February 18, 2019

House Committee on Economic Development
HB 2173 and 2184

Dear Chair Lively and Committee Members,

My name is Kathryn Jernstedt and I live on the Jernstedt Century Farm in rural Yamhill County. Thank you for the opportunity to speak in support of HB 2173 and HB 2184. Rep. Marsh has entered several excellent documents on the digital divide into the record. This initiative will do more for Central and Eastern Oregon than any rollback of Oregon's Land Use system. The issue I would like to bring to your attention is the need to hold telecommunication service providers accountable for both the reliability and capacity of their systems.

I grew up on the farm but spent much of my working life in the metro area. In moving back to the farm, I knew that I would be responsible for utilities like water and sewer, that I would be on the last pole on the PGE line and outside the range of most TV. However, I have been genuinely surprised to learn that phone service has fallen by the wayside.

The service provider – and I use the term loosely – is Century Link. The local technicians have been great at making the most of the old decrepit Pacific Northwest Bell equipment. They know which wire to giggle at the exchange to get the phones ringing again. They warned me not to buy an upgraded internet package because the equipment at Bayliss Road chokes down the internet speed. What they can't do is get the company to invest in repair and replacement.

To quote from the NY Times opinion piece submitted with my written testimony:

> For example, CenturyLink receives over $505 million a year from the F.C.C. but by law needs to provide only the incredibly slow download speed of 10 megabits per second and upload speeds of one megabit. Those numbers are far below the current definition of "broadband," which is download speeds of 25 megabits per second and upload speeds of three megabits.

And that presumes that they are making appropriate repairs and effective maintenance. Some of this may be under the purview of the Public Utility Commission. Please hold them accountable. I would be willing to present documentation to them if there were an opportunity.

It is surprising to me the extent to which alternatives to conducting business electronically are no longer available or the apps only functional if you have high speed internet. This is frustrating to me but pales in comparison to the impact on educational access for children. Rural electrification brought efficiency and illumination that allowed all the children of Frank and Anna Jernstedt - those first-generation Swedish immigrants that founded the farm - to pursue not just high school but also post-secondary education. Now four generations in my sisters and I worry about the care and safety of my nearly 90 year old mother who does not have reliable phone service.

I will not take more of your time with anecdotes and family stories. Please support the comprehensive development of Broadband service for all Oregonians that includes accountability for maintaining and repairing their systems.

Thank you for your attention.

Kathryn Jernstedt
Jernstedt Century Farm
Yamhill County

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Century Link Equipment from along Mineral Springs Road to east of Carlton

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Century Link Equipment from along Mineral Springs Road to east of Carlton

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Century Link Equipment from along Mineral Springs Road to east of Carlton

