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Oct. 4, 2018

**Utilities Technology Council
Statement for the Record
Senate Committee on Commerce, Science, & Transportation**

Hearing on Broadband: Opportunities and Challenges in Rural America

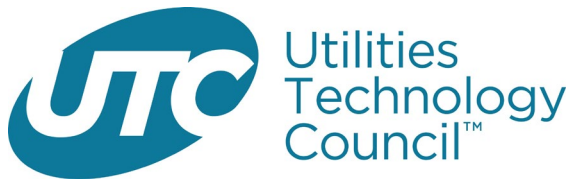
The Utilities Technology Council (UTC) thanks the Committee on Commerce, Science, and Transportation for the opportunity to submit these comments for the record regarding the above-referenced hearing. As the Committee considers the challenges and opportunities regarding rural broadband deployment, UTC would like to note that several of its members are supporting broadband deployment by both providing access to utility infrastructure for third-party broadband providers and, where allowed, actually providing broadband services in unserved and underserved areas.

Established in 1948, UTC is the global association representing energy and water utilities on their needs related to the deployment of reliable and resilient information and communications technology (ICT). Energy and water utilities use ICT networks as the backbone for the infrastructure that delivers safe, reliable, and secure energy and water services. These networks are essential for reliability, safety, resiliency, and security.

UTC applauds the Committee for holding this important hearing. Our membership represents utilities of all sizes and ownership types, from large investor-owned utilities serving millions of customers in multiple states to publicly and consumer-owned utilities located in smaller towns and rural areas. Although our membership is diverse, they all share the belief that access to affordable and reliable broadband is a key economic driver for our nation. Indeed, electric utilities in particular enable broadband access in multiple ways, including through pole-attachment processes. Additionally, where not prohibited by state or local statute, a number of utilities are actually providing broadband services themselves in areas where private firms have decided not to deploy such services. Most of these locations are in rural areas.

For electric utilities, the decision to provide broadband services to their customers and beyond is a natural progression because in most cases these utilities have already built communications networks to enhance electric reliability and resiliency; these networks include wireline and wireless services that have narrowband and broadband features. Electric utilities can therefore use both their existing knowledge and, in some cases, their infrastructure to deliver broadband. Electric utilities can deploy future-proof, often fiber-based, networks offering robust, affordable and reliable broadband to potential customers inside and outside their service territories. Importantly, utility broadband services are reasonably comparable to the cost and quality of broadband available in urban areas.

In addition, some electric utilities are willing and able to provide wholesale services and infrastructure access to third-party commercial communications service providers to enable broadband deployment. As stated above, electric utilities have extensive infrastructure that includes wireline and wireless communications networks, as well as power poles and rights of way. Many utilities offer wholesale



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capacity and dark fiber services over their communications infrastructures at rates, terms and conditions that are just and reasonable.

Most obviously, utilities empower broadband deployment by providing voice, data, and cable suppliers affordable access to utility poles found all across the country. Utility poles are essential to delivering reliable and affordable electricity to everyone in the country, no matter where they live. Additionally, many, if not all, of these poles carry cable, broadband, and other services. As this Committee knows, the regulation of these pole-attachment policies is carried out by the Federal Communications Commission (FCC) for poles owned by investor-owned (private, for-profit) utilities. The FCC has used pole-attachment policies as a means to promote rural broadband.

We would note, however, that the FCC's pole-attachment policies are not a panacea to expanding rural broadband. Despite pronouncements that reducing regulatory requirements and fees will spur rural broadband, the reality has proven otherwise. In fact, evidence suggests that lower pole-attachment rates have no bearing on the deployment of rural broadband. Indeed, state governmental agencies have found no conclusive evidence linking lower pole fees to rural broadband expansion. The Virginia State Corporation Commission concluded, in a 2011 report, that, "No persuasive evidence was submitted in this proceeding that proved lower pole-attachment rates would directly result in additional broadband deployment."¹ Additionally, the communications industry has advocated that the only way to bridge the rural Digital Divide is through federal subsidies. Finally, the FCC's own records demonstrate that broadband is not being deployed on a reasonable and timely basis, despite the continued reduction of pole attachment rates and the imposition of additional requirements.

UTC recommends this Committee, as it looks to encourage broadband deployment, consider the following:

- Supporting broadband-funding programs that promote the deployment of future-proof networks which provide robust, reliable and affordable broadband services to all Americans; and,
- Supporting pole attachment policies that promote safety, reliability and security of electric utility infrastructure while accelerating broadband deployment.

Ensuring that all Americans have access to affordable, reliable broadband is just as important today as electricity was for the growth of the nation a century ago. Now as then, electric utilities are critical partners in doing so and stand ready to assist.

UTC thanks the Committee for holding this important hearing and appreciates the opportunity to submit this statement. We look forward to working with the Committee in ensuring that all Americans have access to robust, affordable and reliable broadband networks and services.

¹ "Report on Electric Cooperative Pole Attachment Issues." Commonwealth of Virginia State Corporation Commission, November 1, 2011. Link to text: <http://www.scc.virginia.gov/docketsearch/DOCS/2h%40m011.PDF>