

Testimony by James Bugel, Vice President, AT&T FirstNet Program
Before the joint public hearing on FirstNet, the nationwide broadband network for public safety
October 19, 2017

Chairmen Vulakovich, Costa, Aument, Haywood, Barrar and Sainato, and members of the committees:

I am Jim Bugel, AT&T's vice president for the FirstNet program. On behalf of our more than 6,500 employees and retirees in the Commonwealth of Pennsylvania, I appreciate the opportunity to update the Committees on the status of the FirstNet network, a nationwide mobile broadband network that will bring advanced tools to help Pennsylvania's first responders save lives and protect communities. This will be delivered through a historic public-private partnership with the First Responder Network Authority (FirstNet).

About AT&T

AT&T has a 140-year heritage of innovation that includes 8 Nobel Prizes and more than 15,000 patents and pending patents worldwide. We employ more than 200,000 people in the United States. And, over the past five years, we've invested more in the U.S. than any other public company — nearly \$135 billion.

AT&T's roots are deep in Pennsylvania. Near the end of 1885, AT&T celebrated the completion of its first line between Philadelphia and New York, a centerpiece in the foundation of our company's long-distance business. We haven't stopped investing in Pennsylvania since.

From 2014 – 2016, we invested more than \$800 million in our network in the Commonwealth, to keep Pennsylvanians connected to their world. We invest in our communities in other ways, too, contributing more than \$5 million to important community programs across Pennsylvania during that same period. And, last year, we spent more than \$2.1 billion on goods and services in Pennsylvania.

Why FirstNet

During times of crisis, first responders to date have used the same commercial voice and data wireless broadband networks that we all do. Those networks can quickly become congested during a local or significantly larger emergency.

Congress recognized that it is imperative that we support our first responders and their critical mission – to save lives and property. In 2012, Congress passed legislation that created FirstNet as an independent authority within the United States Department of Commerce to provide emergency responders with the first, nationwide, high-speed broadband network dedicated to public safety. Congress wants FirstNet to deliver a robust, highly secure, and efficient communications network that will help responses to emergencies as they evolve. And that is exactly what FirstNet and AT&T intend to do.

Earlier this year, after a competitive process, FirstNet selected AT&T to deliver a reliable and innovative solution to our nation's first responders that gives them the ability to interoperate across jurisdictions. Together, we will unlock innovation and an ecosystem to fully support next generation tools that will help save lives.

AT&T's Commitment to FirstNet

At AT&T, we are committed to bringing to bear all the necessary resources to deliver first responders the services they need and deserve, to implement FirstNet successfully.

First, as part of our commitment, AT&T will spend about \$40 billion over the life of the FirstNet contract to build, operate and maintain the network across the country. AT&T will connect FirstNet to its world-class telecommunications network valued at more than \$180 billion, with a wireless network reaching 99.6% of the U.S. population.

AT&T also will support FirstNet with its world-class Network Disaster Recovery (NDR) Team.

This team, which we established over 25 years ago, has a single mission: to recover AT&T voice and data service in areas affected by a disaster. Team members have spent more than 130,000 working hours on field exercises and deployments over the last two decades. As you can imagine, this team has been extraordinarily busy during the past several months.

We continue to work around the clock to help connect the people of Puerto Rico and the U.S. Virgin Islands, and have made significant progress restoring our network. Earlier this month, ships and cargo flights arrived in San Juan with more of our temporary cell sites, trucks, emergency communications portable satellite units, generators and personnel. And, in California, we have been able to move mobile restoration assets quickly into place in areas where the fire has destroyed either towers or the fiber backhaul network necessary for connectivity. We are working hard to keep California Emergency Services, first responders and our customers connected.

The NDR solution combines network infrastructure and support trailers, recovery engineering software application, and a response team with both full-time and volunteer members from AT&T. We will increase our fleet with 72 new deployables dedicated to support FirstNet users in the states and territories where the Governor has decided to opt in.

While we have a century-long record of working with public safety in Pennsylvania and nationwide, we also are building a team dedicated solely to FirstNet. We recently expanded our team in Pennsylvania, adding colleagues who have a passion for public safety and for first responders, including a volunteer firefighter from Southeastern Pennsylvania.

With these resources, AT&T will create a nationwide, IP-based, high-speed mobile network that provides First Responders priority. "Priority" means just that -- in times of emergencies and network congestion, our network will give FirstNet subscribers' communications precedence and, for "primary users," preempt all other communications. This preemption capability is expected as early as the end of the year.

Prior to being deployed to Puerto Rico to assist with Hurricane Maria recovery efforts, the Pennsylvania National Guard contacted AT&T and requested support as they prepared for their mission. AT&T activated 30 devices with priority access, enabling the team to have priority communications while working in the impacted disaster area.

In sum, FirstNet services will meet the needs of public safety like never before, providing:

- A unique, differentiated, and highly secure network, encrypted at its core.
- Dedicated IP core with capabilities of priority and, for primary users, pre-emption.
- Interoperability across public safety agencies and jurisdictions.
- Customized customer service with dedicated 24/7 AT&T security and helpdesk operations support centers.
- A highly secure app ecosystem.
- Network Disaster Recovery resources.
- Highly competitive, flexible pricing.

Together, these capabilities will better connect first responders to the critical information they need in an emergency, helping keep them out of harm's way, protecting property and saving lives.

In addition, FirstNet and AT&T will innovate and evolve the network to benefit public safety. In many cases, and often due to budgetary constraints, the public safety community has not been able to keep up with advances in communications technology. But these advances can make a real difference in crisis situations.

For example, providing emergency personnel near real-time information on traffic conditions to help determine the best route to an emergency can help save critical minutes for first responders to get to an emergency. Other enhanced capabilities, such as wearable sensors and cameras for police and firefighters, can deliver near real-time images of events, such as fires, floods or crimes. Imagine camera equipped drones and robots delivering these images.

