

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

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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 tremendous 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 sufficient funding for the Broadband Loan Program in FY2012, both administered by RUS.

Testimony

WTA is a trade association whose membership is comprised of approximately 250 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 partnership.

This partnership continues today and is even more important due to the increasing demand for constantly evolving telecommunications services across the country. 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 sufficient funding for both the Telecommunications Programs and Broadband Loan Programs administered by RUS. For FY2012, the President has requested \$690 million for the Telecommunications Programs. WTA supports this request and urges the Subcommittee to fund the program at this level.

WTA also supports sufficient funding for the Broadband Loan Program in amounts consistent with years prior to FY2011. While the President's budget released earlier this year did not provide funding for this program for FY2012, it was not because of a lack of support for the program. It was due to the fact that the Administration expected there to be a carryover balance of unused funds from FY2010 and FY2011 that would carry RUS

through the next fiscal year. RUS did not make Broadband Loans the last two years because it was focused on updating the rules for the program following its reauthorization in the Food, Conservation, and Energy Act of 2008 (Farm Bill) and implementing the Broadband Infrastructure Program (BIP) authorized by the American Recovery and Reinvestment Act (ARRA). Congress is currently debating what to do with unused funds from FY2010 and what money to provide RUS for the remainder of FY2011. Regardless of the outcome of this debate, WTA supports sufficient funds being made available for FY2012 in amounts consistent with years prior to FY2011.

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 ARRA's BIP program, 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 government. The broadband networks 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 continued Congressional support for these RUS loan programs is essential.