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**before the Subcommittee on Communications, Media, and Broadband
on
Ensuring Solutions to Meet America’s Broadband Needs**

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Good morning, Mr. Chairman and Members of the Committee. My name is Michael Powell, and I am the President and CEO of NCTA – The Internet & Television Association. It is a privilege to appear before you to discuss our efforts to ensure that all Americans have access to reliable, high speed broadband services.

The cable industry is proud of its role in delivering high-speed broadband to America. We have invested hundreds of billions of dollars over the past three decades, but there are areas that remain economically hard to reach due to many factors, including their remoteness, challenging terrain, and low density. In the shadow of the COVID crisis, Congress attacked this problem by appropriating unprecedented levels of funding. These resources will be administered through a variety of federal, state, and local agencies, with the goal of closing deployment and adoption gaps, and getting all Americans connected. Working in private-public partnerships, this funding presents a once-in-a-generation opportunity to overcome the economic obstacles that have limited network expansion in rural, high-cost areas and to address the issues that slow broadband adoption.

These programs offer great promise, but there are substantial challenges in effectively administering this complex effort. Success will require sharp focus and resolve to direct resources where they are most needed. Past attempts have often failed because resources were mistargeted, or poorly administered by both government agencies and ineffective providers. We

cannot allow that to happen this time. Congress's continued oversight of the programs that disburse this massive expenditure is essential if we hope to celebrate closing the digital divide in years to come. This hearing is a welcome start.

NCTA is deeply committed to this mission. Working cooperatively with the government, we will do everything in our power to achieve Congress's goal of reaching every community and citizen with robust, high-quality broadband service. Accomplishing this mission requires policies that address three critical objectives:

- 1) Encourage significant private investment in the construction of next generation networks, including government action to remove barriers that slow deployment such as permitting delays and pole access;
- 2) Target government funding to areas that are unserved. Experience shows that support is often siphoned to areas that are more economical to serve and already have broadband, leaving too many communities still waiting for internet access. Public spending is essential to overcoming geographic and economic barriers that leave unserved communities on the wrong side of the gap; and
- 3) Promote broadband adoption. This challenge is two-fold: (1) we need to effectively offer financial support to low income communities, and (2) work with experienced community organizations to raise awareness of available support and teach digital skills to those who have access to broadband, but don't subscribe.

Let me now address each of the components in a bit more detail.

Cable's Private Investment Enabled the Widespread Deployment of Broadband Networks, But Obstacles to Reaching Some Communities Remain

NCTA members lead the nation in building best in-class broadband networks in rural counties and urban cities throughout the United States. Fueled by private capital, cable

broadband networks connect 82 million broadband households. More than 90% of American households have access to cable high-speed broadband—including 55% of rural homes—and NCTA’s members are committed to reaching many more. This year, and every year, cable spends between \$17 and \$19 billion to deploy fiber-rich broadband networks in diverse areas across America. These networks are high-speed, high quality, and highly reliable connections that empower consumers to participate fully in the internet ecosystem.

Networks are not static, and cable has continually pushed the leading edge. Gigabit networks were the exception in 2016 when only 4% of homes had access. Today, only 6 years later, our members offer 1-gigabit plans to 96% of homes where we offer broadband service. Already, the industry is opening the next frontier with its “10G” initiative—a plan to deploy ultra-high-speed multigigabit symmetrical connections to consumers in the near future.

These investments proved indispensable in meeting the unanticipated and unprecedented COVID 19 threat. No one ever anticipated a situation where virtually every citizen was at home relying on the internet to work, to attend remote school, and to entertain and inform themselves. This was the greatest stress test imaginable and the network and the men and women who kept it working passed with flying colors. Without decades of broadband investment, COVID could have been a devastating economic catastrophe.

It is also noteworthy that as we deal with new economic challenges, broadband continues to connect new subscribers and offer great value. While speeds have continued to increase, prices remain stable and have even decreased. In an economy that is seeing inflation in the range of 8%, broadband prices have barely risen, with the cost of entry plans, most popular plans, and top tier plans all decreasing over 20%.

All is not rosy, however, in deploying broadband. Broadband builders face significant obstacles in reaching many unserved communities. For example, the categorical exemption of certain pole owners from the mandates of the Pole Attachment Act has outlived its usefulness and only serves to impede the extension of broadband networks into rural and unserved areas. All utility pole owners should be required to provide timely and non-discriminatory access to poles, ducts, conduits, and rights-of-way, at non-discriminatory rates. Without timely access to all poles, it will be incredibly difficult—if not impossible—to reach the Administration’s stated goal of reaching 100% of currently unserved families and small businesses by 2030.

Similarly, broadband deployments that cross federal lands are frequently stymied by slow permitting processes. Federal approvals are also required for many federally funded broadband projects and often delay deployment. These problems are significant in rural areas, particularly in western states which encompass a lot of federal land. A recent letter from members of this Committee to the Secretaries of the Interior, Agriculture, and Commerce detailed this concern and called upon the Secretaries to streamline permitting on federal land. In fact, streamlined permitting procedures for access to all public rights-of-way would help accelerate broadband deployment everywhere.

Cable is proud of its record building broadband throughout the country. Of particular pride is our commitment to offering equal access to our infrastructure throughout our service areas. Cable gigabit networks in urban areas are deployed as equally in low-income areas as in higher income ones. And importantly, there is virtually no difference in gigabit service availability based on race or ethnicity. The industry is committed to ensuring and improving equal access for all our citizens regardless of income, race, ethnicity, color, religion, or national origin.

