

Rural County Representatives of California Rural Broadband Update: House Energy and Commerce Subcommittee on Communications and Technology Hearing

Sierra Sun Times
February 3, 2018

February 3, 2018 - On Tuesday, the House Energy and Commerce Subcommittee on Communications and Technology held a hearing entitled "Closing the Digital Divide: Broadband Infrastructure Solutions." The subcommittee examined 25 pieces of legislation related to broadband infrastructure, promoting deployment in underserved areas, and closing the digital divide.

There was bipartisan agreement within the subcommittee that more action is needed from Congress to close the digital divide, but Republicans and Democrats are attacking the issue from different angles. Throughout the hearing, Republicans emphasized legislative proposals that streamline the federal permitting and environmental review process to incentivize private investment, where Democrats favor an approach that relies on federal direct investment in broadband deployment projects. Democrats cited a 2017 report from the Federal Communications Commission that found an investment of \$40 billion in rural broadband deployment is required to close the digital divide, and Democrats are skeptical this figure will be reached without a significant contribution from the federal government.

The subcommittee heard testimony from a panel of seven witnesses representing a diverse set of stakeholders in the broadband and telecommunications industries. Among the witnesses present were representatives from leading trade associations from the broadband space including Jonathan Spalter, President and CEO of USTelecom, Matthew Polka, President and CEO of American Cable Association, and Shirley Bloomfield, the Rural Broadband Association. Spalter, Polka, and Bloomfield urged the subcommittee to pursue a strategy that combines federal direct investment with a deregulatory campaign. Witnesses argued the current regulatory environment adds significant timeline and cost considerations to projects that discourage companies from expanding deployment into rural areas with limited customers per square mile. Streamlining the permitting and environmental review process will promote market participation from small and mid-sized service providers, increasing competition in underserved rural areas. Regardless of the regulatory environment, there will continue

to be areas where there is no business incentive for companies to provide service. These are areas where companies are relying on federal direct investment to cover costs and offset the low rate of return on investment.

Before expanding federal funding programs or cutting regulations lawmakers must provide authorities and service-providers with accurate mapping data on broadband service coverage in the United States. Representative Bill Johnson (R-Ohio) seeks to address this issue in his recent bill H.R. 4810, the MAPPING Now Act of 2018. The MAPPING Now Act requires the Department of Commerce to develop and maintain an accurate broadband inventory map to help government officials identify where there is no business case for providers and to prioritize funding in those unserved areas.

Members of the Rural Broadband Caucus hope some of the broadband provisions examined by the subcommittee this week will be included in the White House's infrastructure plan, but rural broadband was conspicuously left out of the infrastructure section of the President Trump's State of the Union address to Congress. For now, Congress will push the 25 bills under consideration through regular order in the Energy and Commerce Committee which is expected to hold a markup in the near future.

Source: Rural County Representatives of California

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