



April 1, 2009

Public Testimony to the Senate Communications & Technology Committee

Subject: Advanced Broadband Services- What Is Next?

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Good morning and thank you for the opportunity to address the committee on this very important subject. I am Bob Roland, Senior V.P of Sting Communications, a Competitive Access Provider of Advanced Broadband services located in Lebanon, PA.

One goal of today's hearing on "Advanced Broadband Services" is to highlight the many technologies deployed throughout the Commonwealth to date. Referencing the first slide, Sting Communication's has deployed the most advanced broadband network technology available today, Carrier Ethernet with MPLS. Simply stated, this technology addresses communications needs of today, and the evolving trend towards what is called converged networks based upon the Internet Protocol, or IP. Convergence is the direction of our voice, video and data communications, technologies like VoIP, IPTV and more. Think of the network shown here as a private, secure, controlled Internet.

Referencing the slide, the network combines long haul transport, with "middle mile" fiber rings and many breakout points throughout the state for what is termed Metro access. Metro access provides the local connections and aggregates the traffic via an "on-ramp" to the "superhighway", bringing the most advanced broadband technology in the world to the customers we serve in these markets.

These breakout points are key, as this is how we deliver advanced services into communities such as Clarion, Franklin, Clearfield, State College or Lebanon to site a few. In fact, the next slide shows the network reach into 47 of our 67 counties delivering advanced broadband services that were either unavailable or out of reach from a cost standpoint prior to Sting. One note, while the shading would suggest ubiquity of service offering, gaps remain in availability. More on that later. Also, this slide does not show how Sting has bridged the gap with converged Ethernet services and interconnects to the incumbent cable and LEC entities in many of these areas to get the critical last mile connectivity to users.

Sting's network now serves over 175 primarily rural school districts and 7 Intermediate Units, delivering services at speeds literally 10 to 100 times faster than previously available at only a 5% premium over what they were previously spending. ***I would be happy to provide the committee specific data upon request.*** Today our network directly serves over 34% of the K-12

market. In addition, this network provides the backbone for PA Intermediate Unit Association Network (PAIUnet), a network that interconnects all 29 Intermediate Units and approximately 490 participating districts via a private, secure, high-speed WAN.

This network has now enabled other projects such as the PA Mountains Healthcare Alliance regional network. Sting was able to deploy this FCC Rural Healthcare Pilot Project, interconnecting 14 non-profit hospitals in North Central, PA who, historically speaking, found themselves in the same predicament as the schools prior to competitive choices. The impact of this network goes beyond public and non-profit entities. In the markets we serve, we have enabled commercial enterprises, such as Internet Service Provider's, to dramatically lower their costs resulting in lower prices for their customers in these same markets.

Thanks to the leadership of this committee and the legislature, through Act 183, we have achieved a goal in creating the critical infrastructure for these K-12 education networks and spillover benefits in advancing broadband services throughout Pennsylvania. The success of this program is best demonstrated in two slides. The first slide shows the extent of interconnected districts pre E-Fund. The next slide shows the results after three (3) years of the E-Fund program. Virtually every school district in Pennsylvania can now collaborate, share programs and expand learning opportunities regardless of where they are located.

The point is the E-Fund program provides a referenceable model of success to help us close the gaps where broadband services are limited. As you have heard this morning, competitive forces are alive and well and the majority of residents and small business have multiple broadband service options. Nonetheless, many gaps still exist in the rural markets. An "E-Fund like" process provides a blueprint to follow to quickly close these gaps and has a track record of success. A process that encourages private investment, leveraging public funds, and drives a fair competitive bid process. Let's make certain we channel any public investments for infrastructure builds into expanded coverage and/or services and not recreate the "middle mile" to the exclusion of the "have nots" once again. We also need to think beyond land-based services in these rural markets. Let's consider emerging technologies such as WiMax for fixed broadband services in some of these areas.

We have high powered networks in our districts. Our children should be able to go home and connect at high-speeds to these advanced networks to expand learning time. To attract and retain medical professionals in these rural areas, we need to ensure high-speed access from the home so the radiologist who needs to view an X-ray at Mt. Nittany MC does not have to drive 20 miles late at night from Philipsburg to State College.



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From a technologists standpoint, we have more than enough fiber and providers in the state. Our focus should be on leveraging what broadband assets exist and not re-create or over-build.

It may also be time to have a “Broadband Czar” at the state level who coordinates and provides oversight to the multitude of Agency initiatives and political sub-divisions broadband efforts. We should also demand any investments from a public-private partnership perspective have sustainability. We have seen many “muni WiFi” projects by Earthlink falter because there was not a sustainable business model behind the initial investment.

I would close with this last slide. I think it summarizes our biggest challenge well. It is time to shift our focus from build-out, and focus on use and adoption. The first quote would suggest we need more infrastructure. However, the second crystallizes the need to focus on use and adoption.

Thank you for your time and I am happy field any questions or requests for follow on data.