REMARKS OF JONATHAN SPALTER PRESIDENT & CEO, USTELECOM MARCH 15, 2023

I'm trying not to read too much into Rick's invitation to join you on this particular day, which just so happens to be the Ides of March, when Julius Caesar was assassinated more than two thousand years ago. The Senators who did the deed were so proud of themselves they issued a commemorative coin marking the event. I guess that's what you could call a pre-internet NFT. So, if you're dispirited about the tone and tenor in our country and on Capitol Hill, things really could be worse.

But things can also get better...so very much better...for every person in this country...if we get the tech—and the tech policy—right. That's what I'd like to talk about today.

This is a moment steeped in optimism about our connected future. There are many opportunities to join forces—across government, industry and community organizations. Collectively, we can get big things done.

Our current project is to achieve connectivity for all. And, according to the Infrastructure Investment and Jobs Act timeline, if we all hit of our marks, that goal could be achieved by the end of this decade.

The question I'd like to pose today is this: We have always seen universal connectivity as the end goal. But what if it were a new beginning?

There is plenty of near-term work to be done now. We know that. But it's not too early...nor is it overkill to begin important long-term policy planning. We must ensure when we achieve universal connectivity, we have in place the policy architecture that will guarantee that universal, affordable, equitable access is a permanent part of the daily fabric of everyone's lives.

This will always be a moving target that requires a sustained commitment from us all.

Our immediate focus is extending the infrastructure to everyone, but these networks will continue to advance and evolve. Mathematicians know this as an asymptotic equation. It is a continual, iterative process. Driving towards infinity. We take strides and cut the distance in half to our goal...bringing us closer. We cut the distance in half again...even closer. But as we progress, so do the goalposts.

We want a policy framework that keeps bringing our connected nation along.

And, things move fast. The end of the decade is seven short years away. Think about how much has changed in the last seven years. The FCC had just upgraded the definition of broadband to 25/3 from 10/1. Looking just at the accelerations in quantum computing and artificial

intelligence, it's mind-boggling to think where we might be just seven short years from now. But our job is not to predict. Our job is to create an environment in which innovation, progress and new technological beginnings can flourish for everyone.

Making the Most of the Current Opportunity

So, let's break that down...starting with the here and now.

As BEAD funding allocations are announced this summer, state broadband offices will be in the pole position...tasked with the all-important job of translating broad national commitments into specific on-the-ground projects. A few things need to happen to help:

First, Congress can kick us off by immediately passing legislation to eliminate the counterproductive tax on broadband grants. One in every five dollars should NOT be clawed back to the general fund of the Treasury. This is basic common sense. Every dollar Congress committed for broadband infrastructure should go to broadband infrastructure, full stop.

Also, funds need to flow to qualified bidders with a proven track record of success. This is not the moment to experiment. We've done that in the past. And it doesn't end well—for the millions of un- and underserved Americans who need this program to work ... or for taxpayers footing the bill.

If your heat goes out in the dead of winter, I won't take offense if I'm not the first or even thousandth person you call. You want an HVAC expert. The same is obviously true for broadband infrastructure.

Does your partner have the experience, the financial resources, the technical know-how and round-the-clock capacity to ensure these networks are built, maintained, repaired and secured for the long haul?

Fortunately, we see a new model emerging ... and working ... where local governments and private partners join forces...each playing to their respective strengths. One of our members, Ritter Communications, just completed work in Stuttgart, Arkansas... population 8,056... upgrading the city to an all-fiber network. I was in Cincinnati yesterday with altafiber's leadership who just announced a partnership with Butler County, Ohio, to bring gigabit high-speed broadband to 60,000 new addresses with an aim to get 100% of Butler County's residents fiber-based internet in the next two years. Consolidated Communications is forging partnerships with communities across New England, bringing fiber to 1.6 million homes and businesses by 2025.

Hunter Communications has partnered with the Hoopa Valley Tribe in California to bring high-speed Internet to unserved and underserved residents, and they've created a workforce training program so Tribal community members can gain the skills necessary to maintain and operate broadband networks.

These partnerships work, and we're seeing them replicated by innovative broadband providers and government partners across the country. Local leaders help identify the need and remove barriers...expediting permits and otherwise clearing a path for the engineers and technicians to do their job.

And that's what USTelecom's broadband providers are doing every day, building ever stronger and more resilient networks bringing gigabit speeds today — with their boots on the ground, and their trenching equipment in the ground. The companies I represent have been at the forefront of fiber deployments in this country and we've been among the ONLY ones out there actually connecting rural America. I am extremely proud of the hard work our members do every day to connect their communities.

So, there are many opportunities for each of us to make a difference as we lay the foundation for the future. At the Administration, in Congress, in state broadband offices, in local communities, across broadband companies...we need to continually ask: does this action advance our shared objective? Will this decision help clear a path for universal connectivity? Or will it delay or deter our collective progress?

And, as we all know, achieving true universal connectivity will be more than a feat of engineering. We also must address digital equity. You know, the movie Field of Dreams had it wrong: if we build it, there's no guarantee everyone will come. We can have the best infrastructure in the world, but if people can't afford it, if they don't have the tools to use it, then we come up short in our nation's connected aspirations.

