

TO: Members of the 118th Congress

FROM: USTelecom—The Broadband Association

RE: Agenda 2023: Making the Most of America's Broadband Opportunity

Congratulations on your election to the 118th Congress. Across the many challenges facing our nation—from inflation to education, health care to social and economic divisions—meaningful solutions hinge on the ability of every home and business to connect to affordable, high-speed broadband. We ask that you consider USTelecom and our members as trusted resources and committed partners in achieving the shared goal of connecting every home and business to broadband's many opportunities.

Each year, broadband providers invest billions in our nation's connected infrastructure. As a result, American broadband is a model of security, efficiency and affordability. Our ongoing capital investments, \$86 billion in 2021 alone, together with recent federal investments included in the Infrastructure Investment and Jobs Act (IIJA), have the potential to finish the job of fully connecting our nation—if we work together to make the most of this historic moment.

Our nation stands at a connectivity crossroads. Our collective leadership over the next two years will play an outsized role in shaping what comes next for our information economy and connected lives. While the promise of ubiquitous broadband is within reach, the success of this endeavor hinges on critical factors that require us to roll up our sleeves and do detailed work together.

To advance this work, USTelecom's Agenda 2023 below outlines a concrete set of common sense actions that can be taken by Congress now to invigorate and accelerate efforts underway to maximize America's broadband opportunity.

Again, congratulations on your election and willingness to serve the American people as part of this historic Congress.



Jonathan Spalter

Invest Federal Infrastructure Funds Wisely

Congress and the Administration made history with the passage of the bipartisan Infrastructure Investment and Jobs Act, which commits \$42.5 billion of federal funds to partner with broadband providers to connect unserved and underserved people and businesses. Combined with the **\$86 billion¹ of their own capital that broadband providers invested in 2021** alone, we have a real opportunity to finish the job of achieving universal connectivity. As the Department of Treasury, the National Telecommunications and Information Administration (NTIA) and state broadband offices move forward, we must ensure that program rules reflect Congress' intent to put resources into the hands of qualified partners who have a proven record building and maintaining these complex networks. Congress should stay closely engaged with the Administration and states to safeguard this vision for maximum program effectiveness.

- ▶ Conduct appropriate oversight to ensure grant recipients are properly vetted to ensure they have the resources and technical ability to complete complex infrastructure projects.
- ▶ Pass federal legislation to help ensure timely infrastructure permitting.
- ▶ Ensure well-intended Buy America provisions do not inadvertently impede deployment amid complex and protracted supply chain constraints.
- ▶ Encourage a process that advances affordability and digital inclusion alongside the need for financially sustainable deployment of high-quality networks.
- ▶ Ensure government agencies coordinate deployments based on the FCC broadband maps, so funds prioritize closing the connectivity gap for unserved and underserved locations.

Advance Broadband Affordability

While inflation has increased, the average price for broadband continues to drop. **Consumers spend, on average, \$45 per month for broadband service, down 14% from 2021-2022.²** The average price for the fastest broadband speeds also is down more than 10% over this same period. In sharp contrast, consumer sticker shock grew for other essential goods and services, with grocery bills rising by 8.5%, health insurance by 6.1%, and rent by 4.4%. While most customers enjoy faster speeds and lower broadband prices, those struggling financially need additional assistance. The Affordable Connectivity Program (ACP) was launched and funded by Congress to help low-income households pay for internet service. More than 1,300 broadband providers participate in the program, with approximately 15 million households so far receiving what amounts to low- or no-cost internet. While the ACP has proven successful, funding could run out before the end of 2023.

- ▶ Deliver in the 118th Congress a permanent ACP that makes broadband a permanent part of the modern social safety net for low-income families.
- ▶ Double down on digital skilling investments in community-led projects that help those who remain offline connect with broadband's many resources and opportunities.

Reform Universal Service

Millions of rural Americans count on the Universal Service Fund (USF) to make their connection to high-speed internet possible. USF represents the nation's commitment to helping broadband providers overcome the otherwise prohibitive cost of deploying expensive infrastructure across vast yet sparsely populated areas. As the nation prioritizes bringing the networks of the future to every home and business—and sustaining and upgrading them over time—determining the future of USF is imperative. Unfortunately, its outdated funding structure—tied to the dwindling number of landlines—is unsustainable and regressive.

- Congress should work with the FCC to expand the base of USF contributors to include the greatest beneficiaries of high-speed networks, the giant internet edge providers and platforms, which should also responsibly and accountably contribute to the national goal of connecting the unconnected.

Support the Public-Private Cybersecurity Partnership Model

America is the #1 target in the world for cybersecurity threats—from global criminal enterprises that prey on our most vulnerable to nation-state adversaries who wish our country harm. The velocity, frequency, and intensity of these are increasing around the world, and governments are looking to industry as partners in maintaining effective, agile defenses. Cross-sector efforts to advance voluntary and collaborative engagement with governments and other partners are key to identifying and thwarting cyber threats.

- Make clear your support for a strong public-private cybersecurity partnership where government and industry work side by side to keep U.S. networks safe and secure.

Privacy

Whether connecting with their broadband provider, shopping or searching online, or doing anything in between, consumers deserve one high standard of protection for their privacy. Yet legislation to affirm this fundamental principle of a modern online world remains elusive. We need a meaningful federal privacy framework that protects customers and outlines a clear set of privacy principles that will deliver consistent protections across the country.

- The 118th Congress should build upon the bipartisan constructs of the American Data Privacy and Protection Act (ADPPA) and deliver consistent privacy protections for consumers—and uniformity and clarity for all entities connecting with them online.

Maximize the Impact of Community Broadband Grants

Under current law, all broadband grants, including those in the IIJA's Broadband Equity, Access and Deployment program and the American Rescue Plan Act's (ARPA) Capital Projects Fund, must be treated as taxable income. Without timely Congressional action, as much as \$1 in every \$5 flowing to communities for infrastructure must be diverted back to Washington to the IRS. Congress should act quickly to make clear these federal resources should remain in the communities they seek to serve—rather than be taxed back to Washington.

- ▶ Congress should eliminate the tax on broadband grants as soon as possible to ensure BEAD and ARPA projects are fully funded and can meet the buildout goals envisioned in the IIJA.

The Bottom Line

It will take an all-out effort across public, private and community-led organizations to achieve our shared national objective of affordable and secure high-speed internet for every U.S. home and business. The nation's broadband providers can't stop and won't stop until the job is done. We look forward to working with you to redouble our collective work to be diligent, methodical and relentless in pursuing this critical national objective.

ENDNOTES

1 America's Broadband Providers Invested \$86 B In Networks In 2021, USTelecom, July 18, 2022; available at: <https://www.ustelecom.org/2021-infrastructure-investment/>

2 2022 Broadband Pricing Index, USTelecom, June 29, 2022; available at: <https://www.ustelecom.org/research/2022-bpi/>