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MIKE FOLMER



Senate of Pennsylvania
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July 14, 2010

Dr. John C. Cavanaugh, Chair
Keystone Initiative for Network Based
Education & Research
c/o Office of the Chancellor
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110

Jeffrey C. Kuhns
Associate Vice Provost Deputy CIO
Pennsylvania State University
401 Old Main
University Park, PA 16802

Dear Dr. Cavanaugh and Mr. Kuhns:

Thank you again for participating in the recent public hearing of the Senate Communications & Technology Committee on the Keystone Initiative for Network Based Education & Research and KINBER's efforts to establish the Pennsylvania Research & Education Network (PennREN). While Committee participation was limited due to the Senate's schedule, we learned a lot. I also appreciate the follow up information you shared.

At the same time, I have a number of questions about your work and would appreciate your answering some additional questions:

- A number of reports indicate Fibertech may be for sale. If true, how would this affect your relationship with them? Do you see any need to replace or otherwise change your relationship with Fibertech? If other partner(s) are needed, what is the process you will use to select new partners?
- If Fibertech is indeed for sale, would there be any restrictions on the selling of the operation to another concern – particularly since the \$99.7 Million in federal funds have increased the value of the company?
- If Fibertech is not for sale, you noted it will have another 48 strands available to commercial entities. Can Fibertech build capacity above 48 strands and will Fibertech build last mile connections to potential clients?
- During the hearing, you stressed more than once the new network will be a "middle mile" network. However, my office continues to hear potential "last mile" users are waiting to join

your network (this is what Butler County Community College told CenturyLink). What are you doing to set people straight?

- Page 14 of your presentation to the Committee identifies the proposed Initial Local Nodes the project will attempt to secure. You also stated the Core Nodes and Local Nodes will be provided with both access to the network as well as the necessary electronics to connect to the network. How does the provisioning of service directly to an end-user in this manner constitute a “middle-mile” service?
- In addition to KINBER being a middle-mile provider only, you also indicated you will provide service to non-profit entities only. However, I continue to hear concerns from existing providers that the new network will indeed compete with private telecommunications, broadband cable, and satellite providers. Some of this is based upon the perception that Fibertech will use \$99.7 Million in tax moneys for fiber that will be owned by them. How do you respond to such concerns?
- Besides Fibertech, you indicated at least one other company (Sunesys) submitted proposals to partner with you. Will Sunesys or any other company be considered to partner or otherwise be involved with you as you move forward in the coming weeks and months?

You may be interested in knowing current (private) providers continue to tell me you are showing little or no interest in partnering with them.

- In its review of KINBER’s application, NTIA made reference to the Penn State study of broadband availability. This study was briefly discussed during our hearing and you kindly shared a copy of it with me afterwards. As this study was conducted and released in 2003, I wonder what, if any, follow up has been done – especially in light of Act 183 of 2004, which requires 100% deployment of broadband by designated dates? Was this recognized in your application? What, if any, impact will this have in your development and deployment of the planned network?
- The 2003 study notes various state-level government agencies involved in broadband (including the Department of Education, the Public Utility Commission, and the Office of Information Technology). The report also lists a number of associations that could help to promote broadband deployment, including the Pennsylvania Economic Development Association, the Pennsylvania Telephone Association, and the Pennsylvania Cable and Telecommunications Association (now the Broadband Cable Association of Pennsylvania). What are you doing to actively involve these entities as you develop and deploy your network?
- During the hearing, you said Pennsylvania’s existing private marketplace has been “maxed out”, which is why PennREN is needed: to fill the gaps as the capacity simply does not presently exist. Would you explain again why you believe the existing (private) market is inadequate – especially in light of the Act 183 universal build-out mandate?

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- Industry insists there is a glut of fiber in many areas of the Commonwealth. Have you investigated current “dark fiber” owned by electric, pipeline, telephone, and cable companies? Has KINBER considered leasing fiber from such existing entities?
- You also noted you are having ongoing conversations with Intermediate Units as to how PennREN would relate to PAIUnet. Would you give me a report on these discussions? I’m especially interested in how the Commonwealth’s investments of \$55 Million in Act 183 E-Fund moneys might be impacted as your network is developed. I would also like your prime contact(s) with each of the IUs so that I can contact them directly as well
- Are there any school districts that do not have broadband? If yes, which one(s) and how will KINBER provide broadband to these districts – especially since KINBER is strictly a middle mile provider?
- During the hearing, you noted KINBER/PennREN is a new initiative. Shortly after becoming chair of the Communications & Technology Committee, I received a briefing on the “BowTie” network by “MAGPI”. What, if any, relationship is there between the two?
- With all the in-kind services being contributed by your partners in this endeavor, why isn’t anyone supplying office space? I ask this question as I note your NTIA application was submitted from 624 North Front Street, Wormleysburg
- Is there any new information and/or updated information you would like to share with the Committee subsequent to our June 17th hearing?

As the Senate Communications & Technology Committee will shortly be planning a follow up hearing, I look forward to your timely response to these questions.

Sincerely,

MIKE FOLMER

cc: Senate Communications & Technology Committee