



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

February 2, 2022

Senate Committee on Utilities, Technology and Telecommunications

Testimony on Senate Bill 365

Good morning!

Thank you Chair Bradley and committee members for hearing Senate Bill 365 (SB 365), which makes various changes to the broadband expansion grant program.

We have made tremendous progress in Wisconsin and with this progress comes the need to refine the Rural Broadband Expansion grant program and our efforts to continue expanding into the communities that need our support. The changes in this legislation, written with stakeholders, keep the grant program nimble so that we are reaching the truly unserved in Wisconsin.

SB 365 refines the Rural Broadband Expansion Grant Program to ensure it is in line with Wisconsin's changing technological landscape. Highlights of this bill include:

- Eliminating the “underserved” category to focus on truly unserved communities. It also redefines “unserved” to be areas without broadband delivered at speeds of 100 Mbps down and 20 Mbps up or less, which better matches reality and the actual expectations of consumers who are learning and working from home.
- Giving priority to expansion projects that have at least 50% matching funds.
- Giving priority to projects that offer speeds at 900 Mbps or greater.
- Creating a process for an internet service provider (ISP) in or near the project area proposed for a grant to challenge the award of the grant if the ISP currently provides service to the area or will complete construction of broadband infrastructure and provide broadband service within 24 months.

We have reached most of the low-hanging fruit. We are now at the point where we need to focus our funds on the hard-to-reach locations. This bill takes steps to focus our efforts.

In the last year, a tremendous amount of public funding for broadband expansion has been allocated to Wisconsin through several federal programs. This is on top of funding Wisconsin taxpayers have spent on the program and previous federal programs before the COVID-19 pandemic. In order to understand the breadth of broadband expansion investment in Wisconsin, I requested an analysis of both state and federal funding for broadband.

As of today, more than \$2.8 Billion has been allocated to Wisconsin for broadband. \$2.8 BILLION.

State funding and federal funds that are distributed through the state program account for approximately \$1.4 billion. State taxpayers have invested \$73 million through the broadband expansion grant program since fiscal year 2014. Federal coronavirus funds for broadband expansion account for approximately \$1.3 billion. This includes an estimated deluge of \$1.1 billion in the most recent Federal Infrastructure Investment and Jobs Act.

Again, we have billions and billions and billions for broadband expansion in Wisconsin. Our states' telecommunications companies are working hard – and quickly – to expand in Wisconsin. I will continue to work on this issue and dial-in state investments to reach unserved communities and expand broadband where we need it most.

Thank you again for hearing SB 365, and your timely action on the bill.



Public Service Commission of Wisconsin

Rebecca Cameron Valcq, Chairperson
Ellen Nowak, Commissioner
Tyler Huebner, Commissioner

4822 Madison Yards Way
P.O. Box 7854
Madison, WI 53707-7854

PSC Testimony on Senate Substitute Amendment 1 to Senate Bill 365 – Changes to the Broadband Expansion Grant Program February 2, 2022

Chairman Bradley and Committee members, thank you for the opportunity to testify on behalf of the Public Service Commission of Wisconsin (PSC) on Substitute Amendment 1 to Senate Bill 365 (SB 365), which makes several changes to Wisconsin's Broadband Expansion Grant Program. I am Matt Sweeney, the PSC's Director of Public and External Affairs, and I am here to testify for information on the substitute amendment. I am joined today by two other PSC staff: Kristy Nieto, Administrator of the Division of Digital Access, Consumer and Environmental Affairs and Alyssa Kenney, Director of the Bureau of Broadband, Digital, and Telecommunications Access, which houses the Wisconsin State Broadband Office. The PSC administers the Broadband Expansion Grant Program through the State Broadband Office in the Division of Digital Access and Consumer and Environmental Affairs.

As you know, the PSC is Wisconsin's independent utility regulator. It is the PSC's mission to ensure the delivery of safe, reliable, affordable, and environmentally responsible utility services and equitable access to telecommunication and broadband services.

While other utilities in Wisconsin like electricity, water, and natural gas are regulated, the provision of high-speed broadband internet is largely unregulated. In the context of this hearing, this means that broadband providers cannot be required to serve unserved areas, and where service is offered, the quality and standard of service is unregulated. If an area does not have access to broadband service, the residents and businesses have to wait until a provider decides to expand there or the current provider decides to improve the internet service to provide broadband. Broadband providers are reluctant to expand into areas where there are too few customers or if the area is more expensive and difficult to serve. The unfortunate result of these circumstances is that portions of our state and hundreds of thousands of our fellow Wisconsinites cannot access or rely on internet service, while many others have had access for decades.