Fortunately, we know the levers we need to pull.

Congress needs to continue the Affordable Connectivity Program. In its 14-month existence, the ACP has proven a runaway success. It's connecting 16 million low-income households and counting... to all the internet makes possible. Yet the ACP could run out of funds as early as this year. Which is why Congress needs to step in now to affirm its commitment to connecting low-income households.

We also need to build on the IIJA's commitment to digital inclusion initiatives. Congress is rightly steering those resources to nonprofits with a community presence. USTelecom members have been working with these trusted partners for years...creating centers to support virtual learning, ...launching STEM programs for K-12 students in underserved communities...and developing reskilling programs to train workers for careers in tech.

We Need to Look to the Horizon (and Start Planning Now)

...So, what else do we need to work on now to ensure ubiquitous connectivity remains a permanent feature of American life?

...With IIJA we are 'thinking big,' but there is also a need for the future...to take a page from Steve Jobs' iconic ads... and 'think different.'

What does a post-universal connectivity America look like, and what is the policy framework—the working model of how the public, private and community organizations advance together in unlocking opportunities and making the most of what's possible?

This involves at its core a modern, pro-investment framework that encourages the leading driver of broadband network innovation in this country – the \$80 billion or so of investment by broadband providers each year – to continue to flow.

But in the most remote, hardest-to-serve areas, an ongoing partnership will continue to be necessary. This means a sustainable Universal Service Fund with a sustainable funding formula.

There is a global conversation going on right now on something that is called "fair share"; it's the principle that a handful of dominant internet platforms benefitting most from global efforts to connect everyone should responsibly, accountably – and fairly – share in some of those costs. We see governments around the world looking at these issues... including the EU which has a proceeding underway...and our own Congress, which is considering legislation.

To put this in perspective: the leading edge platforms...just six companies...generate half of all global internet traffic ... and have a combined market cap of about \$7 trillion.

It's time we had real conversations about these companies finally stepping up to the collective cause of universal connectivity alongside everyone else.

Yes, the politics are daunting. But if we focused solely on what could get done, then very little would ever get done.

It's time to not only think big...but to think different.

This also means finding fresh ways to shed our skin and build forward-looking policy squarely rooted in a completely and utterly transformed technology landscape.

As an industry, we are all in on the American broadband project ... 86 billion dollars invested in our networks in 2021 alone. While prices for goods and services across the board have been steadily increasing, broadband prices are actually beating inflation, delivering more value and faster speeds to consumers.

But we know that past performance is not predictive of future outcomes.

From Congress to the FCC to state and local governments, we need modern approaches that have all of us pulling in the same direction—forward, rather than regressing to the same old dog-eared regulatory playbook generated on a dot matrix printer. Cases in point: We still have policies on the books that make it hard to transition from aging coper networks. We still have permitting backlogs that delay broadband builds not just by months but in some cases years. Does that still make sense? Does it advance our connected future?

Modern, flexible policy frameworks give us our best opportunity to continually reach for the moonshot of ever stronger, more capacious, affordable and inclusive connectivity. This means partnership-based policies that transcend the tired passion plays that keep us stuck in a 'rinse and repeat' policy cycle.

And, we have good models for how to do that.

Robocalls for example. They are consumers' #1 complaint at the FCC. This makes it a top priority for broadband companies who want to keep our customers safe and secure. Our interests – government and industry – are completely aligned. And, we're making progress together. USTelecom's Industry Traceback Group is leading this effort, working closely with the FCC, state attorneys general and law enforcement.

The scams are continually evolving, but we are making real progress. Complaints are down 35% from a year ago... car warranty and student loan scams are receding.

Another example: Cybersecurity. Just like robocalls, this challenge continually morphs quickly and globally.

Earlier this month, the White House unveiled a new cyber strategy. I think its vision is both bold and broad. Our opportunity now is to work toward its implementation based on principles of collaboration, cooperation and partnership.

This formula is proven, and it works especially well in a dynamic, fast-changing technology landscape. The old models of top-down prescriptive regulatory mandates simply cannot produce cybersecurity solutions that are equal to our adversaries. Regulation is not the path forward; partnership is. We're game to roll up our sleeves and get it done right.

Next: Buy America. We ALL want to buy America. But we also want universal connectivity NOW, and the inconvenient truth is we simply don't have the domestic capacity to buy all of our network equipment at scale today. That doesn't mean—if we get to work now—we can't get there and stay there as a country by 2030. But we need to do the hard work today.

Conclusion

As I said, Broadband 2030 is seven short years away.

Our success in 2030 and beyond hinges on the work we begin now...delivering together a modern policy framework that fuels more participation in all that true universal connectivity can mean for every person in this country, while enabling the new generations of technologies that are sure to come.

I believe we know what those building blocks are today. And, I believe this moment requires us to work together to put them durably in place.

Without question, universal connectivity will be a monumental milestone for digital equity and opportunity. But the work of building a more perfect and connected union is never done. It's on all of us to work together to get it right.