

Testimony on Rural Broadband before the Center for Rural Pennsylvania
By Craig Eccher
President and CEO of Tri-County Rural Electric Cooperative
April 5, 2018

Good morning, Mr. Chairman. I would like to thank you for this opportunity to speak to the Center for Rural Pennsylvania board on issues concerning broadband challenges in rural Pennsylvania.

My name is Craig Eccher and I am the president and CEO of Tri-County Rural Electric Cooperative. Tri-County was founded in 1937 and serves more than 19,000 members across 3,300 miles of power line covering 5,000 square miles in North Central Pennsylvania. We serve parts of Bradford, Tioga, Potter, McKean, Cameron, Clinton, and Lycoming counties. Rural electrical cooperatives like Tri-County are not-for-profit utilities owned and governed by those they serve. Our boards are democratically elected by their fellow members and any excess margins are returned directly to our members. This arrangement gives electric cooperatives a unique connection to the needs of rural Pennsylvania. For many years now, what our members have been telling us is that they are being left behind in this new digital age. They have been adamant that a lack of broadband access is hurting their educational opportunities, hampering economic development in their communities, and forcing them into second-class citizen status among their fellow Pennsylvanians. Today, I want to let you know what Tri-County is doing to help bridge this digital divide in the communities we serve, but I also want to let you know that we cannot resolve this problem on our own. Long-term solutions will require public and private sector investment, regulatory fixes, and leadership from organizations like the Center for Rural Pennsylvania.

At the beginning of the 20th century, rural communities in Pennsylvania and throughout the country were being left out of the most important technological development of that time, electrification. Less than 10 percent of rural farms had electricity in 1930. Farm work was mostly manual and often brutal. Even simple pleasures like listening to the day's news on the radio were out of reach for those without electricity. Younger generations were abandoning their rural roots and migrating to our electrified cities. For-profit corporations said delivering electricity to rural areas was an impossibility. Rural Americans needed help and they turned to their government for assistance. With the backing of both the federal and state government, rural communities banded together to form electric cooperatives. The deal was simple. If local communities would do the work, government would help them finance it. Today, electricity is available to every home and farm in Pennsylvania. What was once thought of as impossible is now simply the norm.

The similarities between the need for electrification in rural America and the need for broadband access in rural America are striking. Once again, our rural communities are being left behind by the technological advancement of the day. Once again, for-profit corporations have said that

delivering that technology to rural America is impossible. So it's no surprise that many are looking to electric cooperatives to find a solution to this problem.

Like many other rural electric cooperatives around the country, Tri-County is attempting to answer the call to develop the next transformative utility, broadband. In response to member demand and our own need for broadband, Tri-County began investigating what it would take to provide this service to our members and rural communities. In total, we are attempting to lay down 2,800 miles of fiber optics that will provide needed communication for our smart grid technologies and ultimately improve electric reliability. This will also provide the infrastructure for Tri-County to deliver fiber-to-the-home broadband service to our members and rural communities at what we believe to be a competitive price. We expect to be able to offer speeds of 50 megabits per second (Mbps), 100 Mbps, and beyond to homes and businesses in our service areas.

Rural electrification could not have happened without government-backed investment in rural communities. The same is true for rural broadband. The largest obstacle for Tri-County's project moving forward is funding. Because of low density and large capital costs, we have had to seek out assistance. Tri-County has evaluated and will be participating in the upcoming Federal Communications Commission Connect America Fund Auction, better known as "CAF II." Fortunately, the Tri-County service area is rich in census block groups qualifying for CAF II funding. Our hope would be that this federal funding will provide the capital needed to bring our project to fruition. In addition, we have applied for RACP grant from the Commonwealth in order to get this project off the ground.

We believe that the Commonwealth must play a role in helping deliver broadband to rural communities. We are well aware of the challenges the state is facing from a budgetary perspective. In rural communities, we are all too familiar with living within our means. However, we know that nothing is more critical to the sustainable future of our rural towns than providing infrastructure that can give our residents the same advantages as our families and friends in Pennsylvania's cities and suburbs. As electric cooperatives continue to facilitate this conversation in rural Pennsylvania, we hope the Commonwealth will be receptive to innovative ideas that help spur deployment, protect Pennsylvania's existing electric cooperatives, and provide assistance to guarantee this life changing technology is available to all Pennsylvanians.

I, personally, have spent nearly 30 years in the electric cooperative business. Over that time, I have witnessed many changes in our communities, some for the better and some for the worse. I fear that if we do not begin to address this issue now, at the local, state and federal level, rural Pennsylvania will suffer the consequence for years to come. I would implore you to continue to seek ways in which organizations like the Center for Rural Pennsylvania can provide assistance to us and others who are looking to address the rural broadband deficit.

I thank you for your time and I would be happy to answer any questions.