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6 OVERSIGHT OF FIRSTNET: STATE PERSPECTIVES

7 WEDNESDAY, NOVEMBER 1, 2017

8 House of Representatives

9 Subcommittee on Communications and

10 Technology

11 Committee on Energy and Commerce

12 Washington, D.C.

13

14

15

16 The subcommittee met, pursuant to call, at 10:40 a.m., in
17 Room 2322 Rayburn House Office Building, Hon. Marsha Blackburn
18 [chairman of the subcommittee] presiding.

19 Members present: Representatives Blackburn, Lance, Shimkus,
20 Guthrie, Kinzinger, Bilirakis, Johnson, Long, Flores, Brooks,
21 Collins, Cramer, Walters, Costello, Doyle, Clarke, Loeb sack,
22 Eshoo, Engel, Matsui, McNerney, and Pallone (ex officio).

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23 Staff present: Ray Baum, Staff Director; Kelly Collins,
24 Staff Assistant; Zachary Dareshori, Staff Assistant; Sean
25 Farrell, Professional Staff Member, Communications and
26 Technology; Chuck Flint, Policy Coordinator, Communications and
27 Technology; Adam Fromm, Director of Outreach and Coalitions;
28 Elena Hernandez, Press Secretary; Tim Kurth, Senior Professional
29 Staff, Communications and Technology; Lauren McCarty, Counsel,
30 Communications and Technology; Alex Miller, Video Production Aide
31 and Press Assistant; Evan Viau, Legislative Clerk, Communications
32 and Technology; David Goldman, Minority Chief Counsel,
33 Communications and Technology; Jerry Leverich, Minority Counsel;
34 Jourdan Lewis, Minority Staff Assistant; Lori Maarbjerg, Minority
35 FCC Detailee; Jessica Martinez, Minority Outreach and Member
36 Services Coordinator; and Dan Miller, Minority Policy Analyst.

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37 Mrs. Blackburn. [presiding] The Subcommittee on
38 Communications and Technology will now come to order.

39 I recognize myself for 5 minutes for an opening statement.

40 I want to welcome everyone to this, as we continue our
41 committee's oversight of FirstNet, the authority charged with
42 deploying a nationwide interoperable broadband public safety
43 network. The First Responder Network Authority was an important
44 fixture of the Middle Class Tax Relief and Job Creation Act of
45 2012.

46 There is a lot of work that has been done by this committee
47 and others, and it has gone into reviewing the recommendations
48 from the 9/11 Commission on how to better prepare our first
49 responders in times of crisis. Interoperability has long been
50 a challenge for our state and local authorities. In the wake
51 of the recent natural disasters and, of course, the terror attack
52 that took place in New York City just yesterday, we have realized
53 how incredibly important that it is that not only we do this,
54 but that we get this right. There is no room for error when you
55 are facing a disaster and need these communications.

56 I thank the witnesses for appearing today.

57 Mike Poth is the CEO of FirstNet. He now has both the
58 privilege and the pressure of this huge undertaking. We know

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59 that it is going to be successful, and we look forward in making
60 certain that the implementation is smooth and that the
61 continuation is one of success.

62 Chris Sambar is a Senior VP at AT&T, and his company is the
63 winner of FirstNet's RFP to gain access to 20 megahertz of the
64 700-megahertz spectrum.

65 Our friends from the states include John Stevens, who is
66 the New Hampshire Statewide Interoperability Coordinator, and
67 Brian Moran, who is the Virginia Secretary of Public Safety and
68 Homeland Security. Their unique perspective of what states are
69 thinking will illuminate how to avoid a top-down approach that
70 could lead to failure.

71 Rob LeGrande consults now, but was the CTO for Washington,
72 D.C., in building out a public safety broadband network. I am
73 sure that he is going to be able to help us sort out issues that
74 the states and localities face, and perhaps can even give us a
75 little bit of a more granular view on how to address challenges
76 that are in our rural and tribal areas, and how we work to calculate
77 their decisions.

