



Testimony of
Sue Suleski, Director, Office of Administration, Broadband Initiatives
before the
Senate Communications and Technology Committee
regarding
**American Recovery & Reinvestment Act (ARRA) Moneys for
Broadband**
Senate Communications & Technology Committee Meeting

October 3, 2012 - 9:30 a.m. - Hearing Room 8 E-A, East Wing

Chairman Folmer, Chairman Farnese, and Members of the Senate Communications and Technology Committee:

Thank you for the opportunity to speak to you this morning on the status of the Commonwealth's broadband stimulus activity. My name is Sue Suleski, and I am the Director of Broadband Initiatives for the Commonwealth, housed within the Governor's Office of Administration (OA), Office for Information Technology (OIT). In that capacity, I am responsible for the development, implementation, and oversight of various aspects of Pennsylvania's broadband stimulus effort and for ensuring coordination with the broadband programs and mandates established under Act 183 of 2004.

AMERICAN RECOVERY REINVESTMENT ACT OVERVIEW

Allow me to begin by providing some historical context. Recognizing the increasingly important role that broadband and the Internet play in the nation's economic well-being, the American Recovery and Reinvestment Act (ARRA) of 2009 dedicated \$7.2 billion to support broadband projects across the country. These funds were deployed via three distinct programs.

The Broadband Technology Opportunities Program (BTOP), which is administered by the U.S. Department of Commerce, National Telecommunications and Information Administration (NTIA), received an allocation of \$4.7 billion for

investment in the categories of: comprehensive community infrastructure deployment (both last mile and middle mile); public computer centers; and sustainable broadband adoption programs. Ultimately, NTIA invested approximately \$4 billion in 233 BTOP projects across the nation.

The State Broadband Data and Development Program (SBDD), now also referred to as the State Broadband Initiative (SBI), is also administered by NTIA. This program received \$350 million of the BTOP allocation to implement the Broadband Data Improvement Act (BDIA), which envisioned a comprehensive program led by state entities to facilitate the integration of broadband and information technology into state and local economies, support the collection of broadband coverage data to populate the National Broadband Map, and facilitate state broadband planning and capacity-building efforts. NTIA granted approximately \$293 million to 56 recipients, including all 50 states, five territories, and the District of Columbia.

The Broadband Initiatives Program (BIP), which is administered by the U.S. Department of Agriculture (USDA), Rural Utility Service (RUS), dedicated \$2.5 billion in the form of grants and loans for last-mile infrastructure and support projects specifically in rural areas. RUS ultimately funded 297 broadband infrastructure projects, four satellite projects, and awarded 19 technical assistance grants, which are estimated to improve broadband services for 7 million people.

All investments made under these stimulus-funded programs had to be finalized by the federal agencies no later than September 2010.

BROADBAND PLAN

In anticipation of these broadband stimulus funding opportunities, the Commonwealth developed and released its first State Broadband Plan in July 2009, to communicate information on the existing broadband-related efforts being undertaken, pursuant to Act 183 of 2004, and to lay out a vision of actions and key goals that must be achieved in order to provide access to high-capacity, affordable, reliable, and sustainable broadband services for all citizens, businesses, and institutions in Pennsylvania.

AWARDS IMPACTING PENNSYLVANIA

Approximately 200 applications proposing to impact Pennsylvania either in whole or in part were submitted to NTIA and RUS for funding consideration over the course of two application rounds. Ultimately, 20 of those applications, totaling \$468 million, were approved. This portfolio of investments includes two grants, totaling over \$36 million, which were awarded to the Governor's Office of Administration (OA) and are being implemented by Commonwealth agencies. These grant awards

include a middle mile infrastructure deployment project and a grant to support activities related to broadband mapping and planning.

MIDDLE MILE GRANT

Under the Broadband Technology Opportunities Program (BTOP), NTIA approved a comprehensive community infrastructure project grant award in the amount of \$28,784,014 to the Office of Public Safety Radio Services (OPRS). This award was matched by \$7,196,003 in state funds for a total project cost of \$35,980,017. This project was designed to support the deployment of middle mile broadband infrastructure in the 32-county region north of Interstate 80. The project aims to promote broadband service in these primarily rural counties. The project leverages and builds on the state's existing microwave network, now used exclusively for radio traffic as part of the Pennsylvania Statewide Radio Network (PA-STARNet).

The project will add a parallel 150 Mbps to the current 50 Mbps of network capacity, making it available to last mile broadband providers, including telecommunications companies and Internet Service Providers (ISPs), as well as to anchor institutions such as schools, colleges, hospitals, libraries, and public safety agencies. This project involves the construction of new radio towers and equipment shelters, and the installation of microwave equipment.

