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**[Expert Opinion](#) , [BroadbandBreakfast.com](#)** *Editor's Note: Rep. Lee Terry, R-Neb., was the only member of Congress to speak at "America's Digital Inclusion Summit " on March 9, 2010, in Washington. The following guest commentary, which appears by special invitation of Broadband Census News, are his prepared remarks for the event. Neither BroadbandCensus.com nor BroadbandBreakfast.com endorse the views in the commentary. We invite officials, experts and individuals interested in the state of broadband to offer commentaries of their own. To offer a commentary, please e-mail [commentary@broadbandcensus.com](mailto:commentary@broadbandcensus.com)*

*Not all commentaries may be published.*

### **By Congressman Lee Terry, Republican from Nebraska**

Thank you to Chairman Genechowski and the Knight Foundation for the opportunity to speak here today. As many of you know, I have been working on Universal Service reform for the better part of the past five years and it has been a real honor to have worked with Chairman Boucher along the way. We share a deep passion in ensuring that Americans continue to have access to advanced and affordable telecommunications.

Representing a congressional district that includes Omaha, Nebraska I know firsthand the benefits of advanced telecommunications. Omaha is home to four Fortune 500 companies and as highlighted in Stephen Colbert's "Better Know a District," Omaha is the teleservices capital of the country. Omaha is the teleservices capital not because Omahans lack of a notable accent as Colbert notes, but rather because Omaha has benefited from a very robust telecommunications network. In fact, Omaha has consistently maintained its place at the forefront of new telecommunications technologies. In the early 1980's, Omaha was one of the first cities in the U.S. to develop a fiber optic cable network. By 1992, multiple carrier fiber optic networks provided service to the Omaha metro area, giving rise to a proliferation of teleservices operations in Omaha.

Omaha's leadership in information technology has been enabled by one of the strongest telecommunications infrastructures in the nation with access to major north, south, east and west fiber optics networks, multiple points of presence and direct high-capacity connections. Reliable, state-of-the-art equipment assures that telecommunications transmissions run smoothly and accurately throughout the metro area as well as into and out of the city. But while Omaha's economy continues to grow because of increased broadband investment, most of rural Nebraska continues to struggle to keep up in an increasingly connected world. These broadband challenges are not unique to rural Nebraska. As more services including healthcare, education, and e-commerce rapidly move to broadband, millions of Americans in unserved markets are missing the opportunity to participate in this necessary sphere. Also, as globalization substantially increases competition for high-wage jobs and professional services, continued U.S. economic expansion demands that all Americans participate in the worldwide marketplace, something impossible without affordable access to broadband.

There are a number of great success stories that I would like to share with you about rural communities in Nebraska that have been greatly affected by having access to broadband: An entrepreneur from Verdigre, Nebraska (population 519 in northeast Nebraska) who does work for Boeing designing computer chips is able to use the high capacity fiber to the home network in Verdigre to video conference in real time with other Boeing employees in Seattle and around the world without ever leaving the good life of small town U.S.A.

Nebraska is also seen as a leader and innovator for using broadband to expand educational opportunities to K-12 schools throughout the state. Thanks to federal and state funds, some of which come from the federal Universal Service Fund in partnership with the local telecommunication company's civic and corporate dedication, it's not uncommon to have schools being supplied with speeds up to 40 megabits-per-second. Such speeds allow kids and teachers in communities like Indianola, Nebraska (population 642) and Rushville, Nebraska (population 1,100 and 312 miles from Denver, 450 miles to Omaha, and 130 miles to Rapid City, S.D.) to expand their educational opportunities and retain teachers and salaries in small towns.

Nebraskans have also used broadband as a new tool to reenergize and rebuild the main streets that have been abandoned over the years. A veterinarian in Ewing, Nebraska (population 433) uses broadband to diagnose animals around the world. And we all know the story of a small meat locker in Diller, Nebraska who now sells boxed beef around the country out of their store front on Main Street in Diller (they deliver to the greater Washington metro area). Mr. Chairman, I'll have to have you accompany me out to Diller sometime for a tour and a steak.

You can now begin to see why it's imperative that Congress and the FCC commit to a policy that will deliver broadband to all Americans. While the stories highlight what Nebraskans are capable of if they have broadband, the reality is that only 90 percent of Nebraskans have access to high-speed broadband and that's why we need to work on reforming the Universal Service Fund to deliver a nearly ubiquitous broadband network.

As the headline for today's event properly notes, "Working together to expand opportunity through universal access" the Congress and the FCC must work together to take on the monumental task of reforming the Universal Service Fund. And I am pleased that soon, we'll have a National Broadband Plan document that will kick start an overdue debate on how to improve the lives of millions of Americans living without broadband today.

On top of the \$50 million derived from the Nebraska State USF, Nebraska received over \$128 million from the Federal Universal Service Fund in 2009 and from this total \$9 million was used

to keep public schools and libraries across Nebraska connected to the internet, providing our kids with access to information and increased educational opportunities they otherwise wouldn't have. If USF was eliminated, a Nebraskan living in a rural area would pay an additional \$235.41 on average each year to receive telecommunications services and I don't think it is unreasonable to say that a monthly retail rate could top \$500 for comparable broadband if there was no mechanism for reimbursement. The fact is that in many rural areas there is no valid retail rate to cover costs of rural broadband without USF, as there is no business case because there would be no customers. The costs of both capital construction and ongoing expenses in these areas for operations require that the USF support be ongoing.

As we move forward in reforming the USF, it is important to remember that the entire telecommunications network which includes wireless and voice over internet protocol (VOIP) uses the wireline network. The Universal Service Fund is critical to ensuring that this network remains efficient

As many of you know, I am not without an opinion with respect to reforming the Universal Service Fund. Congressman Boucher and I have identified a number of principles to guide us in our task to reform the Universal Service Fund. First, Universal Service must be updated to include broadband. The fact that it's 2010 and broadband is still not a supported service is simply unacceptable. Second, the Fund must better target support to all consumers living in rural America. The current system of distributing support hurts consumers who are served by a carrier who also provides service in large metropolitan cities within the same state. Fixing this inequality will immediately provide support for carriers to deploy broadband networks to consumers who are desperately waiting for broadband. And third, the base of contributors must be expanded to ensure the Fund remains solvent and proper accountability measures must be adopted to protect the integrity of the Fund.

As an elected official who understands the importance of small business, I have a public duty to make sure that all of my constituents are given every tool necessary to participate and succeed in this 21st century global economy. I praise Chairman Genechowski for his hard work and for acknowledging that we must tackle the issue of USF reform within the framework of a national broadband plan for our country. I sincerely look forward to the upcoming debate on this topic as we move toward enactment reform.

The future will surely be an exciting time, as our country's will to innovate and develop new technologies will continue to elevate society and transform the way in which we live and communicate with one another.