78 As you all know, this past September, FirstNet delivered
79 its network plans to the combined states and territories. Part
80 of what brings us here today is the December 28th deadline from

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81 that notice for those states and territories to elect whether
82 they will accept the plan. Under the statute, states are
83 permitted to opt into their respective state plan or opt out of
84 the FirstNet network and build and maintain radio access networks,
85 or RANs, from other providers, but still meet interoperability
86 requirements set by the FCC.

87 I think it is also worth pointing out that, while AT&T will
88 build the FirstNet RAN in opt-in states or territories at no cost
89 to each jurisdiction, public safety entities will still be
90 responsible for paying subscription cost and end-user device
91 expenses. And they are not required to subscribe to the FirstNet
92 service. We must ensure that choice remains a paramount
93 principle as the states and territories proceed with their
94 decisionmaking and their implementation.

95 While there has been some debate on schedules and fees,
96 subscriber levels, device availability, and whether the network
97 will be able to deliver mission-critical-level services, I know
98 the panel today can help us sort through all of these issues to
99 further reaching this goal.

100 At this time, I would yield the balance of my time to Mr.
101 Lance.

102 Mr. Lance. Thank you very much, Madam Chair.

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103 Before I begin, let me say that our prayers are with the
104 victims of the terrorist attack in New York yesterday, the worst
105 loss of life in such an attack since 9/11.

106 Our 9/11 first responders from all over the tristate area
107 responded to the unprecedented attack on the World Trade Center.

108 Several issues with their communications system, including
109 interoperability and resiliency, hindered the coordination of
110 these fine public agencies. The equipment and networks used by
111 the various departments that responded from all over the area,
112 including New Jersey, were in many cases incompatible. These
113 issues were recognized by the 9/11 Commission.

114 As New Jersey was one of the first states to opt into
115 FirstNet, I am interested in learning how our state and others
116 can work with AT&T and the providers to prevent future challenges
117 with interoperability and public safety agencies, as well as
118 improving the resiliency and security of our public safety
119 networks.

120 Thank you for being here today to discuss this important
121 topic.

122 I yield back.

123 Mrs. Blackburn. The gentleman yields back.

124 At this time, Mr. Doyle, you are recognized for 5 minutes.

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125 Mr. Doyle. Thank you, Madam Chair. Thank you for holding
126 this hearing, and thank you to the witnesses for appearing before
127 us today.

128 FirstNet and the National Public Safety Broadband Network
129 have come a long way and made great progress in the five years
130 since the program was established. FirstNet has designated its
131 partner in AT&T. States have received their buildout plans, and
132 25 states and two territories have already opted to accept
133 FirstNet's plans. By the end of the year, all states will have
134 to decide whether to opt in or opt out of the FirstNet plans.

135 I am pleased with the progress that FirstNet and AT&T have
136 made, and I hope this program continues to perform well as more
137 states opt in and the buildout of FirstNet begins in earnest.

138 Now I know a lot of hay has been made recently about the
139 opt-out process and the costs for states to choose that route.

140 States looking into opting out seem overwhelmed by the potential
141 punitive cost and the risk they take on in building and managing
142 their own network. Companies seeking to get states to opt out
143 see this as a barrier to their entry into this market and a
144 stumbling block to meaningfully engaging with states.

145 To my mind, the cost and risks placed on the states for opting
146 out are steep because building and maintaining these networks

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147 is a hard and risky endeavor. Without access to tens of billions
148 of dollars necessary to build out a dedicated network of their
149 own, states that opt out need to gamble on a private partner's
150 ability to leverage private capital, utilize a relatively small
151 amount of shared spectrum, and undertake the buildup of a hardened
152 multibillion dollar communication network. And they need to do
153 all of this in a timeframe that is competitive with FirstNet,
154 using technologies and systems that are fully interoperable.

