

Testimony of Todd Eachus, President
Broadband Cable Association of Pennsylvania
before a Joint Hearing of the
House Consumer Affairs Committee
and
Senate Communications & Technology Committee
on Rural Broadband

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Chairman Marshall; Chairwoman Phillips-Hill; and members of the House Consumer Affairs and Senate Communications & Technology Committees.

I'm Todd Eachus, President of the Broadband Cable Association of PA (BCAP). BCAP members serve Pennsylvania residents in all 67 counties with broadband, video, voice, and home security and automation services.

As the Commonwealth's leading broadband provider, the cable industry is committed to closing the rural and urban digital divide. And as our increasingly web-based society moves forward requiring the most cutting-edge advances in telecommunications, the vast majority of Pennsylvanians have broadband access largely due to cable companies having launched – in the mid-1990s – a private capital investment of more than \$10 billion to build out robust Internet service throughout the state. Over 85,000 miles of high-speed cable plant – providing services for approximately 3 million customers – connects our state's cities, townships, boroughs and rural areas.

Since last year, Pennsylvania has been no different from the rest of the country, and most of the world. The COVID-19 pandemic brought enormous suffering, well beyond the incalculable, immeasurable health struggles. The economic and financial hardship was widespread, with our citizens and businesses relying daily on technology and the Internet to assist them working from home, seeking a job, attending school online, consulting their doctor, attending religious services and countless other interactions.

Remote work, distance learning, telehealth, streaming, and live video chats took off. The Commonwealth's cable companies came together early on to use its services, reach, and influence to help connect as many to the Internet as possible. It is no exaggeration to point to broadband connections being responsible for enabling Pennsylvanians, and Americans, to continue working, learning, and communicating with one another.

Our networks have been tested during the COVID-19 pandemic, with employees at home and students required to use online learning. In Pennsylvania, we've seen a 27.2 percent increase in downstream demand, and a 53.1 percent increase in upstream demand. In addition, Wi-Fi data and cable broadband support of mobile data has dramatically increased. The verdict: cable broadband backbones showed “no signs of congestion.” This performance stands in contrast to Europe where network performance deteriorated. European Union (EU) Commissioners asked consumers and streaming video companies to shift from high-definition to standard definition¹. Why the difference? It's all about investment. Pennsylvania cable companies have invested over

¹ *TechCrunch* – “Netflix and other streaming platforms urged to switch to SD during COVID-19 crisis” (March 19, 2020)

\$10 billion in private capital since the 1996 Telecommunications Act to build, upgrade and maintain the state's most robust, widespread network to deliver voice, video and data services.

Despite our networks having performed well, the pandemic has reinforced the necessity of high-speed broadband. While 95 percent of Pennsylvania households have access – from cable companies – to Internet speeds meeting or exceeding the FCC's broadband benchmarks, too many Pennsylvanians can't get wireline broadband. The majority of these households are in areas considered "edge of network" – close to broadband cable facilities but still a line extension away. The remaining "unserved" households are largely in isolated rural areas where often there is limited telecommunications infrastructure, including no cell phone service.

The federal government has stepped up with the FCC's Connect America Fund II, which will spend \$56,831,061 to extend broadband to 54,812 locations unserved Pennsylvania locations²; and the Rural Digital Opportunity Fund (RDOF), which will spend \$368,743,200 to bring broadband to 184,505 unserved Pennsylvania locations³ over the next ten years. BCAP members have been actively participating in these programs. Now, the American Rescue Plan and the recently adopted Infrastructure Investment & Jobs Act are poised to expend billions more for broadband infrastructure. How do we ensure these dollars are spent wisely to deliver broadband to rural Pennsylvania?

Michael Powell, former FCC Chairman and now President of NCTA - The Internet & Television Association, urges caution. He said that these dollars could result in a "golden age of broadband investment, or a costly sinkhole that squanders billions and does little to close actual broadband gaps." Powell called for the establishment of guardrails for the use of the money and has cautioned against allowing municipal networks to overbuild commercial ones, and subsidized providers to overbuild existing plant. "We need to allow engineers making decisions about network construction, not regulators, lawyers and lobbyists," Powell said.⁴

With the availability of federal funds for broadband, BCAP is concerned about proposals advocating government owned/operated networks. There's much more to operating a fast, reliable network than just putting fiber in the ground. Network demands are constantly changing and require evolving cybersecurity protection. New network entrants who don't have a plan or resources to support ongoing innovation and protection may put customers who rely on them at unnecessary risk, and delay the robust, reliable service they deserve.

² Federal Communications Commission news release "Connect America Fund Auction to Expand Broadband to over 700,000 Rural Homes and Business" (August 28, 2018)

³ Federal Communications Commission news release "Successful Rural Digital Opportunity Fund Auction to Expand broadband to Over 10 Million Rural Americans" (December 7, 2020)

⁴ *Multichannel News* "NCTA's Michael Powell on Broadband Subsidies: Spend Smart" (March 19, 2021)

The Pennsylvania General Assembly, led by the leadership of these Committees, passed the Unserved High-Speed Broadband Funding Pilot Program Act almost a year ago. This legislation, which became Act 132 of 2020, established an appropriate framework for channeling broadband funding. Eligible applications cannot target areas already served by high-speed broadband service; applicants are limited to nongovernmental entities “with requisite fitness to operate broadband services;” and “at least 25 percent of project funding must come from the non-governmental entity, not counting state or local grants, loans or subsidies.”

BCAP encourages county and local municipal officials to reach out to companies – broadband cable providers, telephone companies and wireless providers, successfully operating in the broadband space. Closing the rural digital divide will not happen through the efforts of the private sector or government alone; but rather only through public/private partnerships will we be able to realize the goal of making fast, reliable, secure internet available to every Pennsylvanian. BCAP member companies look forward to bringing their decades of investment and innovation, along with their experience building, managing, updating and expanding cutting-edge networks, to ensure quality broadband access across the Commonwealth.