

**Before the
Rural Utilities Service
Washington, D.C. 20250**

In the Matter of)
)
Implementation of Telecommunications)
) Docket: RUS-20-TELECOM-0044
Provisions of the Agricultural Improvement)
)
Act of 2018)
)

**COMMENTS of
WTA – ADVOCATES FOR RURAL BROADBAND**

WTA – Advocates for Rural Broadband (WTA) submits these comments to the U.S. Department of Agriculture (USDA) and the Rural Utilities Service (RUS) in response to their request for comment on the changes made to the Rural Telephone Loan Program (Loan Program) as a result of the Agricultural Improvement Act of 2018 (2018 Farm Bill) in conjunction with the Final Rule of September 10, 2021.¹

I. Introduction

WTA is a national trade association that represents more than 360 small rural telecommunications providers that offer broadband, voice, and video-related services in communities across rural America. The independent rural local exchange carriers (RLECs) represented by WTA have a long-standing relationship going back more than 75 years with RUS and its predecessor agency, the Rural Electrification Administration (REA). The vast majority of WTA member companies were, at one time, RUS/REA borrowers and many of them continue to

¹ 86 FR, 50604, Docket: RUS-20-TELECOM-0044, September 10, 2021.

borrow from RUS today. During the last century, the Loan Program was a vital tool in helping to achieve near universal access to telephone voice service throughout the country. Today, it continues to play an important role in expanding access to broadband and other communications services in rural America today.

WTA supports RUS' efforts that streamline the Loan Program and eliminate unnecessary requirements so that the Program operates more efficiently. In addition, WTA supports some of the more substantive changes made to the Loan Program rules. Specifically, creating a minimum retail broadband service speed standard of 25/3 Mbps will help ensure rural areas are not left behind more populated areas when it comes to broadband service. In addition, broader loan restructuring and refinancing authority will allow RUS borrowers to take advantage of better interest rates. Finally, the creation of a public notice requirement for loan applications will help ensure funds are not used to duplicate existing networks; however, RUS should strengthen this provision by directly contacting incumbent service providers to let them know of a submitted application.

2. 25/3 Mbps is Sufficient for a Minimum Retail Broadband Speed at This Time

The Final Rule sets the minimum retail broadband speed at 25/3 Mbps. Increasing the speed to 25/3 Mbps will expand opportunities for broadband providers to use Loan Program funds to bring broadband and other telecommunications services to areas that are at risk of being left behind in their digital needs. The Federal Communications Commission (FCC) has defined broadband as 25/3 Mbps since 2015² and has continued to use that standard, recognizing that it

² 2015 Broadband Progress Report, released February 4, 2015, available at: <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2015-broadband-progress-report>.

enables users to originate and receive high-quality voice, data, graphics, and video telecommunications. Speeds lower than 25/3 Mbps are not adequate for consumers' and businesses' needs. According to the FCC's 2021 Broadband Deployment Report, over 17% of Americans living in rural areas lack access to broadband at 25/3 Mbps speeds. That figure is closer to 21% on Tribal lands.³ This shows there is still a significant need to target areas that are likely the least economical and most difficult to serve before opening up areas that already have 25/3 Mbps for federal investment.

Broadband speeds, however, are always changing based on applications and uses of broadband. In regards to a future Notice in the *Federal Register*, increasing the minimum retail broadband speed, RUS should coordinate with the FCC and other federal agencies that distribute broadband network funding to ensure there is consistency across programs. At this time, some federal programs use 25/3 Mbps as the standard to determine "unserved," and therefore eligible, areas, and other programs use 100/20 Mbps as that standard. As time goes on, consumer broadband needs will increase and presumably there will be fewer areas lacking 25/3 Mbps. Other federal agencies will increase the speeds used to determine unserved areas for the programs under their jurisdiction, and RUS should do so as well.

3. WTA Supports Broader Refinancing Authority

WTA is pleased that Congress provided RUS with greater refinancing authority in the 2018 Farm Bill and supports RUS' efforts to give carriers the flexibility to refinance their existing loans should a carrier decide to do so. This is something that WTA member companies have long desired and it will help all RUS borrowers make the most of their Loan Program

³ 2021 Broadband Deployment Report, released January 19, 2021, available at <https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf>

funds. WTA is aware of providers that have seen their expected Universal Service Funds (USF) reduced and have experienced other unexpected revenue losses. As a result of these circumstances, these carriers would have had less of a negative effect on their operations by having the flexibility to restructure or refinance their existing loans with RUS, especially with interest rates being at historic lows right now. Being able to take advantage of lower interest rates would allow these, and other companies, the opportunity to devote more of their resources to building out their networks and connecting their customers to them.

4. RUS Should Take Affirmative Action to Contact Incumbent Providers When Considering Loan Applications for Projects Outside an Area for Which the Applicant Receives Universal Service Support

WTA strongly supports RUS enabling borrowers to use Loan Program financing outside their traditional service territories or those areas for which they receive federal USF. “Section 1735.23 Public Notice” of the Final Rule lists the information that will be made available to the public when an application is submitted and states that RUS will accept responses from existing service providers when the applicant seeks to provide broadband outside its traditional service territory. WTA supports challenge processes such as this as a way to avoid duplicating efforts, overbuilding existing networks, and using scarce resources where they are not needed. However, RUS should do more than make this information available on its mapping tool.

Over the past several years, in response to both the lack of broadband access and the COVID-19 public health crisis, the federal government and many state governments have created numerous broadband network funding programs which are needed. However, having programs spread across several agencies and layers of government greatly increases the risk of duplicative efforts. Providers must monitor all these programs in order to make sure an applicant

has not sought to overbuild their existing or planned network. WTA's member companies express concern that it is a task that is growing more difficult as the programs proliferate. In addition to making Loan Program applications available for public viewing on its mapping tool RUS should, to the extent possible, directly contact known incumbent providers in the area the applicant seeks to serve to make the incumbents aware of the application. Otherwise, some providers might not notice the application before the 45-day comment period expires.

5. Conclusion

WTA is pleased to see the Loan Program receive important updates and modernizations, particularly in terms of broadband speed standards and refinancing authority. As the number of broadband programs proliferate, RUS should make sure that it doesn't duplicate other private and public efforts to bridge the digital divide. WTA looks forward to continuing to work with its partners at RUS to make the RUS programs operate as effective as possible.

Respectfully submitted,

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