In July 2013, the State Legislature created the Broadband Expansion Grant program to help meet the demand for improved broadband and encourage its development in Wisconsin's unserved and underserved areas by providing a grant to providers to help make up for that lack of return on their investment. Since the first grant round in 2014, the program has awarded \$72.5 million in grants including \$28.4 million awarded in March 2021.

The grant program has been incredibly successful. It has funded 268 projects that will add or improve broadband access to over 206,000 homes and over 20,000 businesses when

construction is complete. It has funded the construction of over 200 miles of middle mile infrastructure providing the needed resources for future expansion into an estimated 50,000 unserved areas of the state. That \$72.5 million state investment has leveraged an additional \$117 million dollars in private and local matching investment into our state's broadband infrastructure.

Much of the program's success can be attributed to how the State Legislature structured the program and placed it at the PSC. The PSC has special expertise to make decisions in the public interest based on complex information when it comes to utility construction projects and changing utility rates, among other things. Allowing three independent commissioners to use their best judgement to make grant award decisions ensures that the projects that are awarded these limited funds are in the public interest and are the best use of those dollars. Not everyone is going to agree with the PSC's decisions, but Commissioners have to look at the big statewide picture along with the individual virtues of each project and make those hard choices. This flexibility and ability to nimbly adapt and change as industry, coverage, and technology changes has been the basis for the success of the grant program.

The grant program gives our state the ability to fund the most viable projects that also coincide with the highest need areas. If providers will not expand to an area because the return on investment is not there, or if an area or project is not eligible to receive federal funding for expansion, or if barriers in state law are insurmountable for a community to provide broadband service to its own residents, our grant program can come in, fill that gap, and make sure that no one is left unserved.

The substitute amendment makes several changes to the Broadband Expansion Grant Program. I will highlight a few that this committee should give some serious thought to as the bill makes broad changes to the program, to the factors that drive the development of projects, and to who may or may not receive broadband funding assistance from the state.

Unserved Definition and Eligibility Criteria

The bill requires that eligible projects serve only unserved areas, which is redefined in the bill as areas where there is no service provided at actual speeds of 100 megabit per second (Mbps) download and 20 Mbps upload.

Under current law, for an area to be considered unserved, minimum upload and download speeds are tied to designations by the Federal Communications Commission (FCC). Current law includes an underserved definition, of fewer than 2 providers, as a backstop that protects against a number of unintended consequences of an unserved definition. The substitute amendment would remove the underserved backstop altogether and set the definition of unserved in state statute at a flat speed of 100 Mbps download, 20 Mbps upload. What was considered a minimum needed speed just a few years ago will not cut it with children learning from home and parents working from home today. What happens in another few years when speed needs to go up again due to rapidly changing industry technology and societal needs, and

areas with 100Mbps/20Mbps are not eligible? The Legislature would have to come back and make the changes again. Putting the minimum speeds for an area to be eligible as a flat Mbps value will quickly become dated and may prove to be too inflexible in the near future.

We should be concentrating on getting service to areas without broadband. But what if to get to an area that is unserved a project must build through a served area? Or what if a village has a provider that offers fiber service to the home but outlying areas have nothing? If a fixed wireless project wants to put up a tower to serve those outlying areas, and by the imprecise nature of the technology it might overlap into a small part of the fiber service in the village, would this project be ineligible? Would it be subject to the challenge process that the substitute amendment sets up? Would people in those outlying areas get left behind with nothing? What if an area has one provider offering speeds of 100 Mbps/20 Mbps, but the service is unreliable, unaffordable, or unavailable due to full equipment that cannot accept additional customers? In other cases, what if the provider is not responsive to customer complaints or repair requests, resulting in a situation in which a community appears served but is not really accessing the internet? Is there a way for this community to propose a project, providing significant evidence that it is actually not served? These sorts of unintended consequences can mean the difference between people in rural areas getting service or not.

Challenge Process

The bill creates a more complex challenge process that could restrict the Commissioners' discretion in deciding how a challenge should factor into a final decision. The amended bill prohibits an application from receiving state grant funding only based on a challenger planning to construct in the project area within 24 months service to the project area at 100 Mbps / 20 Mbps upload and download speed. A speed metric alone is not enough to ensure the unserved and inadequately served homes and businesses will not be prohibited from accessing grant funds.

