



JONATHAN SPALTER
President and Chief Executive Officer

March 12, 2019

Honorable John Thune
Chairman
Subcommittee on Communications, Technology, Innovation and the Internet
U.S. Senate Committee on Commerce, Science, and Transportation
511 Dirksen Senate Office Building
Washington, DC 20510

Honorable Brian Schatz
Ranking Member
Subcommittee on Communications, Technology, Innovation and the Internet
U.S. Senate Committee on Commerce, Science, and Transportation
722 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Thune and Ranking Member Schatz:

Thank you for holding today's Communications, Technology, Innovation and the Internet Subcommittee hearing examining "The Impact of Broadband Investments in Rural America."

USTelecom represents internet service providers (ISPs), suppliers and manufacturers in every corner of the country. Our innovative members – large and small – connect communities through the promise of broadband and underpin the global digital economy.

Delivering broadband to sparsely populated rural areas is costly, requiring significant capital expenditures. ISPs have invested more than \$1.6 trillion over the last two decades building our nation's world-leading digital infrastructure. As a result, deployment to rural households is up 71 percent over the past 10 years alone.

Indeed, USTelecom members are contributing to this world-class infrastructure with new rural fiber deployment and speed upgrades underway in communities across America.

The private-led investment model works well for projects in reasonably populous areas, but barriers arise as economies of scale dissipate. For example, capital investment in rural areas for laying fiber optic cable is on average 4.2 times higher than suburban areas. When you combine the substantial costs of laying fiber across a vast geographic area with a limited number of customers, an often times challenging terrain, the private sector cannot do it alone.

Government support mechanisms in the telecommunications industry and other infrastructure contexts, such as the Connect America Fund, remains essential for network providers to meet deployment challenges in the hardest to reach and highest cost areas. To close the digital divide, however, targeted government funding programs are necessary to bring these modern networks to unserved communities. This funding should not support duplicative networks that overbuild another provider's existing broadband infrastructure.

As we continue the sprint toward next generation communications networks, your continued leadership on a policy framework that spurs investment, innovation, and deployment will help make modern and reliable internet connectivity a reality for all Americans – no matter their zip code.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Spalter". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jonathan Spalter

Cc: Honorable Roger Wicker
Honorable Maria Cantwell