155 To my mind, the monetary risk is so great because this is
156 a hard problem and the likelihood of failure is high. More to
157 the point, the risk to the public at large and first responders
158 is high if a state fails to meet its obligations. If building
159 this network wasn't hard, Congress wouldn't have needed to create
160 FirstNet; first responders wouldn't have died on 9/11 because
161 of communication failures, and the 9/11 Commission would not have
162 recommended the creation of a national interoperable public
163 safety communications system.

164 Building this network and deploying the service is a serious
165 challenge and we need serious solutions. States are free to make
166 their own choices, but they need to understand and accept the
167 risks. It is something I would encourage governors contemplating
168 an opt-out to strongly consider.

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169 I have also seen reports of competitors seeking to sign up
170 individual first responders complaining about the requirements
171 of creating interoperable services with FirstNet. Let me say,
172 I am strong believer in the value of competition, but I also
173 believe that, if other providers want to offer services to first
174 responders, they need to be fully interoperable. Lower-cost
175 services and devices can't fix the problem first responders face
176 if they are not interoperable. We are still seeing this issue
177 today in Texas, Florida, Puerto Rico, the Virgin Islands, and
178 the wildfires that affected the areas of the West Coast.

179 Americans are lucky and grateful that so many people
180 volunteer to help when disaster strikes, and first responders
181 come from far and wide to help. What we need to do is ensure
182 that they have access to the best available interoperable
183 technologies. If a competitor can provide that, great. If they
184 can't and they are putting equipment in people's hands that isn't
185 interoperable, that is liable to create a problem rather than
186 solve one.

187 I look forward to the testimony of our witnesses and the
188 discussion here today.

189 With that, Madam Chair, if there is no one on my side that
190 would like my time, I will yield what I have left to Mr. McNerney.

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191 Mr. McNerney. Well, I thank the ranking member for
192 yielding.

193 The recent wildfires in my home state of California shed
194 light on the critical role of our nation's first responders and
195 the need for first responders to be effectively communicating
196 and receiving information during these emergencies. It is
197 essential that we have a resilient and redundant interoperable
198 broadband network, so that our first responders are equipped to
199 carry out their duties during natural disasters.

200 But it is also important that this network be secure and
201 able to withstand attacks from the various actors. We cannot
202 afford for cybersecurity to be an afterthought in these scenarios
203 because the consequences could be fatal.

204 I look forward to the hearing and learning about FirstNet,
205 what FirstNet is doing and the progress that it has made so far.

206 And I yield back.

207 Mr. Doyle. Thank you.

208 Madam Chair, I would like to introduce for the record an
209 op-ed by Montgomery County's chief of police entitled, "For
210 police, first responder communications network is much needed
211 good news".

212 And also, I would like to introduce the written testimony

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213 submitted by Verizon.

214 Mrs. Blackburn. Without objection, so ordered.

215 [The information follows:]

216

217 ***** INSERT 1*****

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218 Mrs. Blackburn. And as we permit this, I would just like
219 to say I noticed that there are several first responders in the
220 audience today, and we recognize your presence and we thank you
221 ever so much for your service. You are, indeed, on the
222 frontlines.

223 Chairman Walden is not here. Does anyone on the Republican
224 side seek his time?

225 [No response.]

226 No one is seeking that time. Ranking Member Pallone is not
227 here. Anyone else seeking time?

228 [No response.]

229 No one else is seeking time. Everybody has got a sugar coma
230 going on, I know. Yes, too much of that candy.

231 [Laughter.]

232 And we do thank all of our witnesses for being here today.

233 We are grateful for your preparation, for your opening statements
234 that were submitted in a timely manner, for your insights into
235 what is before us.

236 As you can see, this is something where there is bipartisan
237 agreement. Doing our due diligence in conducting oversight is
238 important. So, we welcome each of you.

239 I previously recognized you. Michael Poth, who is the CEO

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240 of FirstNet; Chris Sambar, who is the Senior VP at AT&T for
241 FirstNet Business Solutions, Global Public Sector; Rick Kaplan,
242 who is the General Counsel and Executive VP of the National
243 Association of Broadcasters. John Stevens is the Statewide
244 Interoperability Coordinator for the state of New Hampshire, and
245 Robert LeGrande, who is the former CTO of Washington, D.C., now
246 a consultant.