A more restrictive challenge process makes it very easy for a provider to prevent other providers from serving not only in their current and incumbent service footprint, but as I explained in the scenario with a village and outlying areas, in places nearby without any service - possibly leaving those more rural residents unserved. Because of the complexity of the process and added tracking requirements, the PSC would need at least one FTE position to manage this challenge process and track throughout the life cycle of the awards.

The PSC appreciates the opportunity to discuss the grant program and how the substitute amendment would impact it. We feel that there are some major items in this bill that demand your contemplation as they will make significant changes to a very successful and effective program. Where there are opportunities to improve the program and what has been built over the years, we are happy to work with all to make that happen while maintaining our robust fiscal controls. We offer our skills and expertise to avoid any unintended consequences and improve the Broadband Expansion Grant Program.



131 W. Wilson St., Suite 505
Madison, Wisconsin 53703
phone (608) 267-2380; (800) 991-5502
fax: (608) 267-0645
league@lwm-info.org; www.lwm-info.org

To: Senate Utilities, Technology and Telecommunications Committee
From: Toni Herkert, Government Affairs Director, League of Wisconsin Municipalities
Date: February 2, 2022
RE: Senate Substitute Amendment 2 to SB 573 – Related to EV Charging Infrastructure

Chairman Bradley, Vice Chair Roth, and members of the Utilities, Technology and Telecommunications Committee,

The League of Wisconsin Municipalities, representing nearly 600 municipalities, both large and small, originally supported SB 573, the electric vehicle charging station legislation offered by Senator Cowles and Representative VanderMeer. However, due to the substitute amendment, which precludes municipalities from owning, operating, managing, leasing, or controlling charging facilities, we have since modified our registration to opposition, a move we were hoping not to make.

The substitute amendment could allow municipal involvement in three specific cases including:

1. Municipalities may be able to work with a third party, such as a business or investor-owned utility, to place EV charging facilities on municipal property, including parking garages, parks, libraries and city hall, for use by the public. However, this practice has been brought into question because even though the municipality may not own the charging infrastructure, they still may need to manage, operate, or control the infrastructure in these third-party contracts.
2. Municipal electric utilities, of which there are 80 statewide (out of 604 cities and villages), would be allowed to own and operate EV charging stations under certain conditions.
3. Communities could own and operate EV charging stations to be used solely for the purpose of recharging municipal fleets.

The League appreciates the consideration of municipalities and municipal properties in the drafting process; however, the end result is not a package we can support. A complete prohibition against municipalities owning, operating, managing, leasing, or controlling EV charging facilities does not allow for all areas of the state to be reliably served with charging facilities. Limiting entities that can provide charging facilities will simply result in the most profitable areas, where the market dictates successful investment, to be reliably served. We do not want electric vehicle charging opportunities to mirror the lack of market incentives witnessed for broadband investment in rural areas, it will again be those smaller and more rural communities that will be most impacted and under or unserved.

We believe the prohibition against municipal ownership of EV charging stations is short sighted, especially considering the federal infrastructure dollars that have been targeted to states and localities for the build out of EV charging infrastructure. In order to design and develop a reliable network of EV charging facilities, including in areas where costs may outweigh benefits and thus not attract private business investment, municipalities must have the option to be part of the roadmap for delivering services to municipal residents, tourists and to support small main-street businesses.

The League supports the original legislation without Senate Substitute Amendment 2 and asks committee members to vote down the substitute and vote in favor of the simpler original bill. Thank you for your consideration. If you have any questions, please feel free to reach out to me at your convenience at therkert@lwm-info.org.

YOUR VOICE. YOUR WISCONSIN.

SENATE UTILITY COMMITTEE

Testimony on Senate Substitute Amendment 1 to Senate Bill 365 relating to the Broadband Expansion Grant Program

Stephanie Cassioppi

Head of Government Affairs, UScellular

February 2, 2022

Chairperson Bradley, Vice Chairperson Roth and members of the Committee, my name is Stephanie Cassioppi, and I am the Head of Government Affairs for UScellular. On behalf of UScellular and our large base of employees who call Wisconsin home (almost 20% of our workforce), thank you for the opportunity to testify on Senate Substitute Amendment 1 to Senate Bill 365 ("SB365") relating to the Broadband Expansion Grant Program.

