



pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT

**TESTIMONY
ACT 183**

**Senate Communications and Technology Committee
Joint public Hearing with Senate Consumer Protection & Professional License
Committee**

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Pennsylvania Department of Community & Economic Development**

Thank you for the opportunity to speak to you this morning on the broadband programs administered by the Pennsylvania Department of Community & Economic Development (DCED). My name is Tom Palisin, and I am the Acting Deputy Secretary for Technology Investment at the Department.

Act 183 of 2004 updated past legislation, Chapter 30, and authorized several ambitious initiatives by increasing investments in telecommunications within the Commonwealth, the goal being to hasten the deployment of high-speed broadband services before the 2015 deadline established under the original legislation passed in 1993. DCED is responsible for several broadband programs, which were established under Act 183 of 2004. These programs include Inventory of Broadband Services and Broadband Mapping, Broadband Outreach & Aggregation Fund (BOAF), Bona Fide Retail Request Program, and Business Attraction and Retention Program. I would like to provide a short summary of each programmatic responsibility.

First is the Inventory of Broadband Services and Broadband Mapping. Under the Act, DCED maintains and periodically updates an Inventory of Services database which provides for the collection, compilation, and maintenance of a comprehensive listing of advanced and broadband services available from all advanced and broadband service providers operating in the Commonwealth, irrespective of the technology used. Access to the inventory is available through a public online map depicting the accessibility to broadband in Pennsylvania. The legislation requires that all broadband providers in PA, regardless of technology, cooperate with DCED in providing details on their coverage so as to create the Inventory of Broadband Services and public map. The map was first launched in 2006, was further enhanced in 2010, is updated semi-annually, and was last refreshed in October 2011.

The Broadband Outreach and Aggregation Fund (BOAF) was created as a grant program to be administered by DCED to provide outreach to communities on the benefits of broadband and to help communities aggregate the demand for broadband service. The Program is funded by Public Utility Commission (PUC) assessments on rate increases, on the four non-2008 Independent Local Exchange Carriers (ILECs) (Windstream, CenturyLink, Verizon-PA and Verizon-North) and is capped annually at \$5 million. Funding cannot be used for deployment or implementation and the eligible entities include community/economic development organizations, educational organizations, and non-profits. The BOAF Program recognizes that aggregating local demand for high-quality telecommunications helps to attract broadband providers, speeding up deployment and improving affordability, particularly in rural and underserved areas of Pennsylvania. Since inception \$7,519,573 has been collected through the PUC from the four ILECs. Over \$5 million was invested in 36 projects; \$1.07 million was leveraged for a federal stimulus award of \$7.3 million for the commonwealth. Additional funds were used for administrative costs (not to exceed 3% as allowable per legislation) and creation/maintenance of the initial broadband map. Funding collected peaked in \$2.4 million 2006 and yearly contributions have steadily and significantly declined - this fiscal year's assessment is estimated to be only \$50,000. Contributions into BOAF cease in 2015.

The Bona Fide Retail Request Program (BFRR) consists of a mechanism developed and implemented by participating ILECs in order to attract and aggregate requests for broadband services. If a consumer or community resides in the service territory of Verizon, CenturyLink, or Windstream, and broadband is not currently available, the Bona Fide Retail Request Program (BFRR) allows the customer to submit a petition for services in advanced of the scheduled 100% deployment deadline (2015 for Verizon and 2013 CenturyLink, or Windstream). Where 50 retail customers or 25% of retail access lines in a "community" as defined in Act 183, whichever is less, request broadband service; and commit to at least one year of service from the participating provider, then service must be provided within one (1) year. As of June 30th, 2011 over 610 communities had met the threshold and of these broadband had been deployed to 525 as a direct result of the BFRR process.

