

ONE HUNDRED FIFTHTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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MEMORANDUM

March 17, 2017

To: Subcommittee on Communications and Technology Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Subcommittee Hearing on “Broadband: Deploying America’s 21st Century Infrastructure”

On **Tuesday, March 21, 2017, at 10:00 a.m. in room 2322 of the Rayburn House Office Building**, the Subcommittee on Communications and Technology will hold a legislative hearing entitled “Broadband: Deploying America’s 21st Century Infrastructure.”

I. BACKGROUND

Broadband service increasingly is a necessary component of everyday life. Ensuring timely broadband service deployment and accessibility is essential. The most recent data from the Federal Communications Commission (FCC) in its [2016 Broadband Progress Report](#) indicates, that while progress is being made, ten percent of Americans continue to lack access to baseline broadband speeds of 25 Mbps download/3 Mbps upload for fixed service. There also continues to be a rural divide where 39 percent of Americans in rural areas (and 41 percent of Americans living on Tribal lands) lack access to baseline broadband service.

An [FCC staff report](#) estimates that it would take \$40 billion to build out fixed broadband service to 98 percent of the U.S., with cost estimates rising to \$80 billion to reach 100 percent of the population. Democrats have urged that broadband be included in any broader Congressional action on infrastructure.

Recent efforts to increase deployment have relied on private investment, Federal grant programs, and changes to FCC programs.

- *Private Investment:* USTelecom [reports](#) that cable, wireline, and wireless companies spent \$76 billion in 2015, with a total of over \$1.5 trillion spent since 1996. [CTIA’s annual survey](#) found that wireless providers had \$32 billion in capital expenditures in 2015. [Free Press indicates](#) that, based on filings with the Securities and Exchange Commission, Comcast and Charter increased capital expenditures in 2015-2016 by 26.6 percent and 15 percent, respectively, over the previous two year period.

- *Broadband Technology Opportunities Program (BTOP)*: The American Recovery and Reinvestment Act (ARRA) appropriated \$4.7 billion for the National Telecommunications and Information Administration (NTIA) to establish BTOP to increase broadband access and adoption and stimulate demand for broadband. Former NTIA Administrator Larry Strickling [noted](#) that NTIA invested approximately \$3.3 billion infrastructure projects, with nearly 97 percent of those projects still in operation.
- *Broadband Initiatives Program (BIP)*: Congress provided the Department of Agriculture’s Rural Utility Service (RUS) with \$2.5 billion as part of ARRA to expand access to broadband services in rural America. The [RUS final BIP report](#) indicates it granted over \$2.33 billion in grants and \$1.19 billion in loans to 320 BIP projects. Ninety-two percent of the original projects were for infrastructure, with 83 percent of those projects fully operational as of September 30, 2015.
- *FCC Actions*: The FCC has taken numerous steps in recent years to increase broadband deployment by: (1) reforming the Universal Service Fund and intercarrier compensation systems to extend broadband infrastructure over a six year period to approximately 7 million of rural Americans; (2) creating the Mobility Fund to expand advanced mobile broadband access to tens of thousands of road miles, including support for Tribal areas; (3) modernizing the E-rate and Lifeline programs to focus on providing support for high-speed broadband services to eligible schools and libraries and low-income Americans; (4) modifying tower siting rules to help promote deployment of wireless infrastructure; (5) modifying pole attachment and rights of way rules; (6) conducting spectrum auctions that will result in new advanced wireless services to consumers.

II. LEGISLATIVE ACTION

The Communications and Technology subcommittee held an oversight hearing on promoting broadband infrastructure deployment on July 22, 2015. The subcommittee also held a legislative hearing on a series of broadband infrastructure bills on October 28, 2015. The majority combined the bills into one discussion draft that included provisions for: (1) creating a database of existing Federal government infrastructure and real property; (2) harmonizing pole attachment rates and providing access to federally-owned poles; (3) “dig once” requirements for broadband conduit in covered highway construction projects; (4) streamlining National Environmental Policy Act and National Historic Preservation Act reviews as they apply to broadband infrastructure; (5) streamlining siting approval processes for broadband infrastructure on federal infrastructure or property; and (6) requiring completion of drafting of common forms and master contracts, as well as setting common fees for broadband deployment on federal infrastructure or property. The subcommittee marked up the discussion draft on December 2, 2015. The majority released a modified discussion draft for consideration at the hearing that includes the above provisions, with modifications, except for pole attachments, “dig once,” and language related to siting processes for the Department of Defense. Rep. Eshoo’s (D-CA) “dig once” discussion draft also will be considered at this hearing.

Democratic members of the Committee also have introduced legislation to help increase broadband deployment as part of a broader Democratic effort aimed at refocusing how Congress thinks about technology policy. Rep. Loeb sack (D-IA) introduced H.R. 1546, the [Rural Wireless Access Act](#), which requires the FCC to use more reliable and accurate mobile coverage data

when making decisions about where to spend money to increase deployment. Rep. Ruiz (D-CA) introduced H.R. 1581, the [Tribal Digital Access Act](#), which adds “Indian Country” to the list of areas that should get federal funding and support for broadband access.

III. WITNESSES

The following witnesses have been invited to testify:

Panel I

Steven K. Berry
President and CEO
Competitive Carriers Association

LeRoy T. Carlson
CEO, Telephone and Data Systems, Inc. and
Chairman, U.S. Cellular

Michael Connors
Sub Chief
Saint Regis Mohawk Tribe

Joanne S. Hovis
President, CTC Technology and Energy

Thomas A. Murray
Founder and Managing Member, Community Wireless Structures and
Chairman of the Board of Directors, Wireless Infrastructure Association

Panel II

Bryan Darr
CEO
Mosaik Solutions

James W. Stegeman
President
CostQuest Associates, Inc.