Before I begin my formal testimony on SB365, I want to thank the members of the legislature and the Governor for providing leadership and funding for broadband access to Wisconsinites in the last budget. I am encouraged by the state efforts to close the digital divide in Wisconsin. My testimony recognizes these efforts and addresses the importance of wireless service and acknowledging that there are still places where mobility and broadband coverage are both needed. Wireless can do it both and is often the most efficient, least costly, and best technology for the job. Further amendments to SB365 are necessary to ensure technology neutrality and inclusion of wireless technology in the state broadband grant programs. **Specifically, UScellular respectfully requests this bill be amended so that grants may be awarded to broadband expansion projects that ultimately will reach speeds of 100 Mbps download and 20 Mbps upload by January 1, 2025. Similar language was adopted in Assembly companion bill – AB 371 – which passed the Assembly in June 2021.**

UScellular has been providing wireless service in Wisconsin since 1988. We take pride in the strength of our network, in both urban and rural areas of Wisconsin. Wisconsin is important to UScellular. Rural Wisconsin is important to UScellular. We know rural wireless and we do it better than anyone else.

A great deal of attention, and money, has been devoted to deploying fiber to bridge the digital divide. We support the use of funding for fiber. We use fiber in our network, so it is important to us. However, the digital divide cannot be closed through fiber, alone, and is not always the best option. The federal funding through the American Rescue Plan Act ("ARPA") and the Infrastructure Investment and Jobs Act ("IIJA") is generational. It should be used to fund the technology that makes sense. We will likely not see this amount of federal funding again and leaving wireless out of the equation is a disservice to the state, and, in particular, its unserved areas.

For those unserved areas and those last miles, where costs are prohibitive, deployment speed is critical or mobility is needed, wireless is the appropriate technology. The best technology should win in the funding process. SB365 should recognize the dual value and necessity of wireless technology in rural Wisconsin. However, the current amendment excludes wireless in the broadband expansion program by prioritizing applications with speeds and symmetrical speeds that are not practical or possible for wireless technology. In addition, these speeds are not necessary to meet the needs of individual consumers, families, and businesses. The new federal standard for measuring broadband excellence is 100/20. Higher speeds are not necessary or cost effective. This amendment thereby eliminates wireless technology from the program. This is a disservice to the rural areas of the state, many without broadband at all, today.

In addition, SB365 includes a challenge process that is heavily weighted towards the incumbent or nearby ISPs by allowing challenges by any ISP that commits to offering service in 24 months. The effect of this provision would stifle applications and competition in areas needing connectivity the most, with no guarantee of service. If commitments are not met, the available grant money in 24 months could be unavailable for future use, leaving these areas behind and unserved.

Policies that support wireless infrastructure simultaneously boost expansion of both fixed and mobile broadband. With wireless broadband, you get a two for one – fixed wireless and mobility, too. Wireless is increasingly the technology of choice for consumers for broadband. In fact, over 67% of the consumers in the federal Enhanced Broadband Benefit program elected wireless technology for their broadband needs.

Wireless broadband provides a superior 5G fixed wireless service for the home and office because it uses licensed spectrum and state of the art wireless infrastructure. Licensed spectrum offers increased reliability and performance and leverages exclusive and fully controlled subscriber access to protect against interference.

In addition to providing fixed wireless, modernizing our network will also provide rural areas - roads, highways, fields, and farms - mobile connectivity. Any 5G fixed wireless deployment on licensed spectrum extends mobility access across a wide service area from the macro tower - thus enabling public safety e.g., 911 access in unserved communities, along roads, and in between. A wireless coverage layer supports the mission to provide next-generation 911 accessibility to everyone in Wisconsin. It also enables internet access on-the-go, and outdoors. The use cases of tomorrow are mobile – intelligent agriculture, drones, autonomous cars, and uses not yet imagined.

Besides offering the “2 for 1” fixed wireless and mobile broadband, wireless wins on the speed to market, and cost to deploy, in many instances. We can modernize our existing network in a matter of months, not years and the cost to deploy is less, covering an entire area, not just one location at a time. Last year, UScellular was awarded a grant in the State of Iowa to modernize existing network facilities improving broadband access in those unserved areas.

The wireless capabilities and advancements that are occurring, daily, are very exciting. Technological innovations in wireless are happening at a rapid pace, and the ability to participate in these broadband programs is critical to the whole state.

In closing, consumers depend on mobile connectivity. Mobility will continue to be a catalyst driving economic growth in rural America, and any infrastructure efforts that do not ensure ubiquitous mobile broadband and 5G fixed wireless services could create a new digital divide.