As of September 30, 2012, all five towers and nine shelters proposed have been constructed, 62 of 72, or 86%, of the planned microwave links have been installed, and over 99% of the BTOP funding have been committed to use. This project is on track to be completed by January 31, 2013, with all funds to be fully expended during the remaining four months of the grant.

Effective July 1, 2012, OPRS transferred to the Pennsylvania State Police and this project is now being managed by that agency.

MAPPING & PLANNING GRANT

Under the Broadband Data and Development (SBDD) Program, now also referred to as the State Broadband Initiative (SBI) program, NTIA made a broadband mapping and planning grant award in the amount of \$7,356,301 to the Governor's Office of Administration, Office for Information Technology (OIT). This award was matched by \$2,168,400 in state funds for a total project cost of \$9,524,701. This project launched in January 2010 and will continue for five years until December 2014. The Commonwealth received the sixth largest SBDD award (behind New York, Florida, Virginia, Texas, and California).

States were given the flexibility to identify the policy and program priorities unique to its state and as such, the Commonwealth developed an innovative work plan which recognized and built upon the existing programs established under Act 183 of

2004 to advance broadband mapping, technical assistance, capacity-building, strategic planning, and research.

MAPPING

The majority of the federal SBDD grant award (\$3.8 million) is dedicated to mapping the supply of broadband coverage throughout the state. This project involves the continuation and enhancement of the broadband mapping program Pennsylvania launched in 2004 as a means to accomplish the parallel goals of the SBDD program and Act 183 of 2004 relative to maintaining an inventory of broadband service availability.

This federally-funded project component was launched in January 2010 and is fully underway. To date, the Commonwealth has collected, validated, and transmitted six data sets to NTIA for use on the National Broadband Map available at www.broadbandmap.gov.

An enhanced Pennsylvania Broadband Map interface was launched in November 2010 at www.broadbandinpa.com and continues to be updated and improved. Visitors are encouraged to use the available feedback tool to comment on the accuracy of the map and/or provide other suggestions. Future enhancements call for the incorporation of data on the location of WiFi hotspots and public computer center locations; and additional tools to enable the broadband data to be viewed and analyzed in context of other data elements to assist in community and economic development planning.

NON-MAPPING/PLANNING

The remainder of the federal award (\$3.5 million) is dedicated to broadband planning and collaboration activities, including outreach, strategic planning, technical assistance, state capacity-building, and research.

The first activity related to this effort was the hosting of the first Pennsylvania Broadband Summit. This event attracted over 300 attendees, representing a wide range of stakeholders interested in broadband issues, including providers and technology companies; state, federal, and local government officials; education entities; health care providers; economic developers; technology associations; public safety entities; non-profits; and interested citizens. Taking seriously the sentiment of ARRA, the Commonwealth launched a coordinated statewide outreach, training, and technical assistance effort targeting community anchor institutions, local governments, first responders, and small businesses - those who stand to benefit from the adoption or increased utilization of broadband solutions and are in the best position to stimulate job creation and drive economic impact within their communities. The Commonwealth has also dedicated funding to support research to

benchmark the availability and contribution of broadband Internet telecommunications to Pennsylvania's manufacturing sector.

In addition, the Commonwealth will engage subject matter experts and stakeholders to develop an integrated, comprehensive, and actionable long-term strategic broadband plan aimed at expanding the availability of adequate and affordable broadband access and increasing the adoption and utilization of broadband solutions across the Commonwealth, as a means to ensure Pennsylvania's economic competitiveness. As of September 30, 2012, 77% of the SBDD funding has been committed to use and this project is on track to be completed by December 31, 2014, with all funds to be fully expended during the remaining 27 months of the grant.

CONCLUSION

The stimulus-funded efforts discussed today represent strategic initiatives, specifically tailored to:

- Complement and build upon the efforts and requirements established under Act 183 of 2004;
- Enhance the Commonwealth's mapping program to add functionality and value beyond state or federal requirements;
- Build capacity within state government, regionally, locally, and within business and community anchor institutions; and
- Leverage state assets to deploy infrastructure and expand coverage into unserved and underserved areas.

As you are aware, on February 22, 2012, The Middle Class Tax Relief and Job Creation Act of 2012 was signed into law authorizing and provided funding for a nationwide public safety broadband network (PSBN). It is worth noting that discussions have been underway for some time across state agencies with an eye towards ensuring that the Commonwealth-led stimulus-funded programs, as well as other relevant initiatives, are fully leveraged to support the Commonwealth's planning for and/or participation in this national network.

I thank you once again for the opportunity to appear before you here today and appreciate this committee's ongoing interest in this important issue. I am happy to take any questions you may have.