

**Written Statement of Kelly Worthington,
Executive Vice President of the Western Telecommunications Alliance**

Submitted to the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
Committee on Appropriations
U.S. House of Representatives

March 20, 2012

Summary

The member companies of the Western Telecommunications Alliance (WTA) have a long-standing relationship with the Rural Utilities Service (RUS) and its predecessor the Rural Electrification Administration (REA). REA and RUS have played a vital role in bringing telecommunications services to rural America. WTA wants to make sure this partnership between its members and RUS continues. To this end, WTA supports the President's request of \$690 million for the Telecommunications Loan Program and \$9 million in loan authority for the Broadband Loan Program

Testimony

WTA is a trade association whose membership is comprised of approximately 200 rural telecommunications carriers providing high-quality voice, video and data services throughout rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA's members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America. WTA's members have had a long and

productive partnership with RUS and its predecessor, the REA. Many of WTA's members owe their existence to the ability to have obtained RUS and REA loans over the many decades of this relationship.

This partnership continues today and is even more important due to the increasing demand for constantly evolving telecommunications services across the country and the lack of other sources of financing. Because of the isolated nature of many rural communities served by WTA members, quality voice communication service and a high-speed broadband connection are a vital link to the rest of the country and the world. Rural areas must not be left behind, and RUS plays a key role in making sure this does not happen by providing low-interest loans to its borrowers who, because of their location and the costs of building rural networks, do not always have access to conventional loans.

For this reason, WTA supports the President's funding request for both the Telecommunications Programs and Broadband Loan Programs administered by RUS. For FY2013, the President has requested \$690 million for the Telecommunications Programs and \$9 million in loan authority for the Broadband Loan Program to support \$94 million in loans. RUS believes these levels will be sufficient to meet this coming fiscal year's demand for loans. WTA strongly supports these requests and urges the Subcommittee to fund the programs at these levels.

WTA understands the budgetary constraints under which the Subcommittee and Congress are operating. Although it is well known, we would like to remind the Subcommittee that

the telecommunications and broadband programs, unlike many other federal programs, are strictly loan programs. For a very small administrative cost, these loans encourage private sector investment many times over and are repaid with interest to the federal government. In addition, strong broadband networks provide much needed rural economic development and jobs. The broadband networks and economies of rural America would suffer long-term harm should either of these programs be cut or eliminated in the desire for short-term budgetary gains.

In conclusion, if policymakers want Americans living in remote, rural, tribal and other hard-to-serve communities to have access to communications services reasonably comparable to those in urban and suburban communities – as is required by the Communications Act of 1934, as amended – then continued Congressional support for these RUS loan programs is essential.

Thank you for allowing me to submit these remarks on behalf of the telecommunications providers of the Western Telecommunications Alliance and the customers they serve throughout rural America.