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The Honorable Jay Rockefeller  
U.S. Senate  
531 Hart Senate Office Building  
Washington, D.C. 20510

Dear Chairman Rockefeller:

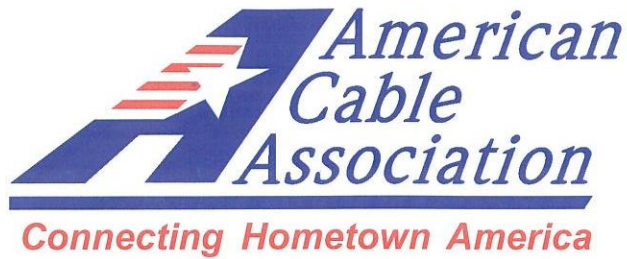
The American Cable Association and its more than 900 independent operator members, serving smaller markets and rural areas in all 50 states, share the interests of the Administration, Congress, and others in ensuring that high-speed broadband services are available nationwide. Small and medium-sized providers are particularly well positioned to assist in delivering these current- and next-generation broadband services in areas of great interest to policy makers, most notably unserved and underserved communities. ACA urges Congress to include federal grants, loans and loan guarantees in the economic stimulus package because this type of funding would make it easier to further deploy these advanced services, while at the same time create new jobs in this economy.

Of greatest priority to offering current- and next-generation broadband speeds in areas that currently have only limited performance capabilities is the ability of local networks to connect directly into the national fiber network that today only runs through major markets. In many smaller markets and rural areas, ACA's local operators have systems capable of providing higher broadband speeds to their customers, but the only option to connect to the Internet is through limited-capacity pipes, such as T1s. However, these backhaul connections have high costs and narrow data throughputs. As a result, these limited-capacity connections become the bottleneck that prevents consumers from receiving significantly higher speeds using existing local infrastructure. In short, a local system can provide an entire community with 10-times the speeds by simply having a better connection to the backhaul network, which means entire communities can see significant improvements in speed by laying a single pipe to the national fiber network without having to invest in expensive upgrades of entire networks.

As an example, one of our members, JetBroadband, has a local cable system that passes 11,000 homes in Wyoming County, West Virginia. Unable to secure funding to connect its rural system to the national fiber network, Jet relies on a low-capacity T1 line, which significantly limits the speeds that his company can offer his customers. Jet has similar issues with its system in McDowell County, WV that passes 9,000 homes.

Another ACA member, Wave Broadband, has a local cable system serving approximately 1,500 homes in Garberville, California, which is about 200 miles north of San Francisco. Because the national fiber network is too far from the community, the company connects to the Internet through a low-capacity connection, which allows download speeds no greater than approximately 1 Mbps, and the monthly cost to provide this service is about \$23 per user. In order to deliver faster speeds at lower costs, Wave needs to connect to the national fiber network. However, the closest node to the Internet backbone is approximately 50 miles away, and the cost to construct a long-haul fiber connection is

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approximately \$1 million. If grants, loans or loan guarantees were available to build these backhaul pipes and/or connect to the national fiber network, the company could offer its customers user speeds up to 18 Mbps. Moreover, the cost per user would drop to an estimated \$2.80, and the money saved can be used to build out its service to more customers.

Bringing the national fiber network to small towns and rural areas offers many benefits. In addition to providing consumers with higher speeds at lower costs, other entities, such as local schools, hospitals, businesses and the government could tap into the Internet backbone and offer new services, such as distance learning and tele-medicine. The pipe would also be available to other companies interested in offering a competitive broadband service in these areas. Building the connection to the Internet backbone also immediately creates new jobs for skilled technicians. We estimate that it would take approximately 10 individuals about four months to build a 50-mile connection to one community. Given the number of unconnected small towns and rural areas across the country, bringing higher broadband speeds to these areas could provide thousands of jobs over the next couple of years.

Furthermore, this kind of approach would be consistent with the bill's current desire to be company and technology neutral in its approach, see assets operate on an open access basis, and make it possible for a more robust, high-speed offering to become a reality in places where it may never come otherwise.

We applaud the intent of this type of language included in the current version of the economic stimulus package and believe that this language is timely and important. We hope you will consider additional ways to ensure that local cable operators in smaller markets and rural areas have access to the national fiber network, and we look forward to working with you as the members of the American Cable Association continue to build and deliver broadband solutions in the present and the future.

Yours most respectfully,

Matthew M. Polka

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