

**Written Testimony of Jack Waldorf, Executive Director
Western Governors' Association**

**Submitted to the United States Senate
Committee on Appropriations
Subcommittee on Financial Services and General Government
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Fiscal Year 2027 Appropriations

Chairman Hagerty, Ranking Member Reed, and Members of the Subcommittee, the Western Governors' Association (WGA) appreciates the opportunity to provide written testimony on the appropriations and activities of the federal agencies under the Subcommittee's jurisdiction, including the Executive Office of the President, the Federal Communications Commission (FCC), and the Small Business Administration (SBA). WGA is an independent organization representing the Governors of the 22 westernmost states and territories. The Association is an instrument of the Governors for bipartisan policy development, information sharing and collective action on issues of critical importance to the western United States.

Western Governors underscore the importance of a close and productive working relationship between states, territories, and the federal government and understand that more effective cooperation depends on federal recognition of states as co-sovereigns and partners. The promotion of greater partnership between states and the federal government is central to the mission of WGA.

Western Governors acknowledge the outsized harm caused by the opioid epidemic, which has become one of the nation's most devastating and lethal public health and safety crises. Reducing the effect of this epidemic includes stemming the supply of illegally produced opioids. Western Governors urge the Subcommittee to provide financial support and reimbursement to states and territories for interdiction activities, including through the Office of National Drug Control Policy's (ONDCP) High Intensity Drug Trafficking Areas Program. ONDCP should work closely with Governors to combat illicit drug trafficking.

The effects of the crisis are reaching younger populations as well, exemplified by rising rates of teen overdoses involving opioids. This alarming trend makes efforts to prevent and reduce substance use among youth even more important. Western Governors encourage the Subcommittee to focus on funding and other resources to increase the use of harm reduction strategies, such as naloxone, for youth.

Many western communities lack access to broadband internet due to the high cost of infrastructure and the economic challenges of serving low customer densities in rural and tribal areas. When communities do have access to broadband, download and upload speeds are often insufficient to meet bandwidth demands. While these realities have left many rural businesses at a competitive disadvantage and citizens without access to telework, telemedicine, and distance learning opportunities, such inequities have been difficult to address at the federal level due to inaccurate and overstated broadband data.

Western Governors also note that additional federal investment will be needed to shore up connectivity gaps and backfill Broadband Equity, Access, and Deployment (BEAD) Program funding. The Governors note that additional federal funding should prioritize scalable broadband infrastructure investments designed to meet future demands. This includes funding for equipment maintenance and upgrades to ensure long-term reliability and performance.

The Governors encourage the Subcommittee to consider how federal funding and allocation formulas can better reflect the high costs and unique challenges of broadband deployment in the West. This will assist in allocating adequate funding to expand internet access to as many hard-to-reach households as possible. Additionally, the Governors encourage Congress to invest in rural Internet Exchange Points (IXPs) through broadband programs, infrastructure legislation, and other initiatives. The Subcommittee should also consider supplementary broadband funding, including redirecting existing resources like the Rural Digital Opportunity Fund. To ensure adequate investment in tribal areas, a designated portion should be allocated to tribal projects.

Internet affordability issues remain some of the greatest barriers to closing the digital divide. To reap the benefits of historic federal broadband deployment investments, Western Governors emphasize the need to provide underserved and disadvantaged communities with broadband connectivity at accessible costs. Western Governors are particularly concerned with the lapse in funding for FCC's Affordable Connectivity Program. Western Governors call on the Subcommittee to continue to prioritize and fund this vital program.

A clear, consistent, focused, and effective environmental review process is essential to protect environmental resources, ensure public participation, and facilitate timely decision making in the design, financing and execution of critical infrastructure and land management projects. The Federal Permitting Improvement Steering Council (FPISC) provides transparency, accessibility, and agency accountability to the permitting process. Western Governors urge Congress to continue to empower and support the FPISC as it continues to improve the federal permitting process.

Finally, SBA plays a fundamental role in rural economic development. Small businesses are the foundation of rural economies; they generate tax revenue, create jobs, provide essential goods and services, and contribute to the culture and character of small towns. Building a successful business in a rural community is particularly challenging due to limited access to capital, available workforce, and smaller customer bases. Alongside the perennial difficulties with running a small business in a rural community, shifting demands in our economic, workforce, and technological environments require fundamental changes and new approaches to economic development strategies. Western Governors recommend that the Subcommittee provide support for small businesses and entrepreneurs, such as access to capital and business incubators, and an increase in the proportion of economic development funding that goes toward technical assistance and capacity building. Western Governors also request that the Subcommittee consider ways to create the conditions necessary to foster manufacturing enterprises in rural areas, including through resources dedicated to SBA's Manufacturing Office.

Western Governors note that SBA also plays an important role in supporting communities following a disaster. Western Governors appreciate the Subcommittees' efforts to encourage SBA to improve data sharing and coordination with the Federal Emergency Management Agency and the Department of Housing and Urban Development. Strengthening federal emergency management processes to promote single, comprehensive points of contact and universal intake processes for individuals would streamline state-federal coordination and help ensure that individuals are not burdened by federal program administrative processes.

Additional detail on these and other issues in the purview of the Subcommittee can be found in WGA policy resolutions 2024-01, Strengthening the State-Federal Relationship; 2024-04, Combating the Opioid Crisis; 2023-07, Broadband Connectivity; 2023-06, Rural Development and 2026-05, Disaster Preparedness and Response.

Western Governors recognize that it is an enormous challenge to judiciously balance competing funding needs throughout the federal government. The Governors appreciate the difficulty of the decisions you must make and stand ready to work with you in discharging these important responsibilities.