

TESTIMONY OF THE  
BROADBAND CABLE ASSOCIATION  
OF PENNSYLVANIA

Brian F. Barno  
Vice President, Government Affairs

Delivered to the House Consumer Affairs Committee  
Informational Meeting on the Telecommunications, Cable & Wireless Industries  
February 23, 2011



[bcapa.com](http://bcapa.com)

First in Broadband. The Future of Broadband. ©

Chairman Godshall, Chairman Preston, Members of the House Consumer Affairs Committee. Good afternoon. I am Brian Barno, Vice President of Government Affairs for the Broadband Cable Association of Pennsylvania (BCAP). BCAP is the trade association for the Commonwealth's broadband cable industry representing 20 member companies and over 13,000 employees in the Commonwealth, providing advanced video, high speed data and voice products. Our membership also includes dozens of cable industry equipment suppliers and network programmers from within and outside of Pennsylvania. I appreciate the opportunity to share some thoughts with you about the broadband cable industry.

From the industry's birth in the mountains of northeastern Pennsylvania, cable- now broadband cable- remains one of the nation's most significant industries and the Commonwealth, where the industry began, remains the primary hub with five of the country's 20 largest providers headquartered here. Those companies have deployed more than 85,000 miles of fiber-coaxial cable a distance of over three times around the world. Their combined broadband network passes over five million Pennsylvania homes and our companies meet an annual employee payroll of more than \$935 million and pay more than \$220,000,000 in taxes and fees.

The economic impact of major cable and cable-related companies located in the state – including Armstrong, Atlantic Broadband, Blue Ridge, Comcast, MetroCast (Harron Communications), Motorola, Music Choice, QVC, Service Electric, TVC Communications – is one of Pennsylvania's most outstanding business success stories.

The pivotal event to drive broadband deployment in the United States was the Telecommunications Act of 1996, which lightened regulation and freed capital for investment. After the passage of '96 Telecommunications Act, Wall Street had renewed faith in our industry and private risk capital began to flow. During the

last fifteen years, the broadband cable industry constructed Pennsylvania's most robust, widespread network to deliver video, voice and data services. During this period of historic technological growth, broadband cable companies in the Commonwealth invested over \$8 billion of private capital, nearly \$2,600 per customer, in one of the nation's most superior broadband infrastructures. This investment rebuilt and upgraded our networks making possible advanced digital video including Video on Demand, High Definition television, cable voice services and the state's superior residential broadband service.

All the while, these same broadband cable operators provide free video service for more than twenty-five-hundred primary and secondary schools throughout the state. And, here on Capitol Hill in 2008, the General Assembly endorsed a deregulatory approach to VoIP services which sent a positive message to our members to continue rolling out our digital voice product.

I'd like to focus for a moment on the provision of voice services. Ten years ago, even with the Telecommunications Act of 1996, competition in the residential telephone market was nearly non-existent. Today, over one million Pennsylvanians enjoy residential voice service from their broadband cable company. In these difficult economic times, providing consumers a high quality, competitive option to the incumbent telephone provider is well received.

The cable industry lived up to its promise and has built broadband networks throughout urban, suburban and rural Pennsylvania. BCAP members' investment carried with it no guaranteed rate of return and no ratepayer dollars committed to share the burden. Cable told Congress that if regulation was removed, we'd build the network. We've lived up to our commitment.

Another critical feature of the 1996 Telecommunications Act was Congress' decision to look at *competition*, not regulation, to govern the evolution of Internet services. No provision of the '96 Act was more important, or wiser, than the

decision to set a policy to preserve the free market that exists for the Internet and other interactive computer services, without the burden of federal or state regulation.

BCAP applauds the national broadband mapping project and believes it's a good first step to identify the availability of broadband service in the country. As with any work of this nature, the first version does not represent a complete picture. BCAP is working with the Department of Community and Economic Development and its contractor, Michael Baker, Jr., Inc., to ensure the map shows the full picture of our broadband plant.

Broadband in Pennsylvania has been substantially deployed by cable to citizens throughout the state. It's difficult to imagine any development in the past decade that has done so much to improve Americans' quality of life or the growth of the economy. However, even in areas where broadband is available, there is a gap between availability and take rates. While many of us struggle with being "unplugged" for a few hours, too many of our neighbors aren't taking advantage of broadband. While the reasons may include not having a computer at home, being unaware of the benefits of broadband and lack of interest, the lost opportunities - particularly for students - resulting from being in a dial-up world are staggering. BCAP is concerned about the digital divide not only from a business standpoint but also because it impacts the quality of life in our communities.

We look forward to working with the Committee on this issue to ensure the benefits of broadband technology are more fully embraced.

###