Again, thank you for the opportunity to testify on SB365. On behalf of UScellular, I strongly support the inclusion of wireless in Wisconsin’s broadband funding initiatives and modifications to SB365 to ensure technological neutrality and the best state broadband solutions. **I would like to reiterate UScellular’s request this legislation be amended to ensure that grants may be awarded to broadband expansion projects that ultimately will reach speeds of 100 Mbps download and 20 Mbps upload by January 1, 2025. Similar language was adopted in the Assembly-passed companion bill.** These changes are vital to enhance the economic viability and lives of all those who call Wisconsin home. Wireless broadband and connectivity are essential for Wisconsin and UScellular is dedicated to bringing broadband service to the hardest-to-reach residents and areas of Wisconsin.

UScellular™ Fixed Wireless Access

Introduction

At UScellular™ our mission is to connect our customers to the people and places that matter most to them. We have traditionally focused on providing mobile services to our over 5 million consumer and business customers, with a particular focus on rural and traditionally underserved areas. However, the combination of 5G technology and significant government investment provides an exciting opportunity to connect homes and businesses quickly and economically with a new solution – **Fixed Wireless Access (FWA)**.

The digital divide is real, and the need for connection is substantial. BroadbandNow estimates that more than 40 million people in the United States lack reliable access to high-speed internet, many of them in rural areas. The importance of connectivity has become increasingly obvious throughout the pandemic and is essential for economic development as well as quality of life. The lack of connection isn't due to lack of effort – it's a basic issue of economics. Either people can't afford the cost of broadband, or it's simply not economical for private companies

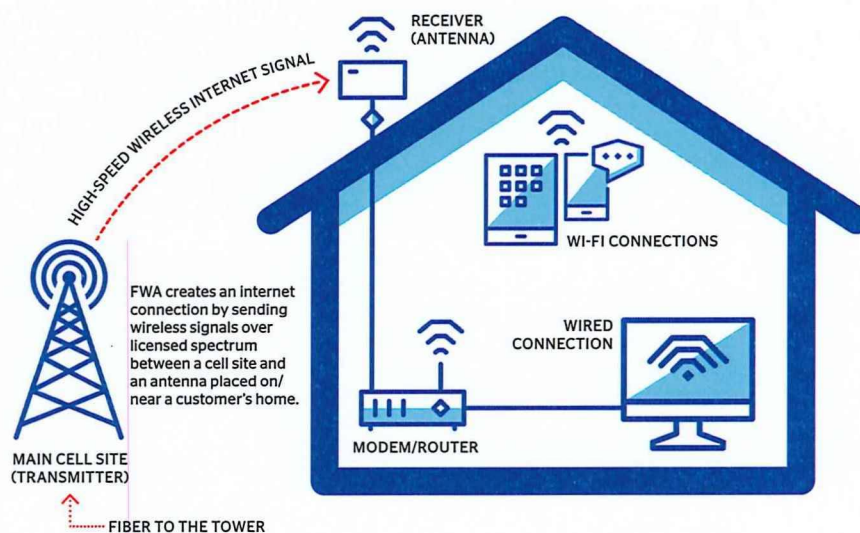
to provide connections to the remote and hard-to-reach areas where people live... usually both. The great news is that the intersection of government funding and wireless technology can provide a solution via FWA, and it can be implemented quickly.

The Federal Infrastructure Investment and Jobs Act (IIJA) provides unprecedented funding, in the amount of \$45 billion, to expand broadband to unserved and underserved areas throughout the U.S. Importantly, in contrast to previous, more restrictive funding vehicles the IIJA is technology neutral, meaning both wired and wireless solutions can qualify for funding. This additional flexibility provides policy makers and local communities with a tremendous opportunity for rapid deployment upon distribution of funds.

FWA technology can provide connectivity to homes and businesses in rural areas without some of the cost and timing burdens associated with wired solutions. Additionally, investments in FWA provide the **dual benefit of enhancing 5G mobile broadband – connecting people both at home or work and on the go.**

What is Fixed Wireless Access?

Fixed Wireless Access (FWA) is a wireless solution to broadband connectivity for the home or business. An antenna in the home or business connects wirelessly to a nearby cell tower, providing a high-speed broadband connection via a targeted wireless signal, as opposed to the wired connection provided by fiber or cable. Once the signal is received by the antenna, an in-home router enables that connection to be distributed throughout the home or business to connect devices to the internet via Wi-Fi, exactly like a traditional wired connection. There is no difference to the in-home experience, other than that you avoid the costly and time-consuming process of securing rights-of-way, digging up streets and lawns, and burying cables.