AT&T also is at the forefront of Internet of Things (IoT) advances and a leader in Smart Cities technology that can monitor a city's critical infrastructure, traffic and even listen for gun shots. Solutions like these can enhance the capabilities AT&T and FirstNet can help bring to first responders.

FirstNet will also create jobs and drive investments across states and territories. This significant public-private infrastructure investment, and the buildout supporting it, is expected to create 10,000 U.S. jobs over the next two years. These new jobs include positions in technology development, network deployment and operations.

And, last week we launched the first developer program geared toward America's first responders. This will encourage public safety-focused innovation to help equip first responders with state-of-the-art communications tools. It also brings public safety closer to having their own app store where they can find new solutions purpose-built for their needs.

The developer program will feed the FirstNet app store, providing public safety with a one-stop shop for reliable, highly secure solutions optimized for the FirstNet network. Based on common and open standards, this ecosystem will be an engine for innovative, cost effective and interoperable public safety solutions.

AT&T could not be more excited about delivering on the promises of FirstNet, to the benefit of first responders and the Pennsylvanians they serve.

Benefits of Opting In

Since FirstNet announced in March that it had selected AT&T, we have been working closely with state teams to provide them with the information they need to make an informed decision to opt in to FirstNet.

As part of this public-private partnership, FirstNet and AT&T have had countless meetings with state decision makers and public safety stakeholders to answer any questions they might have. In fact, even before AT&T was selected, the FirstNet team spent more than 3 years meeting with public safety experts in the states to solicit their feedback on what they need in a robust network. That is why together we can say that FirstNet is a solution designed by public safety exclusively for public safety. It will provide so much more than just the ability to make and receive calls and access data.

On June 19th, FirstNet and AT&T began providing states and territories individual state plans to enable the rapid deployment of the FirstNet network. The delivery of these state plans came 3 months ahead of schedule. We released the plans ahead of schedule not only to give states the ability to move quickly on an opt in decision - and receive the benefits of FirstNet as soon as possible - but also to provide them extra time to exchange feedback with FirstNet before the official 90-day clock started on September 29.

Gov. Wolf has until Dec. 28 to decide whether to accept the FirstNet/AT&T plan for deploying the nationwide public safety broadband network or initiate the process to have the state take on the responsibility for deploying, operating and maintaining for 25 years its own Radio Access Network (RAN) that must be interoperable with the FirstNet network.

As of October 17, 2017, 27 states and territories, including New Jersey, Maryland and West Virginia, have opted in to FirstNet. Most have cited low risk, expanded coverage, increased network capacity, and immediate access to mission-critical capabilities as key drivers behind their early opt-in decisions.

There are significant and some immediate benefits for states to opt in the FirstNet network, including:

- FirstNet, together with AT&T, bears the financial risk associated with the network in Pennsylvania and will require no additional financial resources from the state to deploy or operate the network.
- Priority on AT&T's LTE network is available immediately, while preemption over the AT&T LTE network for primary users is expected by year's end. This means fire, police and EMS with FirstNet service will have dedicated access to the network when they need it.
- As states and territories join, investment in infrastructure and job creation will follow.
- Once a state or territory opts in, public safety entities in that state or territory will be able to purchase services with key network features, such as quality of service and priority access to voice and data across AT&T's LTE network, at competitive rates.

We also know rural coverage is a top priority for state officials and first responders, and it's a top priority for us, too.

Opting in to FirstNet will also bring with it even more wireless network coverage in various rural areas across the Commonwealth. In addition, AT&T intends to use surplus capacity on the FirstNet network to offload traffic from commercial users and improve service and coverage for all our wireless users in these areas.

We will continue to consult with states to determine facility placement to increase rural coverage. The statute itself required FirstNet to consult with states regarding distribution and expenditure of amounts used on the placement of towers. The state plans included this information.

Rest assured, once Pennsylvania joins in, FirstNet and AT&T will continue ongoing consultations with state leaders to evaluate the solutions that will best serve the public safety community.

AT&T's Commitment to Veterans & Diversity

At AT&T, we are immensely proud of our commitment to meeting or exceeding all requirements to subcontract work to veterans, minority-owned and woman-owned businesses.

We employ more than 11,000 veterans. In 2013, AT&T announced we would hire 10,000 veterans within the next 5 years, which was met at the end of 2015, well ahead of schedule. AT&T is doubling that commitment and pledged to hire an additional 10,000 veterans by 2020.

AT&T also has a long history of supporting diverse businesses and communities. AT&T is among the leading companies in identifying and doing business with diverse suppliers.

Last year, we spent \$14.2 billion with diverse suppliers, representing nearly 19% of our total supplier expenditures. It is not surprising that AT&T has been ranked No. 1 for three consecutive years in DiversityInc.'s "Supplier Diversity Survey."

In 2016, AT&T's U.S. workforce was 32% women and 43% people of color. In 2016, nearly 31.5% of our new hires were women, and 56% people of color. We recognize that this diversity benefits our company, our customers and our employees.

Conclusion

FirstNet is a solution designed *by* public safety exclusively *for* public safety that will provide so much more than just the ability to make and receive calls and access data. FirstNet is about a commitment to Pennsylvanians – and to those who put their lives on the line to keep our communities safe.

Through this competitively awarded, public-private partnership, we are committed to serving public safety over the next 25 years by delivering a compelling solution unlike any they've had before.

This exclusive experience designed by first responders will fit their own unique and evolving communication needs – and the needs of those working to support their vital efforts. The goal of public safety was to have a single "nationwide public safety interoperable broadband network," not a network of networks. Any claim that multiple networks will meet this objective conflicts with the public safety mission.