Well-Managed Federal Programs Are Essential to Ubiquitous Deployment

Congress has taken the most important step to closing the digital divide by allocating enormous resources to the task, but money alone will not produce a successful outcome. Success will require disciplined execution. Holistically, this effort involves over 100 programs administered by a dizzying array of government agencies. A lot can go wrong. It is imperative to keep a number of known risks front of mind.

1. Resources fail to go to the neediest areas first.

Unserved communities lack broadband for one reason above all others--they are prohibitively expensive to serve. The cost of deploying infrastructure over expansive, difficult terrain is exponentially higher than other areas. At the same time, the revenue to offset those expenses is inversely less where fewer people and businesses reside. Government funding is essential to offsetting these dynamics and incenting companies to build. Yet, there will be many forces that prefer to spend these limited resources in towns and communities with better economics, where broadband already exists. This is a fatal error that has been repeated many times in past programs, leaving the unserved still hungry for their first taste of broadband. In many of its programs, Congress has made clear that its focus is on unserved areas. To meet these goals, it is critical that implementing agencies distribute funding as intended with focus, rigor, and discipline.

Precise targeting will be important. The FCC's first draft of new broadband maps is an excellent start, but we will need to continually refine them and faithfully and consistently use them as an authoritative source across many programs if we want good results.

2. Inadequate Coordination

As mentioned, there is a lot of money being distributed by lots of different agencies with lots of different criteria and rules. Consequently, there is a serious risk that poor coordination and disharmony in the terms and conditions of these programs leads to confusion, delay, waste and poor results. Congress and the Administration should continually seek to harmonize the constellation of broadband programs to ensure efficiency in reaching our goals.

3. Policy Creep and Added Cost

The economic equation of unserved areas is fragile. Adding even a little additional cost or reducing available revenue can destroy a viable model for serving a new area, driving providers to drop plans to enter. There are a bottomless number of contested policies and regulations that many would love to layer on to this program. Already, we see efforts to introduce forms of rate regulation, open-access requirements, buy American provisions, and labor rules. Whatever the merits, many of these efforts will prove distracting and worse add costs to serving areas that are already too costly. This is counterproductive to the bipartisan objective of opening the purse to solve the digital divide.

4. Failing to Measure Success and Inviting Waste, Fraud and Abuse

How successful the broadband funding programs are at building new networks will depend on which projects receive approval and the quality of provider selected to get the job done. It is imperative regulators use clear, measurable selection criteria and effective accountability and tracking processes. What you cannot measure you cannot manage well.

Ambiguous criteria, poor controls, and grants to inexperienced providers will, as it has in the past, lead to a great deal of waste, fraud, and abuse. Transparency is particularly critical, because we will need to enlist a large community to watch for and discover problems. The huge

pot of money on the table will attract less than honorable efforts to get it, without advancing the goals for which it was intended. In addition, there will be countless new companies formed to enter these markets who will be well-intended but who lack the experience, long-term resources and staying power to successfully complete and maintain these expensive broadband builds. The grant programs need guardrails that ensure weak providers with low probabilities of long-term success are not excessively favored over companies with a proven track record of building and operating networks.

NTIA, Treasury, and USDA are working hard to distribute these funds in an effective and responsible fashion, and they have been open to our input on how to implement the programs most effectively under their stewardship. But we recognize that there is always room for continued improvement in the administration of complex government funding programs. To that end, NCTA supports efforts such as Senators Thune, Luján, Klobuchar, and Fischer's introduction of the Rural Internet Improvement Act, which would reform the Department of Agriculture's Rural Development broadband programs, enhancing provider participation and helping broadband reach more Americans.

Broadband Adoption Requires Collaboration Across Sectors

While the prospect of improving access is exciting, ensuring all Americans are connected requires more than attention to infrastructure gaps. Broadband access without widespread adoption is like the proverbial falling tree in the forest that no one hears. Cable operators have long been leaders in offering special programs for low-income households so that they can fully participate in the economic, educational, and social life of our society.

Over the last 10 years, programs like Comcast's Internet Essentials, Charter's Spectrum Internet Assist Program and Cox's Connect2Compete have provided affordable and accessible

internet to more than 14 million consumers. More recently, in response to the pandemic, NCTA members restructured and expanded their programs to respond to increased need. Charter Communications, for instance, launched programs to provide free internet and Wi-Fi access for 60 days to households with students or educators. Similarly, Cox participated in Nevada's Connecting Kids coalition which successfully reached and connected every K-12 student in the state by January 2021. Another NCTA member, Mediacom, partnered with Des Moines Public Schools to share the cost of internet access for families in need.

NCTA members were also day one participants in both the Emergency Broadband Benefit and the Affordable Connectivity Programs, enabling eligible customers to use government subsidies to offset the price for broadband service. Indeed, many broadband providers including Comcast, Charter, Cox, Mediacom, and Midco have gone a step further by voluntarily offering a robust broadband service with at least 100 Mbps that is fully covered by the monthly \$30 ACP subsidy. In short, eligible subscribers will get high quality broadband for free.

Commercial providers, however, cannot make satisfactory progress on adoption alone. NCTA and its members embrace the critical role played by experienced community organizations and trusted digital navigators. They are best positioned to help identify non-adopters and to assist in overcoming adoption barriers. Our companies are working with nonprofits and other organizations to engage in community outreach, to build digital skills, and to highlight the value of broadband technology. Additionally, cable providers have recognized the importance of digital literacy—investing \$650 million since 2011 in digital literacy and training efforts.

NCTA recognizes that having a high-speed broadband connection at home opens up a world of opportunity. We are encouraged by the collaborative spirit that has launched our renewed focus on getting all Americans connected to the internet. And further, we welcome the continued interest of this Committee and other policymakers in keeping this effort on track toward a day when we can finally realize our national commitment to universal broadband service.

Thank you and I am happy to take your questions.