Fixed Wireless Access Provides Three Key Benefits

1. Support for both Home Broadband and Mobility
2. Faster time to market
3. Lower cost to deploy

The most important aspect of FWA is the dual benefit to both home broadband AND mobile connectivity— cell phone capability on the go. To deploy FWA, UScellular™ needs to put radio equipment on a cell tower – either one of our thousands of existing towers or a new one. When we install the FWA equipment on the tower, those same radios also enhance 5G mobility in the area, enabling the connected-on-the-go lifestyle demanded by consumers. People want to be connected, not just at their homes and businesses, but also on the go. In fact, if forced to choose, there is a growing number of consumers who would first give up their home connection over their mobile phone. We firmly believe, however,

that this is not a choice Americans should have to make. As a nation, we need to invest in cellular infrastructure – towers, radios, spectrum – and those investments to enable FWA are the same investments that enable 5G mobility.

FWA can also provide rapid results. Implementing FWA on a cell tower can connect many locations within the radius of the tower (note: the length of the radius can vary based on which spectrum is deployed, which we explain in a following section.) Fiber only needs to be run to the cell tower, as opposed to a fiber-to-the-home (FTTH) solution, where fiber must be run to every single home or business, adding cost, complexity and uncertainty. FWA can enable rapid connections to unserved areas, delivering high-speed broadband quickly to those who need it, and enabling faster access to results-based funding programs.

Finally, it is estimated that [a FWA solution can eliminate as much as 40% of the cost compared to FTTH](#). To be clear, denser fiber is still very much needed – towers need to be connected with fiber, and there are certain urban and suburban communities where a fiber-to-the-home approach makes economic sense. However, as you move towards more rural or hard-to-serve areas, FWA can provide a more timely and cost-effective approach than trying to cover every square mile of unserved America with fiber, while also benefiting mobility.

UScellular's Fixed Wireless Access

UScellular's first FWA product, UScellular™ Home Internet, has been in the market for several years and provides internet connections via 4G/LTE technology. We have more than 50,000 customers on this product, which delivers speeds up to 20 Mbps. Although the speeds are fairly low, it's an attractive solution for customers who live in areas unserved by cable companies and who want an alternative to unreliable and costly satellite options.

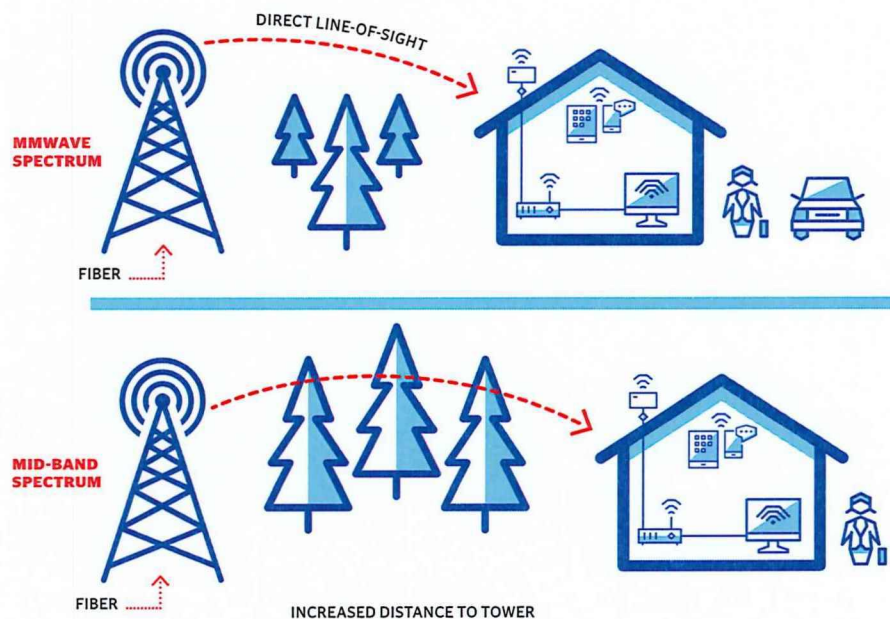
Due to recent advancements in wireless technology, we have recently launched a second FWA product with far greater speeds – UScellular™ Home Internet Plus. The Home Internet Plus solution delivers speeds of up to 300 Mbps, an increase in capacity of 10-15x compared to the 4G/LTE product. The product was piloted in 2021, with a broader roll-out to a targeted number of areas in 2022. Home Internet Plus currently utilizes our licensed high frequency millimeter wave (mmWave) spectrum, and the speeds delivered far exceed the requirements of 100 Mbps Download/20 Mbps Upload outlined in the federal infrastructure bill. Moreover, the technology and equipment used for FWA will continue to evolve and upgrade with future mobile technology advancements. Given this, FWA offers a viable solution for broadband connectivity both now and into the future.

