Americans are the least connected population, with 33 percent lacking a broadband subscription and 47 percent of those living on tribal lands lacking broadband availability. For low-income households earning less than \$30,000 per year, 44 percent lack home broadband, compared to 8 percent of households that earn over \$75,000 per year. <sup>15</sup> Economic inequality is a critical barrier to democratic participation in our society and the digital divide helps explain why that is.

#### Solutions to bridge the digital divide and achieve universal broadband

What can be done? President Biden and Congressional Democrats have been setting us on the right path over the last year. During his campaign, President Biden committed to closing the digital divide, promising he would invest \$20 billion in rural broadband infrastructure and ensure that the work of installing broadband provides high-paying jobs with benefits. We've already discussed and praised Congressional Democrats' success with the essential Emergency Broadband Benefit and work to ensure E-rate funding so children can learn from home. The Emergency Broadband Benefit and ensuring E-rate funding is a good start, but I'm sure the majority of this Committee agrees that more must be done to achieve lasting structural solutions.

For example, we must work to strengthen the FCC's Lifeline program. CWA has long been an advocate for the Lifeline program and worked closely with allied groups to win

<sup>13</sup> USAC Lifeline participation rates, 2018.

<sup>&</sup>lt;sup>14</sup> Pew Research Center, Internet/Broadband Fact Sheet. https://www.pewresearch.org/internet/fact-sheet/internet-broadband/

<sup>&</sup>lt;sup>15</sup> Pew Research Center, Internet/Broadband Fact Sheet. https://www.pewresearch.org/internet/fact-sheet/internet-broadband/

modernization of the program under the Obama Administration so that it now provides broadband service. Of course, we, along with our civil rights and public interest allies, had to fight to defend the program under the Trump Administration and even before then from the hyperbolic attacks from Congressional Republicans. As the only federal program that addresses the issue of affordability, Lifeline is a crucial tool to close the digital divide and has been an essential resource for low-income people across the country during the ongoing COVID-19 pandemic. The program is truly a lifeline for low-income households and can help protect the health and well-being of these households and the larger community.

The Commission must strengthen the Lifeline program, first by ensuring that states are fully participating in the National Eligibility Verifier. Shoring up Lifeline for the long-term also means combating attempts to harm the program and the millions of low-income consumers who rely on it for service. One of the latest corporate attempts to undercut the Lifeline program and other Universal Service Fund programs is to remove the USF fee from customers' bills and make it dependent on Congressional appropriation. AT&T and Verizon are pushing this idea in the media and on the Hill and will continue doing so. <sup>16</sup> Don't fall for it. It's true that the Universal Service Fund needs modernization -- I'll get to that in a moment. But moving USF funding to the appropriations process would be a disaster for the program.

Lifeline may also suffer as a result of the wireless industry's pursuit of consolidation to increase profits. Verizon's proposed \$7 billion acquisition of TracFone Wireless from América Móvil, the Mexican telecommunications giant owned by Carlos Slim, is currently before the FCC. TracFone is the largest provider of Lifeline services with approximately 1.7 million low-income subscribers in 42 states, or 22 percent of total Lifeline subscribers. <sup>17</sup> In its application, Verizon provides almost no information on its Lifeline plans and makes no binding commitments to maintain

<sup>16</sup> Mike Dano, "Verizon, AT&T want to reshape Lifeline," LightReading (Jan. 22, 2021). https://www.lightreading.com/ossbss/verizon-atandt-want-to-kill-lifeline-/a/d-id/766862

<sup>&</sup>lt;sup>17</sup> The Commission's Lifeline program provides a subsidy of \$9.25 per month to help low-income households afford the cost of modern communications services, wired or wireless.

TracFone's significant participation in the program. Absent such commitments, the proposed Verizon-TracFone transaction could curtail availability of the Lifeline program for low-income consumers, negatively affecting millions of low-income Americans. Previous transactions have included conditions to protect Lifeline subscribers, and this deal should follow those precedents.

