

## Statement for the Record

on behalf of the  
National League of Cities, National Association of Regional Councils, and  
National Association of Telecommunications Officers and Advisors

Before the House Energy and Commerce Committee, Subcommittee on  
Communications and Technology

*“Closing the Digital Divide: Broadband Infrastructure Solutions”*

January 30, 2018

Thank you, Chairman Blackburn, Ranking Member Doyle and Members of the Subcommittee for the opportunity to submit a Statement for the Record to share the local perspective on how the federal government can partner with cities to close the digital divide in all our communities, both rural and urban. We are pleased to offer our suggestions for policy proposals for inclusion in an infrastructure package, and we encourage you to take advantage of the expertise offered by local officials as you work on future infrastructure legislation.

The National League of Cities (NLC) is the oldest and largest organization representing cities and towns across America. NLC represents 19,000 cities and towns of all sizes across the country. The National Association of Regional Councils (NARC) represents metropolitan planning organizations, councils of government, and other regional planning organizations throughout the nation. NATOA’s membership includes local government officials and staff members from across the nation whose responsibility it is to develop and administer communications policy and the provision of such services for the nation’s local governments. As local leaders, our members work with members of the telecommunications industry to increase broadband access in their communities, while actively preserving and managing public property such as the rights of way for all users, current and future.

Broadband access is no longer a luxury – it is a necessity for communities and families to participate in the 21<sup>st</sup> century. We appreciate the Subcommittee’s attention to this issue, as we work with our private, state, and federal partners to provide the remaining 10 percent of Americans, including 39 percent of Americans living in rural areas, with access to the Federal Communications Commission’s benchmarked 25 Mbps/3 Mbps service.

Local governments are already working diligently to close the digital divide. In some areas across the county, local governments are building out their own broadband networks to serve the needs of their constituents. Some communities are seeing the establishment of public-private

partnerships to deploy broadband and keep services at a price everyone can afford. Others are taking on the challenge with local and regional economies as their primary motivator – building fiber infrastructure for businesses to encourage new tech-related local commerce and enable them to compete globally.

All these initiatives highlight one idea: one size does not fit all. A broadband deployment strategy that works in one community is not guaranteed to work in another. Each community has its own infrastructure needs and relationship with private investors and capital. That is why we implore you to include the local government voice as you consider these bills – the voice of those that know the current capabilities and necessities best – to continue improving broadband access across the United States.

**As Congress works to craft a comprehensive infrastructure legislative package, there are four major challenges facing local governments as we work to close the digital divide:**

- **Preemption of local authority** – In many states, local governments are prevented from fully negotiating with providers to prevent redlining or ensure service offerings to vulnerable residents. In addition, local governments interested in offering a wholly or partially publicly-owned broadband option to residents are often preempted from doing so, even when no private competitor exists.
- **Digital redlining** – Even in urban areas, pockets of neighborhoods still exist which lack the necessary infrastructure for a true in-home broadband connection. As leaps in technology move wealthy neighborhoods ahead, some neighborhoods are being left further and further behind.
- **Lack of rural buildout** – Rural communities are often the last to receive technological improvements, due to the great expense of covering many more miles per customer. In some communities, it may never be profitable for a private company to offer broadband at competitive rates.
- **Affordability** – Even in neighborhoods with broadband infrastructure, high rates can keep families from getting and maintaining a subscription. Increased housing, medical, and educational costs make it difficult for many households to budget for broadband, despite its importance.

**To address these challenges and ensure all Americans benefit from the potential of connectivity, we call on Congress to pass legislation that will:**

- Continue to recognize local governments as a key player in creating and incentivizing broadband deployment.
- Support the efforts of localities to work creatively with stakeholders to solve local broadband issues, including the right to build and retain their own public broadband networks.
- Increase federal funding targeted at unserved *and* underserved communities to ensure that all Americans have access to true broadband internet, through programs such as the U.S. Department of Agriculture’s Rural Utilities Service, the Universal Service Fund, and others.

- Encourage public-private partnerships to take some of the financial burden off local governments to build out infrastructure.
- Establish new grant programs that will distribute federal funding directly to local governments to support broadband planning and deployment.
- Increase funding for Community Development Block grants and Choice Neighborhoods grants, so that local governments can allocate funding for broadband planning and deployment alongside affordable housing and neighborhood improvement projects.
- Increase the financial viability of middle- and last-mile broadband infrastructure investment with dig once policies for inclusion of conduit or dark fiber in federally-funded infrastructure projects.
- Ease the entrance of additional competitors in existing broadband markets with climb-once policies to reduce the time needed to deploy wires on existing poles.
- Update and maintain available data for community leaders and broadband providers on the availability of broadband in all neighborhoods, as well as the existing infrastructure that can be used to encourage collocation of new infrastructure.

Local elected officials remain concerned about federal “streamlining” legislation or regulations that would remove local processes, local fees, and historical and environmental protections. These proposals would preempt local authority over rights of way and other public infrastructure assets that do not belong to the federal government. Moreover, these “streamlining” proposals do not address the root of the problem of why investment in rural areas and urban broadband deserts is lacking. These communities, whether they be sparsely populated or low-income, do not provide a return on investment that private businesses are looking for to build, and granting those businesses subsidized access to local public property, with no corresponding obligation to serve those communities, will not change that financial calculus it would simply grant a windfall to private shareholders at taxpayers’ expense.

Therefore, the federal government should instead be focusing its efforts on finding a solution to this underlying problem to jump start private financing. This may include incentivizing investment in rural areas and urban broadband deserts to attract private capital. Regulatory streamlining in profitable areas will never be a true substitute for direct investment in underserved areas.

In conclusion, local governments remain motivated and willing partners with private business and state and federal government to build a robust national broadband infrastructure network that meets all Americans’ economic, educational, health, and recreational needs, and supports the development of smart cities and new technologies. We support federal efforts to increase investment in broadband and ease the deployment of new infrastructure. We oppose any effort to undermine local authority over public assets or reduce the obligations of broadband providers to be good citizens to the communities in which they serve.

We thank you again for your attention to the American digital divide and for the opportunity to express our local perspective on the issue. As you continue to consider the broadband bills in your committee, we urge you to support the work happening at the local level by passing legislation that will continue to help fund, incentivize, and provide data to local stakeholders working with limited resources to connect the entire nation. We look forward to working with

you on an infrastructure package that will promote broadband planning and deployment in our most underserved communities.

Sincerely,



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