Opinion

We Need a National Rural Broadband Plan

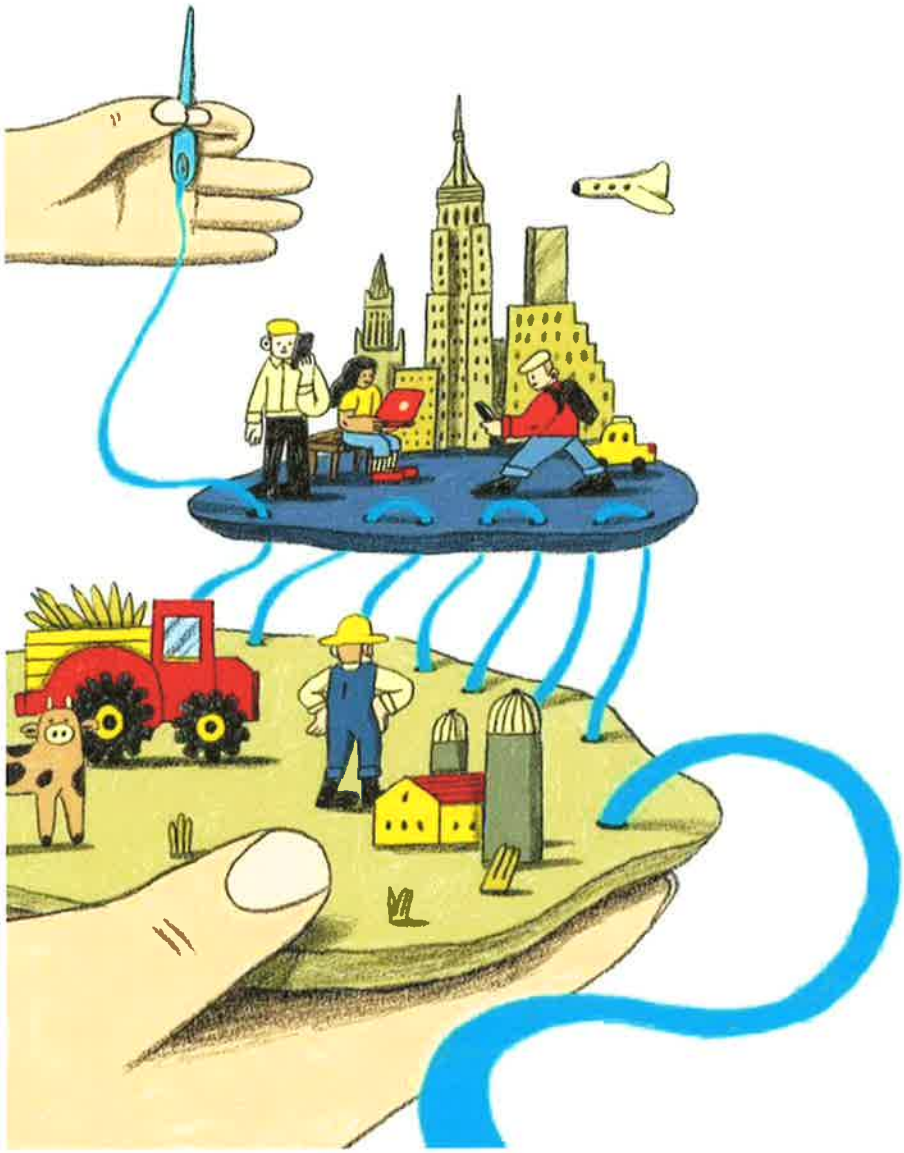
The government has given a lot of money to major telecommunications companies without much regulatory accountability.

By Christopher Ali

Dr. Ali is an assistant professor at the University of Virginia.

Feb. 6, 2019

Image Credit Doris Liou



Since the 1930s, policymakers have known that rural communications is a "market failure" — something that happens when private companies cannot or will not provide a socially desirable

good because of a lack of return on investment. At that time, electricity and telephone companies were simply unwilling to enter rural America: The population was too sparse and the geography too vast. As a result, President Franklin Roosevelt created the Rural Electrification Administration in 1936 to provide loans and grants to rural electric and telephone companies. It was a tremendous success: Within 20 years, 65 percent of farmers had a telephone and 96 percent of them had electricity.

We have a similar problem with rural communications today — not with telephones or electricity but with broadband internet. In 2017, a full 30 percent of rural Americans (or 19 million people) and 21 percent of farms lacked broadband access. What we need today to solve this digital divide is a renewed federal commitment to rural communications. We need a national rural broadband policy, demonstrating that the United States is serious about becoming a fully connected nation.

The Rural Utilities Service — the successor to the Rural Electrification Administration — has subsidized internet connectivity since 1995. It is one of two federal agencies charged with subsidizing rural broadband: The Federal Communications Commission provides about $8.8 billion per year in broadband subsidies (rural, tribal and low income) with at least $4.6 billion earmarked for rural. The Rural Utilities Service (a division of the Department of Agriculture) metes out about $800 million per year for rural broadband loans and grants. Last summer, Congress allocated an extra $600 million to the Rural Utilities Service to subsidize broadband projects for the most underserved communities. This is in addition to the $7.5 billion in rural broadband loans and grants provided by the 2009 Recovery Act.

Despite the large amount of funding coming from the Rural Utilities Service and the F.C.C., rural America has not seen broadband deployed and adopted at the same speed and effectiveness that it had with electricity and telephone service almost a century ago. The reason for this lag is a lack of coordinated federal policies, which in turn has allowed major telecommunications companies to receive a large portion of these funds without much regulatory accountability. An opaque set of grant and loan stipulations make it difficult for communities to apply for funding, and in some states, a series of laws actively prohibit or inhibit towns and cooperatives from wiring their own communities.

I recently traveled to the Midwest to find out where and how federal broadband policies have failed rural America. I spoke with residents, business owners, broadband providers, farmers and officials, and they all told me about the need for high-speed connectivity and a renewed federal strategy.

