

Pennsylvania Telephone Association

"The Communications
Leader in Pennsylvania"



***SENATE COMMUNICATIONS AND TECHNOLOGY COMMITTEE
INFORMATION HEARING ON "TECHNOLOGY, COMMUNICATIONS, AND
eHEALTH"***

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TESTIMONY OF STEVEN J. SAMARA

PRESIDENT

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Good Morning Chairman Vulakovich, Chairman Farnese, and members of the Senate Communications and Technology Committee.

Thank you for this opportunity to update the committee regarding the most recent technological developments within the rural local telephone industry in Pennsylvania.

My name is Steve Samara and I am President of the Pennsylvania Telephone Association (PTA), an organization which represents the interests of the state's rural local exchange carriers, or RLECs as they are commonly known.

PTA member Companies range in size from several hundred thousand access lines, to under one thousand. They are, in many respects, as advanced as any sitting before you here today, and are truly "telecommunications", as opposed to simply "telephone" companies; offering combinations of telephony, video, Internet, data, and mobile services.

To assess where we are from a technological perspective, it is necessary to look back at the statutory framework which helped us get here, Act 183 of 2004.

Act 183

When the General Assembly passed Act 183 in 2004 it was the most progressive broadband deployment statute in the nation and, to the best of my knowledge, that is a designation which still applies.

I have testified before this committee and others many times regarding the act which is a compact between the Legislature, the Pennsylvania Public Utility Commission (PUC) and the regulated telephone companies which promised decreased regulation in exchange for universal broadband deployment throughout the Commonwealth. And I am happy to do so because the success of the statute is undeniable.

Specifically, the act provided for a menu of network modernization options for rural telcos which included universal broadband deployment by the end of 2008 or 2013, with regulatory obligations weighted accordingly.

To date, the vast majority of my member companies have finished their deployment, having completed their statutory obligations at the end of 2008. Two of my members will complete their deployment by the end of this year and are over 95 percent complete as of today.

But meeting the letter of the law is not good enough in today's ultra-competitive telecommunications marketplace where my members are in a daily battle with the companies represented on this panel and others for the customers who demand higher broadband speeds, cutting edge services and outstanding customer service.

Contrary to the stereotype of the rotary phone, party line traditional rural landline telephone company, PTA companies are offering world class services to their customers. In some instances at speeds dramatically higher than what Act 183 requires.

Broadband in Pennsylvania

While Pennsylvania's RLECs have met, or are meeting the statutory deployment requirements of Act 183, the number of consumers currently subscribing to these cutting edge services needs to increase.

The PUC recognized several years ago that broadband subscribership numbers were not what they should be and reached out to the industry to discuss approaches that might improve the situation.

Working cooperatively with the PTA, and utilizing revenues from the Council for Utility Choice, the "I Do More With High Speed Internet" website and the "Internet All Stars" campaign was born.

The concept is simple: solicit perspectives from citizens who use the broadband services supplied to them by their RLEC in a variety of interesting ways and disseminate that information to the public in order that the benefits of the Internet become apparent to a wider population.

The Commission officially unveiled the campaign several months ago, with Commission Chairman Rob Powelson saying in a news release that "High speed Internet service can offer a variety of benefits to users, including access to job

opportunities, health information, and government services. This campaign demonstrates just how valuable the service is for Pennsylvanians.”

Looking Ahead

The PTA Member Companies will continue devoting their energy and resources to ensure that their customers have access to the best telecommunications services available and will keep committee members apprised of their progress.

As evidenced by this hearing today, this committee continues to be very active in soliciting perspectives and pursuing ways to ensure that the benefits of technological advancements accrue in an effective and efficient manner to all Pennsylvanians.

For example, the PTA has previously testified before this committee on federal stimulus projects being supported here and while we have not opposed such projects, there needs to be a recognition that there is already a robust, high-speed, affordable broadband network here in Pennsylvania, courtesy of the state’s rural telcos.

That multi-million dollar investment means that any new telecommunications infrastructure project could realize significant benefits by partnering with existing network providers.

Some of those partnering discussions have happened already, and I am hopeful that they will continue.

Mr. Chairman, I want to thank you for this opportunity, wish you and the committee members all the best as we start this new session, and offer any assistance that the PTA and its Member Companies can provide you.