House Democratic Policy Committee

3/31/21, 1:00 p.m., Room 418, Main Capitol

By Harrison Cann and Matt Hess, Pennsylvania Legislative Services

The committee held a public hearing on bridging the digital divide.

Rep. Matzie thanked Chairman Bizzarro for calling this hearing, noting that they expect President Joe Biden to include broadband expansion in the infrastructure plan he is proposing later today in Pittsburgh.

Brian Barno, vice president, government affairs, Broadband Cable Association of Pennsylvania (BCAP), testified that BCAP members serve all 67 counties in Pennsylvania with broadband, video, voice, and home security services. He stated that the majority of Pennsylvanians have broadband access largely due to cable companies having launched a private capital investment in the 1990s to build out robust Internet service. He added that the pandemic brought economic and financial hardship to many, with citizens and businesses relying on technology daily to work from home, seek a job, or join a classroom. He noted that Pennsylvania saw a 27.2 percent increase in downstream demand and a 53.1 percent increase in upstream demand. He said that while the networks have performed well, the pandemic has "reinforced the importance that everyone has high-speed broadband."

Barno explained that BCAP members and the Federal Communications Commission (FCC) have launched discounted programs to make low-cost broadband service available to low-income families. He added that the American Rescue Plan is now poised to expend billions more for broadband infrastructure, but that those funds should have guardrails to ensure municipal networks are not overbuilt. He also noted that other legislative proposals are seeking to define broadband services as 100 megabits per second (Mbps) download and upload speeds. He expressed concern for requiring that high of speeds, stating that "codifying or adopting these exaggerated speeds will steer providers to move investments and deployment to easier to serve areas, further delaying efforts to bring access to all Americans."

Rep. Matzie asked Barno to expand on the idea of symmetrical download and upload speeds. Barno responded that right now the regulation is to have 25 Mbps download and 3 Mbps upload speeds. He noted that upstream speed relates more to uploading data to the internet, so that would be more applicable to those doing online learning. He explained that the FCC came up with the 25 to 3 standard as a movable scale that would need to be changed as applications require more bandwidth. He remarked that 100 Mbps is for "academic speeds" and that the demand for massive upload speeds is not there yet. Rep. Matzie asked about public-private partnerships and if Pennsylvania should look more into a large infrastructure rollout. Barno responded that Pennsylvania needs to be strategic with its spending. He noted that the Public Utility Commission (PUC) and Penn State put together broadband usage mapping to show where broadband is needed. He stated that individual entities could look at those maps and figure out where the state is lacking coverage, and that the final result from competitive bidding would be less costly because providers are paying down to provide the service at the lowest possible cost.

Rep. Matzie remarked that there needs to be more discussion about competitive bidding in the future. Barno replied that Senate Bill 835 of 2019 required grants to be issued to providers with a track record of providing broadband and reaching unserved areas. He added that there have been thousands of cyber attacks coming from all over the world, and that the "incredibly complex operations" require networks that can deal with those threats and implement safeguards. He also noted that broadband is different than normal utilities because the technology changes, so maintenance and investments will have to be ongoing.

Rep. Longietti noted that the American Rescue Plan is providing "significant dollars" to states, and that broadband infrastructure is one of the allowed uses of those funds. He asked what Pennsylvania should do and what kind of programs it should develop to have efficient broadband expansion. Barno responded that is difficult to answer. He stated that underserved areas have been identified but that he is concerned about municipalities not partnering with legitimate providers. He added that Crawford County is having a meeting regarding the use of relief dollars and that he believes "that is a good place to start." Rep. Longietti stated that many constituents in his district do not have cable available to them, and that providers expect consumers to take on the cost of extending lines. He asked what kind of program could be available to make those extensions happen. Barno responded that there have always been talks about extending lines to the "last mile." He stated that there are

many creative ways to do that, noting municipalities in western Pennsylvania that have used some relief dollars to support residents' extensions.

Rep. Schweyer said he "could not agree more" that broadband needs to be expanded in rural areas. He added that his district has dense, urban communities that have too much demand for internet, noting Allentown's slow speeds. He asked how the industry is adjusting to people going away from cable and how they can help areas like Allentown that need better speeds. Barno responded that some of their members have done "a great job" at exploring new plans. He stated that there is an assumption that urban areas are well served but it is not true. He noted that many people in urban areas are relying on their electronic device to access the internet, such as a phone. He said this works well when trying to communicate but that it makes it "difficult to fill out a resume or request a vaccine." He continued that the state could find ways to provide information on uses of broadband, as well as provide hardware in low- and middle-income areas.

Rep. Schweyer asked if he is seeing members looking to invest more in urban areas. Barno responded that there are interests in both rural and urban areas. He noted that his family's farm in Bradford County got electricity in 1938 so there are ways to get broadband out there. He stressed that providers need a financial incentive to go out there and get involved. Rep. Schweyer stated that he does not want to pit urban and rural areas against each other because that is already done enough in education funding. He reiterated that everyone needs access to education, health care, and work online. He said that internet access "functions as a utility much like water and electricity does," and that he hopes the state can work collaboratively in order to reach everyone.

