



March 10, 2021

The Honorable James Clyburn
Majority Whip
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Clyburn:

The Power & Communication Contractors (PCCA) represents contractors, manufacturers, and distributors who build and repair America's power and communications infrastructure, including electric transmission, distribution, and substation facilities and broadband, telephone, and cable television systems. PCCA applauds the introduction of the Accessible, Affordable Internet for All Act (AAIA) of 2021, which would authorize some \$80 billion to fund competitive bidding systems used to build broadband infrastructure. We look forward to working with you and likeminded organizations in the broadband industry to see legislation with robust funding for broadband deployment enacted as soon as possible in the 117th Congress.

Broadband Deployment and Importance of Speeds

As America continues to respond to the ongoing Covid-19 pandemic, it is imperative that ensuring broadband service remains a national priority. PCCA has long advocated for policy that requires or strongly encourages the use of fiber optic systems needed to effectively deploy broadband to all parts of the country, as well as the need to increase speed thresholds held by the Federal Communications Commission (FCC). It is increasingly clear that the FCC's target speeds of 25/3 Mbps are already obsolete and that achieving speeds of 100/100 Mbps would provide broadband systems that are as "future proof" as possible. PCCA was pleased to see that carriers are now committing to significantly increase the broadband speeds they provide, as demonstrated in the recent reverse auction for Phase I of the Rural Digital Opportunity Fund (RDOF), where 99.7 percent of winning RDOF bidders committed to providing at least 100/20 Mbps broadband service, and 85 percent of those will provide gigabit service.

The AAIA reflects the progress made in terms of increasing broadband speed goals, as seventy-five percent of the funding is to be used "for a nationwide system of competitive bidding to fund broadband deployment in unserved areas, defined as areas with service below 25/25 Megabits per second (Mbps), and areas with low-tier service, defined as areas with service between 25/25 and 100/100 Mbps." In addition, the bill provides that if a state "does not have unserved areas or areas with low-tier service, funding may be used for broadband deployment in areas with mid-tier service, defined as greater than 100/100 Mbps but less than 1 gigabit per second symmetrical." Enactment of these speed requirements would take important steps toward meeting current demand, especially as the nation continues to battle the Covid-19 pandemic.

Concerns with Unproven Technologies

PCCA supported the establishment of RDOF, and we appreciate the recent assurances to provide higher broadband speeds, but Congress should raise the bar toward ensuring that federal resources are utilized as intended. PCCA is very concerned with increasing attention paid to entities presenting alternatives to fiber systems while promising the capability to provide competitive broadband service without a demonstrated record of success to back it up. Allowing unproven technologies to compete in high-performance tiers of FCC auctions is a mistake, and PCCA was particularly concerned with one provider winning more than \$885.5 million in RDOF bids for more than 640,000 locations in 35 states without any legitimate track record of success.

PCCA appreciated the letter you authored with Rep. Tim Walberg and Sens. John Thune and Amy Klobuchar that more than 150 lawmakers in the House and Senate signed onto encouraging the FCC to carefully review RDOF long-form applications to validate that each winning provider has the technical, financial, managerial, operational skills, capabilities, and resources to deliver the services that they promised. Therefore, we encourage inclusion of language in pending infrastructure legislation that would require all providers, using any technology, to demonstrate the ability to live up to their commitments.

The most effective way to ensure that RDOF funds are used wisely is to allocate them in separate and distinct tranches based on performance. These payment milestones could be identified in advance of any distribution of funds, with a schedule of values established that is tied to specific performance milestones (as an example, a milestone may require proof of service delivery to 10% of the proposed coverage area at the agreed upon speed/performance threshold within the first year, 25% within the second year, etc.). As a winning bidder reaches substantial completion of each milestone, an additional tranche of payment would be released. Without a meaningful mechanism to manage the distribution and use of these funds, the current system lacks accountability. The method described above would provide for better management of the allocation of federal resources while helping to avoid noteworthy issues that have occurred in the past where funds were distributed in full but the service levels were not met.

RDOF funding should be allocated as each participating provider successfully deploys broadband according to these or similar milestones. If those awarded federal funding fail to show meaningful progress, it should be stipulated that the service provider has a short window of time to correct the shortfall, or those remaining funds could be rescinded for award to an applicant who can deliver the high-speed broadband that our country needs. This oversight will be critical to ensuring that winning bidders make good on both the quality of service and the scope of deployment committed to in their applications.

Sound Labor Policy

AAIA would require that any party “awarded funding in the nationwide system of competitive bidding must pay wages to employees working on the project funded through this program at rates not less than those prevailing on projects of a similar character in the locality....” The vast majority of PCCA’s membership consists of merit-shop contractors, and PCCA members perform some 85 percent of the construction of infrastructure needed to effectively deploy broadband across America. PCCA members pay their workers well, with some fiber technicians earning up to \$90,000 after undergoing robust training regiments.

However, requiring prevailing wages under the Davis-Bacon Act or even local prevailing wages can create obstacles in some parts of the country, especially in right-to-work states that are not accustomed to administering prevailing wage policy. This will inevitably delay the deployment of broadband, particularly in the same rural areas that need broadband service the most. PCCA looks forward to working with you and your staff on ways to address these issues in a way that will ensure broadband construction workers are paid well, as we see within the PCCA membership, without inadvertently delaying the deployment process.

At a time when the industry continues to struggle to recruit and retain the workforce needed to meet the skyrocketing demand for broadband infrastructure, PCCA cautions against policy that benefits organized labor while shutting out merit-shop entities that represent the majority of broadband construction workers.

We thank you for introducing this important legislation, and we hope that you will consider PCCA a resource moving forward. Many thanks for your consideration.

Best Regards,

Bob Breeden

Bob Breeden
ElectriCom, Inc.
PCCA Chairman