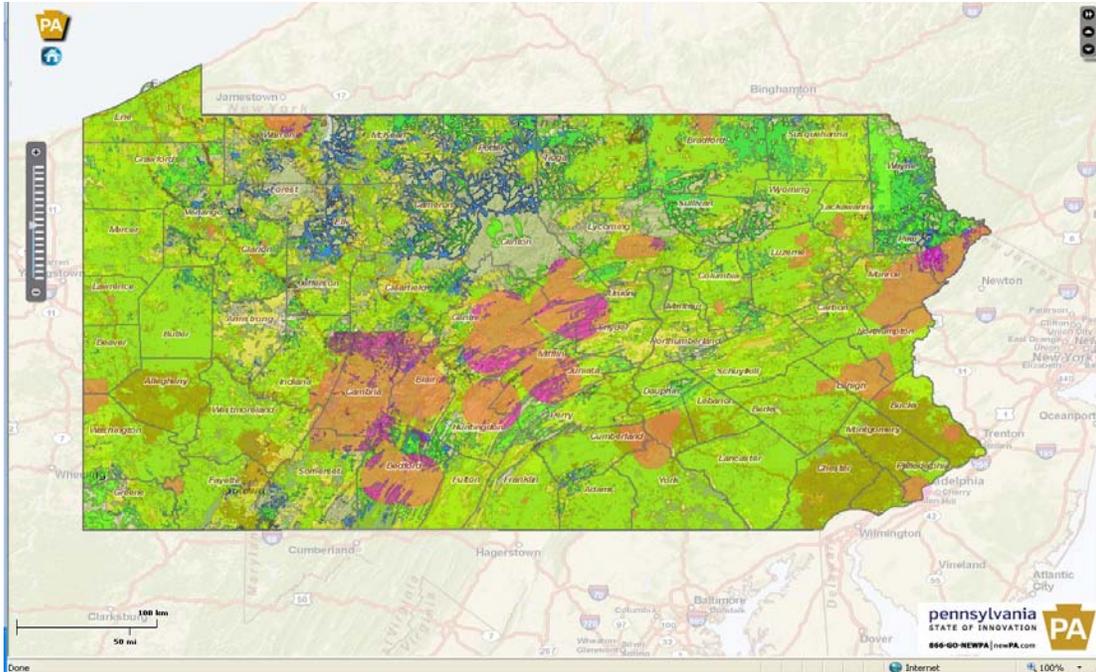
The Business Attraction or Retention Program (BARP) was developed as an economic development trigger program that recognizes the importance of telecommunications to economic development by creating a mechanism for the Department to accelerate deployment for economic development purposes. Through the BARP program, the Department of Community and Economic Development (DCED) can facilitate the deployment of broadband to qualifying businesses that are considering locating to or within Pennsylvania. Act 183 establishes a process to allow the DCED to refer potential business attraction and retention prospects to the participating providers. The intention of the program was to help redevelop old industrial sites and support economic development efforts to create more jobs in Pennsylvania. Only six (6) requests submitted to date with only one (1) success story in Warren County.

Thank you for your attention to this testimony. I would be happy to answer any questions you may have.

APPENDIX

Broadband Public Map

www.broadbandpa.com – click on map to check your coverage



- First launched in 2006 and significantly enhanced in 2010 through the use of federal stimulus funding.
- Collecting data on broadband availability, type, and speed of service by provider down to street segment or census block, as well as the locations and broadband attributes of community anchor institutions.
- Current map depicts self-reported broadband coverage for 78% (94 of 120) of known providers. Data is accurate as of 06/20/2011.
- Updated semi-annually. Next data refresh: April 2012
- Meets objectives State Act 183 of 2004 of and the federal State Broadband Data and Development (SBDD), which is administered by the National Telecommunications and Information Administration (NTIA) in partnership with the Federal Communication Commission (FCC).
- Data rolls up to National Broadband Map (www.broadbandmap.gov), which includes a comprehensive broadband dataset and analytics on the broadband coverage available in all 50 states, five territories, and the District of Columbia.