Joseph Glinka, government affairs director, Gateway Health, explained that Gateway Health is a non-profit managed care organization (MCO) serving more than 350,000 vulnerable Pennsylvanians. He noted that Gateway serves individuals in Medicaid and Medicare Advantage programs, and that they are focused on addressing the social determinants of health. He remarked that up to 80 percent of one's overall health status is nonclinical, meaning it is influenced by one's access to adequate housing, food, employment, transportation, and more. He stressed that access to high-speed internet impacts many areas of people's lives, including their "ability to learn, work, and gather information online" that is "absolutely essential to our social, financial, and physical wellbeing."

Glinka added that the three biggest factors affected by broadband access are education, employment, and resource information. He noted that there was a 5,000 percent increase in telehealth services over the last year and that he does not expect that go to away. He said that there are more than 3.2 million Pennsylvanians in medical assistance, which is the largest enrollment ever. He continued that enrollment in assistance and support services can go down when individuals have better access to education, employment, and other resources, and that internet access is critical in allowing that. He remarked that infrastructure and cost are two main barriers to accessibility, and that Pennsylvania must have "continued, regular investment in deployment and maintenance of broadband infrastructure beyond one-time grant funding to secure reliable broadband access into the future."

Rep. Matzie commented that telemedicine is important to consider. He asked if there has been any reluctance, or a learning curve related to accessing telehealth services. Glinka responded that the Department of Human Services (DHS) allowed flexibilities with telehealth which allowed individuals who could not connect to utilize their phone to call in. He stated that as the state moves forward and some flexibilities are undone, it will be critical to keep the phone aspect. Rep. Matzie remarked that his mother has "grown to like" telehealth appointments because she does not have to go out to get to them. He asked Glinka if he agrees telework will be "paramount" for businesses to attract talent going forward. Glinka responded that Gateway actually seeks out individuals who are on public assistance to see if they qualify to work for them. He added that they provide employment information for those that seek work supports. He emphasized that the "pathway out of poverty" is giving people the ability to stand on their own without assistance, and that in the end "no one loses." He said he would love to have members for life but that if their lives can be improved to where they do not have to rely on them, "that is a victory for Pennsylvania." Rep. Matzie education is vitally important to public health in the long-term because it provides people the opportunity to be productive members of society.

Rep. Schweyer remarked that he appreciates hearing the health care perspective on this topic. He recognized that telehealth is important in not only enabling important doctor's visits to be done virtually, but also allow regular wellness visits to occur more frequently. He said that helping people with preventative care is just as important. Glinka replied that no-show rates for appointments have gone down because people no longer have

to deal with transportation challenges. He stated that MCOs have come a long way in looking at social determinants of health and what could be done upstream to address emerging issues. He added that he would love to continue the conversation and add some perspective that may not have been considered before.

David Kerr, president of external affairs, AT&T, explained that from 2017 to 2019, AT&T invested more than $850 million in their network and is regularly turning on new cell sites to provide more availability in mobile broadband service. "In the past year, we turned on new sites in 40 counties across Pennsylvania, including sites in many of our more rural communities. We announced new sites in Beaver, Erie, Cambria, Clearfield, Crawford, Columbia, Venango and Washington Counties, among others," he stated. "We also made upgrades to sites statewide, boosting network coverage, capacity, and speed for customers across Pennsylvania. In addition, through our public-private partnership with the First Responder Network Authority (FirstNet), an independent agency within the federal government, we are turning on new FirstNet cell sites in areas that were identified as high priorities by state and local first responders."

Kerr said AT&T has made it a priority to provide students with access to learning and provide teachers with access to digital education tools. He stated that last year, AT&T committed $30 million to address the "homework gap" and highlighted the following:
- $10 million was provided to Connected Nation to provide Wi-Fi hotspots and free AT&T internet service to 35,000 students.
- A $10 million Distance Learning and Family Connections Fund was established to aid distance learning and keep families connected.
- AT&T teamed up with the City of Philadelphia's Office of Innovation and Technology and others to launch PHLDonateTech.
- AT&T continues to offer discounted options to more than 135,000 public and private K-12 schools, colleges, and universities to help keep students and teachers connected.

Kerr said Pennsylvania needs to put the appropriate tax and regulatory policies in place to incentivize the continued investment of the private sector, and Pennsylvania policymakers need to ensure there is a viable pipeline of workers to help build out advanced telecommunications networks. He explained that the American Rescue Plan, combined with last year's COVID-19 stimulus legislation, is delivering a significant infusion of federal funding to close the broadband availability gap and further close the digital divide. He recommended the following guiding principles for distributing the funds:
- Accurate mapping is critical to ensure that government funding is targeted to reach specific unserved locations.
- Funding should be designed to get broadband service to people who are unserved and likely to remain unserved in the most cost-effective and efficient manner possible.
- Government funding programs should be carefully crafted to not interfere where the market is working, nor should they replace opportunities where the market can work.
- While policymakers are appropriately focused on increasing broadband availability, it is equally important to dedicate resources towards encouraging broadband adoption or subscribership.

