ONE HUNDRED FIFTHTEENTH CONGRESS

Congress of the United States House of Representatives

COMMITTEE ON ENERGY AND COMMERCE 2125 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6115

> Majority (202) 225-2927 Minority (202) 225-3641

MEMORANDUM

June 19, 2017

To: Subcommittee on Communications and Technology Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Subcommittee Hearing on "Defining and Mapping Broadband Coverage in America"

On <u>Wednesday</u>, <u>June 21, 2017</u>, <u>at 10:00 a.m. in room 2123 of the Rayburn House</u>

<u>Office Building</u>, the Subcommittee on Communications and Technology will hold a hearing entitled "Defining and Mapping Broadband Coverage in America." This hearing follows up on a March subcommittee hearing that discussed broadband infrastructure and mapping.

I. BACKGROUND

Broadband is a necessary component of everyday life. The most recent data from the Federal Communications Commission (FCC) indicates, that while progress is being made, ten percent of Americans continue to lack internet access at speeds of 25 Mbps download/3 Mbps upload. This data also indicates that 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 \$40 billion is necessary to deploy fixed broadband service to 98 percent of the U.S. Projected costs rise to \$80 billion to reach 100 percent.² Recent federal government efforts to increase deployment have relied on private investment, grant programs, and FCC programs:

• *Private Investment:* Reports indicate that cable, wireline, and wireless companies spent \$76 billion in 2015, with a total of over \$1.5 trillion spent since 1996.³

¹ Federal Communications Commission, *2016 Broadband Progress Report*, GN Docket No 15-191, (Rel. Jan 29, 2017) (https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-6A1.pdf).

² Federal Communications Commission, *Improving the Nation's Digital Infrastructure* (Jan. 17, 2017) (apps.fcc.gov/edocs_public/attachmatch/DOC-343135A1.pdf).

³ U.S. Telecom, *Broadband Investment Ticked Down in 2015* (Dec. 14, 2016) (www.ustelecom.org/sites/default/files/Broadband%20Investment%20Down%20in%202015.pd).

- Broadband Technology Opportunities Program (BTOP): The American Recovery and Reinvestment Act (ARRA) appropriated \$4.7 billion to increase broadband access and adoption through BTOP. Under the program, the National Telecommunications and Information Administration invested approximately \$3.3 billion. Nearly 97 percent of BTOP projects remain in operation.⁴
- Broadband Initiatives Program (BIP): ARRA provided \$2.5 billion to expand access to rural broadband through the Rural Utility Service (RUS). RUS granted over \$2.33 billion and loaned \$1.19 billion to 320 BIP projects.⁵ Ninety-two percent of RUS's original projects funded infrastructure, and 83 percent of those projects were operational as of 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, covering approximately 7 million rural Americans;
 - (2) Creating the Mobility Fund to expand mobile broadband to tens of thousands of road miles, including Tribal areas;
 - (3) Modernizing the E-rate and Lifeline programs to provide support for broadband services for eligible schools, libraries, and low-income Americans;
 - (4) Auctioning spectrum to help provide consumers with advanced wireless services;
 - (5) Proposing to modify pole attachment and rights-of-way rules; and
 - (6) Proposing to preempt tribal and local government tower siting rules.

II. LEGISLATIVE ACTION

Last month, all Democratic members of the Energy and Commerce Committee introduced H.R. 2479, the Leading Infrastructure for Tomorrow's America Act (LIFT America Act). The LIFT America Act includes \$40 billion total for the deployment of secure and resilient broadband with \$30 billion to be allocated through a federal reverse auction to buildout unserved areas. The LIFT America Act would also allocate \$10 billion to the states to fund buildout in unserved or underserved areas, schools and libraries, or of Next Generation 9-1-1 if a state has no unserved areas.

⁴ National Telecommunications and Information Administration, Remarks as Prepared for Delivery by Assistant Secretary Strickling at Transforming Communities: Broadband Goals for 2017 and Beyond (Nov. 30, 2017) (www.ntia.doc.gov/speechtestimony/2016/remarks-assistant-secretary-strickling-transforming-communities-broadband-goals).

⁵ U.S. Department of Agriculture, Rural Utilities Service, Rural Utility Service, *Broadband Initiatives Program Final Report* (www.rd.usda.gov/files/RUS_BIP_Status_FinalReportDec_2016.pdf).

⁶ H.R.2479 (www.congress.gov/bill/115th-congress/house-bill/2479).

Rep. Loebsack (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 and help better target federal resources. Rep. Ruiz (D-CA) introduced H.R. 1581, the Tribal Digital Access Act, which adds "Indian Country"— some of the hardest parts of the country to reach—to the list of areas that should get federal funding and support for broadband access. Rep. Welch (D-VT) and Rep. McKinley (R-WV) introduced H.R. 2903, the Rural Reasonable and Comparable Wireless Access Act of 2017. That bill requires the FCC to establish a national standard for whether broadband in rural areas is reasonably comparable to broadband in urban areas.

III. WITNESSES

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⁷ H.R. 1546 (www.congress.gov/bill/115th-congress/house-bill/1546).

⁸ H.R. 1581 (www.congress.gov/bill/115th-congress/house-bill/1581).

⁹ H.R. 2903 (www.congress.gov/bill/115th-congress/house-bill/2903).