



**Remarks by NRECA CEO Jim Matheson
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You might be wondering why rural electric cooperatives are part of this discussion today. I'm here representing co-ops as electricity providers, but also as consumer-owned, not-for-profit, community-invested utilities. We are ready -- right now -- to be strategic partners in this \$600 million effort to close the digital divide in rural America.

As electricity providers, America's electric cooperatives are already building fiber to electric substations, to the meter, and to the consumer in unserved and underserved parts of the country. Some of our primary motivations are to improve the efficiency of electric operations, to manage electric load, to lower costs for our consumer-members, and to extend energy efficiency and energy management technologies into rural homes and businesses.

We are highly effective in this space because we understand the utility model, we already have assets in place to accommodate the broadband business (call centers, utility trucks, control systems), and we have a reputation for reliability and service with our consumer-members.

And connected energy management is important, especially to low-income and persistent-poverty households. The electric users who incur the highest-cost bills (\$300 or more) are often those living at or below poverty levels, with the least energy efficient housing, with the least ability to pay. Connectivity allows electric cooperatives, for example, to install smart thermostats or water heaters that better manage energy use (maybe just a few times a month the utility adjusts a water heater to manage electric load) and substantially reduce bills.

And on the other side of the coin, **as consumer-owned, not-for-profit entities,** America's electric cooperatives are also invested in broadband projects because the outcomes matter in the communities we serve.

We are highly effective in this space because we understand the game-changing effect of rural access to connectivity in the same way we understood the game-changing effect of rural access to electricity.

And connected communities are important because the only way for 23 million unserved and underserved Americans to gain equal access to modern education, health care, economic and civic institutions is if they are connected.

NRECA is a group health care plan provider, and we cover people in rural places where health care providers gather at the McDonalds parking lot to upload and download radiology images and diagnoses because they aren't connected in their offices or where they provide home health care. NRECA sponsors a telemedicine program that can bring a consultation right into a home, but it doesn't work best unless it's broadband-enabled.

And that's the situation in far too many communities. Existing programs for expanding high-speed internet access are falling short of meeting the needs of rural America.

Today, electric co-op employees, board members and families are living and working in an uneven landscape where those **with** connectivity have these opportunities and those who **lack** connectivity do not.

Here's what it's going to take: priority for higher speeds and providers who put their own capital in play; federal grant support with preference for 25/3 and higher internet speeds even in the lowest-density areas; and rigorous upfront review to ensure applicants can deliver the speeds they promise.

Co-ops are deeply invested in our communities. We recognize the dangers of a narrow approach that excludes the open-minded solutions and leadership demonstrated by (1) our members and (2) our partners around the table at this meeting, at the FCC, and at USDA. And we are proud to bring forward new solutions and critical support for this important effort. Thank you.