Rep. Matzie inquired about the issue of overbuilding and asked how difficult it would be from AT&T's perspective to increase speed capacity in underserved areas after the infrastructure is built. Kerr said it depends on the types of speed and explained that a lot goes into building fiber infrastructure and there are challenges such as regulatory hurdles, and the geography and topography of Pennsylvania. "It would be very challenging," he stated. Kerr emphasized that the broadband mapping by the FCC is going to be critically important moving forward. "They are going to be able to show us directly to almost the structure level the type of service and availability that is out there across different companies and sectors. We have some maps but this is going to be such a useful tool to determine where truly underserved areas are," he stated. Rep. Matzie agreed about the broadband mapping and indicated that it will allow policymakers to get the "biggest bang for our buck" when it comes to addressing the digital divide.

Rep. Longietti asked what the best way that Pennsylvania should distribute federal funds. Kerr said Act 132 provides a "good framework" for distributing the funds. "The Commonwealth Financing Authority has done significant economic development projects historically and I think that provides a very good framework for us moving forward," he stated.

Rep. Longietti noted that he does not have internet service at his home and explained that the Verizon connection in his area does not meet the needs of the community due to the ineffectiveness of their towers. He questioned what type of technology would best meet the needs of rural communities like his. Kerr recommended a technology-neutral approach. "Fiber would be ideal to every corner of Pennsylvania, but Pennsylvania is very geographically diverse and has a very difficult topography and it would be very expensive. That's a very significant investment and one which you all and your peers in Washington will debate," he stated.

Rep. Sainato inquired about the next generation of wireless access. Kerr explained that the industry is engaged with 5G but there are already standards being developed for 6G. "It's continued investment, it's reliability, speed, and latency," he stated.

Rep. Burns questioned if states should consider internet as a utility. Kerr argued that the wireless industry is highly competitive and emphasized that prices for internet service have gone down. "Our industry is not structured as a utility right now," he stated.

Erica Swanson, head of community engagement, Grow with Google, discussed the impact of Google in Pennsylvania and highlighted the following:
- There are 760 full-time employees in Pittsburgh.
- 625,000 Pennsylvania businesses connect to customers using Google tools.
- Nearly 6,000 Pennsylvanians were trained by local Digital Coaches, including over 2,600 Black and Latino small- and medium-sized businesses (SMBs).
- Over 3,900 Pennsylvanians enrolled in Google IT Support Professional Certificate.
- $11.93 billion of economic activity was created for nearly 62,000 Pennsylvania businesses, nonprofits, publishers, creators, and developers in 2020.

Swanson explained that COVID-19 has brought about increased SMB adoption of digital tools, even for those reluctant to embrace them, and 97 percent of digitally-advanced small businesses adopted new digital tools and business strategies during the pandemic. She affirmed Google tools help businesses stay connected to customers during the pandemic and hundreds of new product features help small businesses stay connected to customers and update information like business hours or curbside pickup.

Swanson said Google helped over 6 million Americans with training in digital skills through free Grow with Google workshops since 2017, and over 300 partners in Pennsylvania have trained nearly 6,600 people. She emphasized that 50 percent of the workforce will need to re-skill by 2025 and explained that a majority of the 13 million new jobs created in the U.S. since 2010 required medium or advanced levels of digital skills. She added that workers of color are disproportionately affected and 50 percent of Black workers and 57 percent of Latino workers have limited or no digital skills. "In 2019, Google launched the Grow with Google Digital Coaches program in Pittsburgh. The program provides free hands-on coaching and digital skills training to help Black and Latino small businesses reach new customers, thrive online, and grow. Our Pennsylvania Digital Coach has helped train more than 2,600 small business owners through digital skills workshop," she stated.

Swanson explained that Google is building pathways to fast-growing jobs and over 170,000 people have been placed into new jobs through Google's skilling and grantee programs. "Since launching in 2018, tens of thousands of people have graduated from the program and 82 percent report positive career outcomes, such as a new job, enhanced skills, a promotion, or a raise. "53 percent of IT support graduates come from underrepresented groups, including African American, Latino, female or veteran," she stated.

Rep. Matzie noted that he toured the Google facility in Pittsburgh. "We're happy to have Google in the region, no question about it," he stated.

Rep. Longietti asked if Google offers cybersecurity programs. Swanson said cybersecurity is a growth area and explained that Google offers IT support that has introductory information for cybersecurity, user experience data analysis, and program developers. "We are assessing if there are other fields we could build certificate programs for. Cybersecurity is one we are looking at," she stated.

Rep. Matzie thanked all the panelists and members for participating in the hearing.