# Testimony Before The
# Pennsylvania Senate Communications and Technology Committee

## Tuesday September 3, 2019
## Monroe County Safety Center

**Presented by:**
**David Kerr**
**President, External Affairs**
**AT&T Pennsylvania**

Chairwoman Phillips-Hill, Chairman Santarsiero and members of the Committee:

Thank you for the opportunity to provide comments on the topic of rural broadband.

I want to commend all the parties on both sides of the aisle for raising the importance and profile of the issue of rural broadband service availability. I have personally been involved with this issue for almost two decades both within and outside of state government; it is getting more attention now than I have seen in quite some time. Governor Wolf's creation of the Office of Broadband Initiatives and the legislature's creation of a bipartisan broadband caucus are two examples of this effort, but that is just the beginning. Earlier this year your committee and the Senate passed resolutions and legislation to further advance the discussion. Community meetings on the subject have become a common occurrence and progress is being made to raise the priority of the issue with several programmatic successes.

Mobile internet services can help people living in rural communities connect to information, loved ones, entertainment and public safety resources. AT&T is investing in its network and exploring new technology to provide the connectivity consumers need, where they need it.

AT&T invested more than $775 million in our network in the Commonwealth from 2016-2018. In 2018 alone, we made more than 3300 wireless network upgrades in Pennsylvania, including new towers in rural areas of the Commonwealth. With the help of these investments, our mobile broadband network covers an estimated 99.7% of the Pennsylvania population.

We also are testing new technology that would deliver ultra-fast wireless broadband over power lines through what we call Project Air-Gig, another way to potentially address the challenge of deploying high speed rural broadband cost effectively.

Project AirGig is a transformative technology from AT&T Labs that could one day deliver low-cost, multi-gigabit wireless internet speeds using power lines. Urban, rural and underserved parts of the world could benefit from this innovative wireless connectivity.

By using existing infrastructure – like power lines - Project AirGig can enable a dramatically expanded wireless footprint to provide service in urban and rural areas alike. The technology is flexible enough to be configured with small cells or distributed antenna systems, and is easier to deploy than fiber. Project AirGig also could help utility companies detect power line issues quickly by pinpointing specific locations where the lines become compromised.

We are hopeful Project Air Gig could see more expansive rollout in the next several years and that it will be another way to address the challenge of deploying high speed rural broadband cost effectively.

I mention small cells and please allow me to elaborate. Small cells are an increasingly important component to our network. Small cells are low powered, smaller radio access antennas typically attached to utility poles or other structures. These small cells allow us to "densify" our network to deal with capacity constraints created by the dramatic increase in data usage we are seeing across our network. We need policies and rules that recognize small cells are different from larger towers and we look forward to working with policymakers to streamline local permitting processes, allow access to public rights-of-way and adopt reasonable fee structures to incent the deployment of this infrastructure that will unlock new technologies and new economic opportunities.

Public-Private partnerships are another key to addressing the challenges of rural broadband deployment. Recent Federal Communications Commission (FCC) actions like the creation of the Connect America Fund and other federal funding sources that incent providers are examples. The CAF support mechanisms direct tens of millions in funding every year to address internet service availability needs in Pennsylvania, and will ultimately support internet service to more than 90,000 locations in our state. Pennsylvania augmented those FCC efforts with state dollars of its own last year. Some of the recipients of that funding are describing their efforts at the hearing today.

Another example of a public private partnership is the federal government's creation of the First Net Authority -- an independent authority within the U.S. Department of Commerce authorized by Congress in 2012. The Authority's mission is to develop, build and operate a nationwide public safety broadband network platform that equips first responders with the communication capabilities to help save lives and protect communities. AT&T won a federal procurement bid to build, operate and maintain the network platform for twenty-five years and,

as part of that contract, committed to building a number of new cells sites in rural areas nationally, including in Pennsylvania.

We will spend about $40 billion nationwide over the life of the FirstNet contract to build, operate and maintain the FirstNet network platform across the country. AT&T also brings to this venture its own world-class telecommunications network valued at more than $180 billion, with a wireless network reaching 99.6% of the U.S. population.

The addition of new FirstNet sites and deployment of Band 14 spectrum will aid not only public safety subscribers to FirstNet, but will also help enhance and expand network coverage for commercial and individual consumers in many of our more rural, underserved areas.

It is important to note that First Net is not replacing the Land Mobile Radio (LMR) network in Pennsylvania known as PA-STARNet. First Net and PA-STARNet are and will be complementary platforms that keep our first responders connected.

When it comes to funding broadband, AT&T recommends that any funding mechanisms that provide incentives for increased internet access availability be designed to specifically target funding in the most cost-effective and efficient manner possible. These government programs should be patterned on and complement any existing programs such as the FCC Connect America Fund (CAF), by:

- Prioritizing funding to unserved areas that do not have any fixed internet access service at speeds of at least 10 Mbps download/1 Mbps upload and that are expected to remain unserved. Residents and businesses who lack at least 10/1 Mbps have the most urgent broadband needs because they have the least functionality from their existing connections, so improving their connectivity should be the first priority;
- Targeting people most likely to otherwise remain unserved. Funding should not be available to overbuild existing or planned private sector deployments, for areas or

network facilities funded by other government broadband programs; or if the result would be to disqualify areas from eligibility for federal broadband funding;

- As the CAF program has done, use competitive bidding to award funding to no more than one provider per eligible area, with that provider seeking the least amount of program funding per location, while meeting the minimum performance criteria;
- Ensuring any program is competitively and technology neutral, allowing any provider using any technology that can meet the program's service and technical obligations to be eligible to bid;
- Requiring funding recipients to offer clearly identified retail internet service, mirroring CAF obligations, to identified unserved areas for a specified term of years.

Any deployment incentive program should be subject to a firm and time-limited budget and be funded through general appropriations.. And finally, in any case, policymakers should periodically review any incentive programs created and consider whether the program is meeting its goals and should be renewed.

I will close by offering additional positive comments on the Administration's creation of the Governor's Office of Broadband Initiatives. The office provides a single point of contact for rural communities but importantly it also provides a single point of contact for private providers. Policymakers should establish clear priorities for this office that include among other things the continued prioritization of state assets for commercial use, the encouragement of master attachment agreements between state agencies and private providers, and a thorough review by each agency of any internal policies that may be inhibiting rural broadband deployment.

Thank you for the opportunity to join you at the hearing today and I'm happy to answer any questions.