On the trip, I learned how high-speed broadband keeps professionals living and working in rural America, like the insurance agent I met in Rock County, Minn., who no longer has to lease a second office to digitally file paperwork. It keeps rural businesses competitive, like the radio station in Rock County that no longer needs to subscribe to two Verizon accounts, paying over $1,000 per month for internet service. And it keeps rural students studying, since around 70 percent of teachers assign homework that requires an internet connection. Rock County is one example of how communities in rural America can take advantage of the opportunities afforded by broadband.

Almost every state has a broadband deployment plan, Minnesota foremost among them. With so many plans, however, come as many definitions of broadband, target speeds, eligibility requirements for grants and a host of unique priorities. To ensure that high-speed broadband is available for all rural Americans, regardless of state, we need a national rural broadband plan.

Standardizing state rural broadband policies isn't enough: We need a plan to identify and galvanize stakeholders — not just the major telecommunications companies — to inspire change in our current policy approach and democratize the funding process, and to champion the cause of rural broadband across the country. President Franklin Roosevelt and the Rural Electrification Administration did it in 1936 with electricity. We can do the same today.

A national rural broadband plan would designate a single agency — preferably the Rural Utilities Service, with its century-long relationship with rural communities and offices in every state — as the primary coordinator for rural broadband. Today we have two agencies — the F.C.C. and the Rural Utilities Service — with two different, and sometimes conflicting, agendas controlling a lot of money. A designated point agency is crucial to coordinate federal expenditures and to encourage more data sharing, collaboration and coordination between the F.C.C. and the Rural Utilities Service.

This plan would mandate the creation of a new national broadband map, using granular and testable data rather than what we have now, where broadband providers report advertised rather than actual speeds to the F.C.C., and where broadband deployment is calculated by census block rather than by household. The F.C.C., which manages the current national broadband map, has grossly overestimated broadband deployment throughout the country because when a single building in a census block is reported to have broadband, the entire block is considered "served."

It would streamline the application for subsidies from the F.C.C., and grants and loans from the Rural Utilities Service, making it easier for small companies to apply. As one small provider told me, "You know, of all the things I've tried to do in my life, the hardest thing I've ever tried to do is to navigate" how to get funding from the Rural Utilities Service.

We need to change the relationship between large telecommunications companies and federal subsidies. A national rural broadband plan would democratize the rural broadband subsidy system, abandoning the legacy rules that force the Rural Utilities Service and F.C.C. to give the bulk of subsidies to the major telecommunications companies, which deliver only the bare minimum speeds to comply with the law. This money should be provided on a competitive basis without reserving the bulk for the major companies and leaving the smaller ones, like local independent providers, cooperatives and municipalities to fight for the scraps.

For example, CenturyLink receives over $505 million a year from the F.C.C. but by law needs to provide only the incredibly slow download speed of 10 megabits per second and upload speeds of one megabit. Those numbers are far below the current definition of "broadband," which is download speeds of 25 megabits per second and upload speeds of three megabits.

There are true heroes of rural broadband, like Alliance Communications, the cooperative that manages the fiber optic network in Rock County, Minn., and The People's Rural Telephone Cooperative, which brought fiber-optic broadband to McKee, Ky., one of the poorest communities in the state. These local companies and cooperatives are more interested in serving their members and communities with a public service than in a short-term return on investment. There are so many who are in need of these providers, like farmers, who are all too often left out of the conversation but for whom broadband to the farm would mean a new era of American agriculture.

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Last, this national rural broadband policy would show the United States is serious about global competition in community connectivity, agriculture, data processing, telemedicine, education and a host of other industries. Our lack of universal broadband means we are losing that competition. We are losing because we are not taking all stakeholders into account. We are losing because of a lack of coordinated and coherent policies. We are losing because major telecommunications companies get the bulk of funding and fail to deliver. We are losing because the agencies in charge of rural broadband do not even know who has broadband and who does not.

The reason rural broadband is at the level it is now is the ingenuity and vision of rural communities across the country. They are moving the broadband needle forward despite a lack of coordinated federal policies.

Federal policies should give them a hand.

Christopher Ali (@Ali_Christopher) is an assistant professor of media studies at the University of Virginia.

A version of this article appears in print on Feb. 6, 2019, on Page A27 of the New York edition with the headline: Farmers Deserve Broadband, Too. Order Reprints | Today's Paper | Subscribe