

U.S. Sen. Baldwin: And U.S. Sen. Ernst introduce bipartisan legislation to protect and expand rural broadband

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Bipartisan bill provides regulatory relief for telecommunications companies to expand high speed broadband access in our rural communities

WASHINGTON, D.C. – U.S. Senators Tammy Baldwin (D-WI) and Joni Ernst (R-IA) introduced bipartisan legislation to encourage investment in high-speed internet and protect and expand access to broadband in our rural communities.

The *Access to Capital Creates Economic Strength and Supports (ACCESS) Rural America Act* would provide regulatory relief to rural telecommunications service providers by allowing them to submit streamlined financial reports to the Securities and Exchange Commission (SEC). These small companies—many of which are the sole service providers in their region—could be put out of business by looming regulatory costs. Specifically, this bipartisan legislation would increase the number of investors that triggers SEC public reporting requirements for rural telecommunications companies. This will save these small companies from costly SEC reporting requirements that were never intended for them.

“Reliable high-speed broadband is critical to strengthening small businesses and neighborhoods throughout Wisconsin’s rural communities. Unfortunately, rural

telecom companies are getting hit with disclosure costs that were never intended for them, creating new challenges to delivering broadband access throughout Wisconsin," **said Senator Baldwin.** "Our bipartisan legislation provides the regulatory relief that rural service providers need to build-out high-speed broadband in small communities and continue our efforts to bring broadband access for all - no matter where you live in Wisconsin."

"To compete in today's economy, small businesses and rural communities in Iowa need access to quality broadband. Currently, rural telecom providers throughout Iowa face the threat of costly SEC reporting requirements, making it more difficult to invest in broadband throughout Iowa, and across the country. The bipartisan *ACCESS Rural America Act* allows these businesses to focus on expanding access to broadband instead of complying with red tape," **said Senator Ernst.**

"We are extremely pleased to learn of Senator Baldwin's effort to support a Sarbanes Oxley relief bill for Senate consideration. Resources expended on SEC registration compliance would directly reduce funds available for broadband expansion and slow or even halt expansion and endanger our business to continue. SEC compliance would be in addition to the rigorous reporting already in place. Resources are continually being spent to educate shareholders on the thresholds and to manage the effects of exceeding the thresholds. We look forward to seeing our Senate working in a bipartisan effort to help incent rural broadband providers deploy network to assist economic development and telemedicine in the rural portions of our great state of Wisconsin," **said John Klatt, President/CEO of Lakeland Communications in Milltown, Wisconsin.**

"Small, rural broadband providers want to focus their energy, efforts and investment toward connecting more rural broadband customers. Unfortunately, the risk of expensive compliance associated with Sarbanes-Oxley regulations has forced some broadband providers to redirect their energy and resources to keeping shareholder counts below a certain threshold. These small, locally owned companies, many of which are more than 100 years old, are seeking reasonable relief from the threat of burdensome SOX regulations, which could cost their companies more than \$1 million annually. We fully support the efforts of Senator Baldwin to provide the thoughtful, measured relief of the *ACCESS Rural America Act*," **said William C. Esbeck, Executive Director of the Wisconsin State Telecommunications Association.**

"Coon Valley Farmers Telephone Company is the sole provider of TV, phone, and

internet services to 1,900 Wisconsinites. We trace our roots back to 1911, when members of our community used their own financial resources to form the company. In return for their investment, they were issued shares. Over generations, those shares have been split among children, to the point where the number of shares outstanding could require us to register with the SEC. These registration costs-which are estimates to be over one million dollars-would devastate our business. Without us, Wisconsinites in our rural community would lose access to high-speed broadband. Senator Baldwin's bill is a common-sense measure to provide targeted regulatory relief for small businesses in Wisconsin, and it will ensure that we can continue to make investments necessary to provide our communities with broadband," **said Carol Ann Olson, General Manager of Coon Valley Farmers Telephone Company in Coon Valley, Wisconsin.**

"Northeast Iowa Telephone Company (NEIT), a provider of broadband Internet and other communication services in rural areas of Northeast Iowa via state of the art fiber optic network(s) is pleased that Senator Ernst is sponsoring important legislation to provide significant relief from burdensome Sarbanes-Oxley rules for small telecommunications providers. Passage of this legislation will allow NEIT, and companies like it, to continue expanding broadband service, truly the "Super Highway" of the 21st Century throughout rural parts of the US rather than having to use scarce resources on complying with additional federal regulations for small telecommunications companies who are already subject to significant regulation from other Federal and State Agencies. We look forward to passage of this legislation so that the important work of deploying advanced broadband services that will allow rural customers to compete in the global economy can continue," **said David Byers, Chief Operating Officer at Northeast Iowa Telephone Co. in Monona, Iowa.**

"As a community-based communications company in northwest Iowa serving 21,000 customers in 30 communities, Premier Communications is pleased to have the support of Senator Ernst in sponsoring legislation with the purpose of reducing the financial and regulatory burdens of existing Sarbanes-Oxley rules. Without the expansion of the shareholder thresholds, Premier would be forced to file with the Securities and Exchange Commission and take on the financial burden of meeting the numerous regulations. With this proposed legislation, Premier will be able to continue focusing on network investments in fiber optics that will serve its rural customers with advanced broadband services and applications rather than

allocating precious financial resources in regulation. In addition, we have seen increased economic development opportunities in the rural communities where network investments have occurred and we look forward to continuing that throughout all of our service territory,” **said Doug Boone, CEO of Premier Communications in Sioux Center, Iowa.**

“Federal Securities and Exchange Commission registration and reporting requirements intended for larger, publicly-traded firms pose significant challenges for, and can impose substantial burdens on, smaller, locally-owned companies with limited resources. NTCA therefore greatly appreciates the leadership of Sens. Joni Ernst and Tammy Baldwin in introducing the *ACCESS Rural America Act*, which will help relieve these burdens and enable small providers to focus more on their core mission of deploying and operating advanced broadband networks in rural areas,”**said Shirley Bloomfield, CEO of NTCA-The Rural Broadband Association.**

The full legislation is available [here](#).

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