As we saw during the T-Mobile-Sprint merger process, our antitrust and public interest review process for mergers is lacking real teeth, leaving consumers and workers unprotected. Since the T-Mobile-Sprint deal closed on May 1, 2020, we have seen the first sustained increase in wireless prices since 2015. Prices have risen nearly 5% during this period, which raises serious questions about the value of voluntary commitments not to raise prices. <sup>18</sup>

Moving from adoption to access, we must take bold action to encourage greater broadband deployment. We need an infrastructure bill that will expand broadband access and create and protect good jobs -- the dual mandates that President Biden has laid out in his plan to build back better. This means \$80 billion in funding for deployment that goes to proven technologies with strong accountability measures, as envisioned in Whip Clyburn's Accessible, Affordable Internet for All Act. This legislation would jump-start broadband deployment to unserved and underserved communities and help close the digital divide. In addition, the bill would establish the Office of Internet Connectivity and Growth, would conduct outreach to communities in need of better access to or adoption of broadband service, and create two new grant programs to help achieve digital equity.

One important accountability measure in Representative Clyburn's bill is standards that ensure the workers who build and maintain federally-subsidized broadband networks are able to exercise their collective bargaining rights and form unions free from employer coercion and intimidation. The bill also prohibits outsourcing of work that has the intent of circumventing a collective bargaining agreement. This provision addresses the growing trend of major broadband companies avoiding accountability by contracting and subcontracting work, which

<sup>18</sup> US Bureau of Labor Statistics, Wireless telephone services in U.S. city average, all urban consumers, not seasonally adjusted. https://beta.bls.gov/dataViewer/view/timeseries/CUUR0000SEED03

fragments and disempowers their workforce. In the broadband sector, most construction contractors are non-union and undercut the wages, benefits and quality of work that union members fought for and won over decades.

Let's look at the case of AT&T. A recent CWA analysis found that AT&T has used more than 700 contractors to build and maintain its network over the past four years. <sup>19</sup> The small contractors at the bottom of this pyramid compete largely on labor costs, squeezing their workers and cutting corners that risk safety and quality of work. CWA members are well aware of the risks these contractors pose in the field: our members observe issues including contractors that hit lines and cause service outages; cable that is not buried deep enough, risking hits by customer lawnmowers or other issues; incorrect installation of access points, conduit, and ducts for fiber installation to customer premises, delaying service activation; incorrect hanging of fiber that makes it vulnerable to squirrels and other animals; incorrect installation of conduit piping for laying fiber underground so that it is crushed or otherwise unusable; and broken fiber or copper cables. As one technician reported to CWA: "Contractors rush to get the job done quicker bypassing safety issues and damage the plant trying to get done quicker to make more money." <sup>20</sup>

Beginning in 2014, for example, AT&T deployed its GigaPower fiber service throughout the State of North Carolina. AT&T hired Ansco & Associates as a general contractor for this project. In the Raleigh area, Ansco further subcontracted construction work to companies including Georgia-based Synchronicity LLC. In the fall of 2016, Synchronicity began soliciting workers via Craigslist to help bury fiber for AT&T. These workers were hired as independent contractors rather than employees, meaning they have no access to workers' compensation or

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<sup>&</sup>lt;sup>19</sup> Communications Workers of America, "AT&T's Web of Subcontractors: Building Next Generation Networks with Low-Wage Labor," (Oct. 2020). <a href="https://cwa-union.org/sites/default/files/20201005attsubcontractorreport.pdf">https://cwa-union.org/sites/default/files/20201005attsubcontractorreport.pdf</a>

<sup>&</sup>lt;sup>20</sup> Communications Workers of America, "AT&T's Web of Subcontractors: Building Next Generation Networks with Low-Wage Labor," (Oct. 2020). <a href="https://cwa-union.org/sites/default/files/20201005attsubcontractorreport.pdf">https://cwa-union.org/sites/default/files/20201005attsubcontractorreport.pdf</a>

other protections for employees. In October 2016, 19-year-old Derek Mims had his fingers crushed in a ditch-digging machine while installing fiber cables for Synchronicity. He lost his pinky and required two surgeries to save two other fingers. It was Derek's first week on the job and "he had barely been trained" according to a field trainer quoted in the *Raleigh News* & *Observer*, who said she was fired for advocating for Mims and his coworkers. After weeks of fighting for unpaid wages, Mims and two coworkers met a Synchronicity representative in a parking lot and were given cash. Mims said his share amounted to \$5 per hour for the time he had worked.<sup>21</sup>

