

Senate Communications & Technology

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Good morning Madam Chairwoman Phillips-Hill, members of the Communications & Technology committee and honored guests.

My name is Scott Kramer, Principal IT Specialist of SEDA Council of Governments (SEDA-COG) & the Information Technologies Group (ITG). SEDA-COG is a regional Local Development District (LDD), serving 11 Counties in central Pennsylvania. On behalf of SEDA-COG and the nearly three quarters of a million residents of our region, thank you for this opportunity to testify today and share our perspectives on the critical Broadband infrastructure needs in our region.

We are predominately rural and historically defined by agriculture, anthracite coal and manufacturing. Today we are challenged to redefine ourselves by maintaining and growing our manufacturing sector while building our service industries. Like other LDD's, we look to the federal and state government to partner with us as we confront infrastructure challenges and expand economic development. Roads, bridges, water/sewer and rail are important infrastructure needs, but highspeed broadband in our rural communities is just as important.

According to the latest Federal Communications Commission (FCC) data, over 600,000 Pennsylvanians still lack access to robust, reliable, High-Speed Internet, defined as 25mb down and 3mb up. However, in June of this year the Center for Rural Pennsylvania announced the results of a yearlong study on broadband in Pennsylvania.

This study found there isn't a single county in the state where at least 50% of the population received broadband connectivity, as defined by the FCC. The research team collected more than 11 million broadband speed tests statewide and found that connectivity speeds were substantially slower in rural counties than in urban ones.

In addition, the research found that speeds were slower in rural areas and the gap between the speeds claimed by Internet Service Providers (ISPs) and the speeds experienced by the public were more pronounced in the rural regions.

It's true, that areas near large populations, employers, hospitals, and schools generally have adequate access to highspeed broadband, however we've found that those residing in the surrounding rural markets have inadequate or

no highspeed internet access. ISPs, like most businesses tend to focus their efforts on areas that are in high demand and profitable, rather than the rural areas with a lower return on investment, much the same way the electric companies of the early 20th century approached providing power to the rural areas.

Local governments, as well as business and residents are placed in a disadvantaged position when faced with limited or no high-speed Internet. Throughout Pennsylvania rural areas are being impacted by inadequate broadband, with increasing difficulty attracting and retaining businesses and jobs and attracting and retaining residents, especially younger people, who often do not want to live or work in areas with poor broadband. These changes are creating negative tax base impacts for local government. Rural areas are also geographically and statistically at a disadvantage due to the logistics required to deploy broadband to these areas.

While rural markets go unserved, advances in telemedicine and online classrooms continue to become more common place. School age children are now given laptops/tablets for schoolwork and are required to complete

homework assignments and projects online. This is not a scenario that is unique to rural Pennsylvania and will continue to grow in the coming years, as the reliance to the ever-changing Internet of Things (IoT) becomes more and more critical to the everyday lives of PA residents. Communities across the United States have found themselves in similar situations and have gone to great effort to mitigate the remaining demand. Some of them have even taken matters into their own hands, literally, and created the infrastructure to provide broadband to their residents. It is to this end, SEDACOG has been focusing its efforts.

Allow me to share a few examples of how SEDACOG has been addressing Rural Broadband in our region.

Funded in part by the Appalachian Regional Commission (ARC) and the participating counties of Clinton, Lycoming, Northumberland, and Union, SEDACOG has commissioned a study from Design 9 of Blacksburg, VA to analyze regional broadband needs. The study will evaluate the current broadband infrastructure and services, with a focus on business needs, and will identify three key areas of need in each participating county. As part of the data collection process,

surveys of experiences from both businesses and residences regarding their current broadband connections or lack of such connections have been collected. These surveys are key to providing detailed broadband usage and coverage data needed to identify service gaps within the region. The completed study will provide local governments the tools necessary for making informed decisions regarding rural broadband in their region. We are presenting the full study findings next week to the counties and the public; however, I can highlight some key points.

- 88% of respondents are interested in having access to Gigabit fiber.
- 58% of residents are “not satisfied” or “only somewhat satisfied” with current Internet service.
- 94% of respondents agree that local Government should help facilitate better Internet access.
- 30% indicate that availability of broadband Internet is affecting where they choose to live.

In addition to the four-county study, SEDA-COG has been engaged with Juniata, Mifflin, and Perry Counties to facilitate a dialog amongst local leaders, planning directors, emergency communications directors, and the local ISP's, to address the lack of adequate broadband in the rural regions of each county. SEDA-COG was aware of the counties tower assets due to prior projects with emergency communications, so our initial proposal to the counties was to leverage their existing vertical assets to build a county operated wireless network capable of servicing the rural regions of the county. Alternatively, a point to point backbone network model was also proposed, which could then be leased to the local providers.

Over the course of these meetings we learned several key points:

- Our three counties, like most in our region, do not wish to be in the ISP business.
- ISP's are hesitant to buildout on networks they themselves did not build or control.
- Lack of return on investment is the primary reason ISP's are not expanding their service areas.

So, where do we go from here? How do we incentivize ISP's to build out into areas, specifically rural, where it might not be financially feasible for a traditional buildout?

SEDA-COG, with the support of regional legislators and the Pennsylvania Broadband Initiative, has secured \$300,000 through the Keystone Communities program for the purpose of facilitating the expansion of rural broadband. What we have proposed is, in addition to making the county owned vertical assets available to ISP's, to also establish a low interest Revolving Loan Fund (RLF) for the purpose of incentivizing ISP's to provide a minimum of 25mb down and 3mb up service in the selected pilot project areas. Loan funds will be awarded via a competitive RFP process as well as meeting the loan eligibility criteria. We feel this approach gives the providers the tools they need to expand their network infrastructure while creating a competitive environment for broadband access.

In conclusion, how do we build a 21st century infrastructure for Pennsylvania? By working together through federal, state, local and private partnerships that protect and enhance the infrastructure in which we have already invested, and by complementing that investment with new infrastructure

that allows the region and its industries to remain competitive. Leadership is crucial in bringing together state and federal broadband initiatives. I'd like to acknowledge the efforts of Sherri Collins, of the Pennsylvania Broadband Initiative and her role in spear-heading this issue. However, as with any monumental task such as this, help is always needed. SEDA-COG, and the other LDD's are here to help and assist in bringing fast, reliable internet service to the rural underserved regions of Pennsylvania.

Thank you for this opportunity to testify before you today, I'll be happy to answer any questions you may have.

Respectfully,

Scott A. Kramer, Principal IT Specialist
SEDA Council of Governments