



2550 South Clark Street | Suite 960 | Arlington, VA 22202
202.872.0030 Phone | 202.872.1331 Fax
utc.org | networks.utc.org

May 13, 2020

**Utilities Technology Council
Statement for the Record
Senate Committee on Commerce, Science & Transportation
Full Committee Hearing on The State of Broadband Amid the COVID-19 Pandemic**

The Utilities Technology Council (UTC) thanks the Senate Commerce, Science & Transportation Committee for the opportunity to submit these comments for the record. From previous hearings and testimonies, this Committee has well documented that without access to fast, affordable, and reliable broadband, unserved and underserved communities are at a distinct socio-economic disadvantage. In a COVID-19 lockdown, having a broadband connection is a lifeline to everything people need for their everyday lives, and it opens up opportunities to work from home. Lack of connectivity hurts small businesses in these communities, and it also creates a homework gap for students that prevents them from studying at home or forces them to go out to surf on an open wi-fi connection in a parking lot near a restaurant or other business. It also prevents patients from getting access to telemedicine in hospitals and clinics and medical care in their homes. Unfortunately, but not surprisingly, the COVID-19 pandemic has once again cast these harsh realities into the public spotlight. As this hearing examines initiatives to maintain and expand broadband access to all Americans, including understanding the impact of funds recently made available by the CARES Act, UTC asks every committee member to think through, and expand upon, how electric utilities of all ownership types are already working to bring reliable broadband to unserved and underserved communities – and particularly in high cost deployment 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 communication technology (ICT), and when economically and regulatorily possible, are deploying creative broadband solutions and services. Energy and water utilities use ICT networks as the backbone for the infrastructure that delivers safe, reliable, and secure energy and water services.

The decision for many electric utilities to provide broadband is a natural progression, because in most cases, these utilities have already built, and are upgrading, communications networks to modernize the electric grid, and to enhance electric reliability and resiliency. These networks include wireline and wireless systems that can provide broadband capacity. Electric utilities are able to leverage both their communications network infrastructure and their existing knowledge to deliver broadband. Importantly, utilities are providing broadband services to areas where other communications service providers would not serve and they are offering gigabit speeds at prices that are often less than \$100 a month. The investments that utilities are making and have made in deploying broadband to unserved areas are making a big difference in these communities particularly during COVID-19, as distance learning and working from home have become



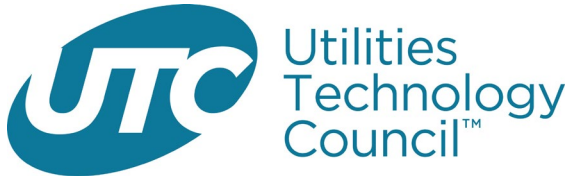
2550 South Clark Street | Suite 960 | Arlington, VA 22202
202.872.0030 Phone | 202.872.1331 Fax
utc.org | networks.utc.org

increasingly prevalent. Given what utilities have accomplished with broadband already, an increasing number of both federal and state policymakers view electric utilities as a natural fit to further engage in broadband deployment efforts.

The Rural Digital Opportunity Fund (RDOF) represents a significant opportunity for funding to help offset the high cost for utilities to deploy broadband in unserved areas. The RDOF will be critical to help fund and expand broadband services to unserved communities throughout America, as it will prioritize funding to projects that provide faster speeds and lower latency, and during the reverse auction, the FCC will immediately assign support in the clearing round to the bidder with the lowest performance tier and latency weight instead of, as was done in the CAF II auction, carrying forward all bids at the base clock percentage for the same area for bidding in additional clock rounds. This will invest federal funding wisely in future-proof projects capable of meeting increasing consumer expectations on a cost-effective basis. Additionally, this will also avoid investments in technologies that become obsolete and must be replaced.

While a significant number of electric utilities are working diligently to participate in this once-in-a-generation funding opportunity, as many utilities plan to invest funds from RDOF to offer fiber-to-the-home services at affordable prices, some challenges remain. For instance, RDOF rules should ensure that only proven broadband technologies can bid for these critical dollars. Questionable claims about the technical capabilities of certain broadband services and coverage in eligible areas for RDOF must be appropriately examined and scrutinized by Federal Communications Commission (FCC) staff; and other areas that are funded using ReConnect loans and/or other federal and state broadband programs to provide 25/3 Mbps services should be eligible for RDOF dollars. Lastly, with the necessity for access to broadband being reinforced by the ongoing pandemic, the FCC and this Committee should work to ensure that the RDOF auction remains on schedule and funding is awarded on an accelerated basis where possible.

As a trend, an increasing number of investor-owned utilities (IOUs) are entering into creative partnerships with regional and local broadband providers, and even electric cooperatives, to bring high-speed internet to unserved and underserved areas. Appalachian Power and Dominion Energy in Virginia, along with Southern Company in Alabama and Entergy in Mississippi, are excellent examples of these partnerships. Importantly, these electric utilities are installing fiber in rural areas to help transform and upgrade the electric grid for operational needs, and to support the use of new smart grid technologies, while simultaneously making it economically feasible for other providers to offer retail broadband services in unserved areas. As this Committee continues to work through solutions to close the rural digital divide, UTC urges members to consider how investor-owned utilities, as well as electric cooperatives and public power utilities are partnering to provide broadband. Grid modernization and rural broadband efforts are complementary, and when possible, should not be compartmentalized in silos.



2550 South Clark Street | Suite 960 | Arlington, VA 22202
202.872.0030 Phone | 202.872.1331 Fax
utc.org | networks.utc.org

Perhaps most traditionally and obviously, utilities empower broadband by providing telecommunications carriers and cable television operators affordable access to utility poles. Utility poles are essential to delivering reliable and affordable electricity to everyone in the country. Many, if not all, of these poles carry cable, broadband, and other services. However, evidence suggests that reducing pole-attachment rates has 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, “[n]o persuasive evidence was submitted in this proceeding that proved lower pole-attachment rates would directly result in additional broadband deployment.”¹ Therefore, the Committee and the FCC should develop deregulatory approaches that encourage voluntary access to utility infrastructure by telecommunications carriers and cable television service operators, which will in turn accelerate broadband deployment.

UTC once again thanks the Committee for holding this important hearing and appreciates the opportunity to submit this statement. 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. 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%40m01!.PDF>