Mid-Band Spectrum Driving Additional Adoption

As previously noted, UScellular's FWA solution currently uses our licensed and dedicated mmWave spectrum (note: 'licensed and dedicated' is important in order to provide consistent

service; many current rural wireless providers offer unlicensed services which can vary wildly in consistency and quality-of-service.) mmWave spectrum lies between 20 – 40GHz and gives us the capability of delivering up to 1 Gbps speed in uninhibited trials (line-of-sight, no foliage). Although 1 Gbps is achievable, we currently market the product at 300 Mbps, to allow for foliage and weather irregularities.

mmWave spectrum serves a narrower footprint that is more dependent on line-of-sight connectivity between the home antenna and the tower (see diagram below). However, mid-band spectrum can also be used for FWA, which can reduce dependence on line-of-sight connectivity and facilitate greater coverage than mmWave. UScellular™ was a significant participant in recent mid-band auctions (C-Band and DoD), and this spectrum will become available for use within the next 24 months. Mid-band spectrum will enable an even broader and cost-effective deployment of FWA. Mid-band FWA will also address many of the frustrations that our customers have expressed with satellite-based options, including inconsistent service and expensive equipment.



Economics

FWA can provide a more rapid and lower cost deployment while also enabling mobility, but deploying across such a large geography will require considerable investment. Our current 2022 plans include expansion to economically viable areas, but to justify unsubsidized investment, we must be able to reach several hundred homes and businesses per tower (note: our economics require over 150 subscribers at \$65 per month to equip an existing tower with the necessary equipment; or approximately 500 subscribers to build a new tower, and we can't assume that everyone will adopt the service.) This density is rare in unserved and underserved locations, which is a key driver of the current digital divide. The cost of building and maintaining a tower in rural America can be nearly twice as expensive as building a tower in an urban area, and the density of customers in these areas is far less than in suburban and urban areas, thereby putting pressure on the revenue generation needed to drive a positive return on investment. These factors highlight the importance of the support provided in IIJA to expanding broadband. These funds can be effectively used by subsidizing infrastructure investments like FWA – improving both access and affordability.

Closing

At UScellular™, we continue to put all our resources to work to deliver on our mission of connecting people and communities to what matters most to them. We have a legacy of focusing on underserved America, and we are passionate and motivated to continue doing our part. FWA can provide a timely and cost-effective solution to connecting unserved and underserved America and carries the dual benefit of providing high-speed broadband to the home and enabling 5G mobility to support on-the-go connections. UScellular™ is committed to partnering with state and local governments to bridge the digital divide.





Wisconsin Cable Communications Association
22 East Mifflin Street, Suite 1010 - Madison, WI 53703 - 608/256-1683 - Fax 608/256-6222

EXECUTIVE DIRECTOR – Thomas Moore

Statement of Tom Moore

Executive Director, Wisconsin Cable Communications Association

Before

Senate Committee on Utilities, Technology and Telecommunications

Speaking in Favor of Senate Bill 365

Related to the Broadband Expansion Grant Program

Good morning Chairman Bradley and Committee members. Thank you for the opportunity to testify in favor of Senate Bill 365 today. My testimony will also consider Assembly Substitute Amendment 1 to SB 365 which has been made available to Committee members and the public.

I serve as the Executive Director of the Wisconsin Cable Communications Association. We are the state trade association for Wisconsin cable, broadband and voice providers. Our members provide these services to roughly 900 Wisconsin communities and include household names like Charter Communications and Comcast as well as smaller regional and community systems like Lakeland Cable and Astrea. We have invested billions of dollars in Wisconsin to deploy advanced digital services to over 2 million locations in the state and we continue to invest hundreds of millions of dollars each year to extend, upgrade and service our digital networks.

Wisconsin's communication technology sector has invested tens of billions of dollars to make broadband available to 93% of state addresses – including 99% of urban locations - and this for a technology that is barely 20 years old! But to those who are not able to connect this

has little meaning. 2021 FCC survey data put the number of Wisconsin addresses unserved by at least 25/3 service at roughly 420,000 locations, virtually all of which are in rural areas.