Before going further, I want to address some misinformation. I know many of you have heard about alleged worker shortages in the telecommunications industry in recent months. I urge you to be skeptical of these claims. AT&T and other telecom companies have laid off tens of thousands of workers in the past few years, including thousands of well-trained construction technicians, while non-union contractor companies claim they can't find qualified workers. A labor shortage should lead to increased wages to compete for workers, yet the Economic Policy Institute recently found that wage growth in the telecommunications industry was slow over the last forty years despite increased productivity, and there is no evidence of a contemporary labor shortage based on detailed analysis of wage and employment data. <sup>22</sup> The lowest paid 10% of workers in telecom actually saw their wages decline by 12% in real terms since the 1970s, driven by outsourcing and the loss of union representation. When wireless infrastructure companies and their lobbyists start talking about workforce shortages, ask them for proof.

The wireless industry will also make appeals to this committee to further preempt local authority over the siting of wireless infrastructure in our streets and sidewalks. But we believe the new FCC leadership will recognize that local governments are indispensable partners to

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<sup>&</sup>lt;sup>21</sup> Locke, M., *Raleigh News & Observer*, "In AT&T fiber project, workers claim loss of pay - and one loses a finger," December 9, 2016. https://www.newsobserver.com/news/politics-government/article119895793.html

<sup>&</sup>lt;sup>22</sup> John Schmitt and Jori Kandra, "Decades of slow wage growth for telecommunications workers," Economic Policy Institute (Oct. 5, 2020). <a href="https://files.epi.org/pdf/209752.pdf">https://files.epi.org/pdf/209752.pdf</a>

ensure deployment protects the public interest and furthers digital equity. CWA and our allies in local government organizations like NATOA and the National League of Cities have strongly advocated that the FCC should rescind its 2018 Small Cell Order and support the role of local governments in facilitating safe deployment of wireless facilities in the public interest. Federal overreach into inherently local issues of public safety and right-of-way management doesn't benefit the public or facilitate equitable deployment. It also leaves cities without resources to enforce accountability for fly-by-night contractors that cause damage to public property and utilities.

Finally, the digital divide will remain if we refuse to modernize the FCC's tools designed to close it. Today, the funding mechanism that supports the Universal Service Fund (USF) -which funds the FCC's deployment, E-Rate and Lifeline programs -- is unsustainable because it levies fees only on traditional voice service, despite the shift to broadband as the primary communications service. The FCC reports that revenues subject to federal USF assessment have been steadily declining, falling from \$67.5 billion in 2010 to \$34 billion in 2020. To offset the decline in telephone revenue that can be assessed, the FCC has increased the USF fee on interstate and international telecommunications services from 12 percent in 2010 to 27 percent in 2020. In contrast to the decline in revenues subject to USF assessment, communications providers have reported growing non-telecommunications revenues – from broadband for example, which are not assessed – rising from \$173.2 billion in 2010 to \$337.2 billion in 2018. The growth of the USF fee negatively impacts vulnerable residential consumers, small businesses, and the communications industry that serves them. The current methodology for assessing the fee is unsustainable and, as a result, all of the USF programs are at risk if the funding mechanism is not stabilized. The Commission should explore options including broadening the USF funding base to include broadband customers. Broadband is a mature, profitable industry that cannot claim innovation will be hindered by returning some of its profits to fulfill the promise of universal service.

#### Conclusion

As many people work, learn, and access healthcare from home, broadband has finally been widely recognized as an essential service necessary for full participation in society. CWA members who build, maintain, and service our telecom networks know better than anyone how broadband policy can help address the public health and economic crises our nation faces. We have been issuing warnings for almost two decades about how neglect by the private sector and growing deregulation have set the stage for the digital inequities we see across the country today - in both rural areas and urban centers.

We are grateful that the Biden Administration and Congressional Democrats have begun to take the necessary steps to address these glaring digital inequities that the pandemic has exposed. And we look forward to working with you to build the solid foundation to make sure that we truly do build back better from this pandemic with a focus on ensuring affordable, reliable broadband internet connections for all.

Thank you for the opportunity to testify today on behalf of CWA's members who have invested their working lives in the telecommunications networks that serve our country, and who have been politically active in the fight for truly universal service and corporate accountability. I look forward to answering any questions you may have.