Estimates of the resources needed to connect 420,000 addresses range from \$700 million to \$1.5 billion, the state's share of which ranges from \$200 - \$700 million. In the last year, the PSC has awarded \$128.4 million in state and federally funded grants to bring service to 5,800 businesses and 114,115 homes.

Connecting every location in Wisconsin to broadband has become one of the top priorities of both lawmakers and broadband service providers, but the state should not waste this opportunity to connect the remaining unserved addresses by spending money on addresses that already have access to high speed broadband. Those homes and businesses not connected represent a serious challenge, as they tend to be the high-cost, low density locations most difficult to reach. Wisconsin's broadband providers are ready to do our part to connect the unserved but we recognize the need for public investment to supplement the tremendous private capital still necessary to complete the task.

The Broadband Expansion Grant program will continue to play a vital role in reaching unserved areas, and if adopted, Senate Bill 365's modifications, updates and clarifications will better focus the program on its intended mission: to bring broadband service to Wisconsin locations which are not currently served. The bill would accomplish this goal primarily by increasing the minimum download and upload speeds that are considered broadband and by permitting state broadband grant dollars to only fund projects to locations lacking access to broadband at those speeds.

Focusing on the Unserved

Recognizing the public benefits of ubiquitous broadband connectivity, state and federal support for broadband supplements the capital investment needed for our nation's broadband providers to extend service to areas which are otherwise too expensive to reach under normal return on investment models. Public funding which is utilized to build a second broadband line to a served location wastes valuable public resources that could and should have been used to connect an address currently lacking any broadband service. It reminds me of my mother's dinner time rule when she was feeding a house full of teenagers: "Everyone gets a chance to eat before anyone goes back for seconds".

What's more, government subsidized broadband expansion to locations already served by an existing provider creates an unfair marketplace advantage for the subsidized service and penalizes the existing provider that put its capital at risk to extend broadband in the first place. This principle is widely recognized by policymakers and underpins most state and federal broadband expansion programs.

Senate Bill 365 recognizes and codifies this important principle by eliminating the ability of grant awards to "underserved" locations, which are those that already have access to broadband. This important modification to current law will both focus the program where it is most needed – reaching the unserved – and eliminate wasteful state supported duplication of broadband infrastructure.

Supporting True Broadband

Under the current program, "unserved areas" are those locations lacking access to service at speeds which are at least 20% of the FCC's 25/3 Mbps definition of broadband, which translates to 5 Mbps/600 Kbps service. 5 Mbps/600 Kbps service is not sufficient to be considered true broadband service. Senate Bill 365 would establish 100 Mbps down/20 Mbps up

as the minimum recognized broadband speed, qualifying homes and businesses which only have access to slower speeds to receive Broadband Expansion Grant support and upgrade to service more compatible with today's online needs. Additionally, the bill would prioritize grant applications to build 450/450 Mbps symmetrical service or those with a combined download/upload speed of 900 Mbps.

High speed fiber optic and hybrid fiber coax connections deliver the most robust broadband speeds today and are scalable to deliver robust broadband for many years in the future. Virtually all Wisconsin cable broadband providers are offering customers 1 gigabit download speeds today over such networks, with the capability to offer service as fast as 10 gigabits in the near future. Increasing minimum broadband speed thresholds and prioritizing higher speed connections is a wise use of public funding and will result in networks which are capable of serving our state's connectivity needs well into the future. The state should prioritize and protect this investment in state of the art broadband networks by prioritizing these robust networks in its grant awards and eliminating grants to areas where such high speed service is already offered.

Maximizing Wisconsin's Broadband Dollars

Importantly, Senate Bill 365 would maximize state taxpayer funded expansion grant dollars by creating a process whereby an internet service provider can challenge a potential grant application by informing the Commission of a bonified commitment to deploy broadband service to that location with 24 months. As part of this challenge, the ISP would need to submit documentation to the Commission's satisfaction, including engineering plans, invoices permit applications and project timelines. If after evaluation, the Commission deems credible the ISP

deployment plans the Broadband Expansion Grant funds for those locations can be redirected to fund broadband connections which are not already being constructed by a provider.

Conclusion

Wisconsin's Broadband Expansion Grant program has proven to be a critical tool to connect thousands of unserved locations to broadband service. But as we progress to serve more and more of the hardest and costliest to reach locations, it is time for the program to evolve to be more focused on reaching the unserved with a broadband product capable of the needs of today's online environment. Senate Bill 365, particularly as amended by Assembly Substitute Amendment 1, will serve to more readily connect all who want to be connected and will do so with a greater cost and time efficiency over the current program.