247 Again, we appreciate that you are here. We will begin our
248 panel. Mr. Poth, you are recognized for 5 minutes.

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249 STATEMENTS OF MICHAEL POTH, CEO, FIRST RESPONDER NETWORK
250 AUTHORITY; CHRISTOPHER SAMBAR, SENIOR VICE PRESIDENT, AT&T; JOHN
251 T. STEVENS, STATEWIDE INTEROPERABILITY COORDINATOR, STATE OF NEW
252 HAMPSHIRE; BRIAN J. MORAN, SECRETARY OF PUBLIC SAFETY AND HOMELAND
253 SECURITY, STATE OF VIRGINIA, AND ROBERT LEGRANDE II, FOUNDER,
254 THE DIGITAL DECISION

255

256 STATEMENT OF MICHAEL POTH

257 Mr. Poth. Great. Thank you, Chairman Blackburn, Ranking
258 Member Doyle, and members of the subcommittee. Thank you for
259 inviting me to testify today

260 I am Mike Poth, the Chief Executive Officer of FirstNet,
261 and I am pleased to be here to provide an update and progress
262 on this important initiative for our nation's first responders.

263 FirstNet is committed and accountable to this committee and
264 Congress, but, first and foremost, to public safety. And it is
265 the mission of serving public safety that drives my team toward
266 exceeding the goals that you set out for us when you established
267 FirstNet.

268 I, too, would also like to thank the members of public safety
269 who are in attendance today. We really appreciate their focus
270 and commitment.

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271 We have faced an enormous task in developing this system
272 over the past few years. Nothing like this has ever been done
273 before, but thanks to the support of Chairman Walden, Ranking
274 Member Pallone, and all of you here today, we are closer than
275 ever to providing public safety what they have long asked for,
276 a dedicated network that will save lives.

277 We have spent the better part of three years consulting with
278 our partners in the states and territories and tribal nations
279 to ensure that we have gathered the needs of local first
280 responders. This is a very complex technical, operational, and
281 logistical effort to meet the needs and expectations of public
282 safety.

283 Since our contract signing that Chairman Blackburn attended
284 a little over 7 months ago, significant progress has been made.

285 I am happy to report that AT&T has met or exceeded all of its
286 required deliverables. There is a clear line of sight and plan
287 for a successful implementation in the coming years, depending
288 on the final determinations of the remaining states completing
289 their due diligence on their options.

290 We have now established a binding contractual mechanism to
291 ensure the successful buildout in the 56 states and territories
292 of a nationwide public safety broadband network and the financial

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293 sustainability to support this effort for the next 25 years.

294 It is important to note that we are holding AT&T accountable
295 while ensuring that we support their efforts. Their success is
296 critical in order for this to work. If they fail, then we have
297 to go back to the drawing board.

298 It is important to remember and give context that, through
299 this contract, AT&T is already contractually obligated to build
300 out the system in the 56 states and territories to the plan that
301 has been submitted to each of those states. This includes
302 spectrum lease payments, adoption targets, disincentive and
303 termination fees, if they fail to meet the terms of the contract.

304 Only in those states that decide to pursue building their own
305 radio access network is that obligation lifted from AT&T.
306 FirstNet, along with our board of directors, the Departments of
307 Commerce, Justice, Homeland Security, and the Office of
308 Management and Budget continue to work alongside AT&T to ensure
309 that they meet all the contractual requirements.

310 Over the last three years, FirstNet has gone to great
311 measures to make sure that all the states and governors fully
312 understand the opportunities, risks, and challenges to opting
313 out. It is important to note, however, that FirstNet will do
314 everything possible to make sure that an opt-out is successful.

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315 This process is involved, as failure, as has been previously
316 mentioned, at the national, state, or local levels is not an option
317 for our first responders.

318 We have delivered the final plans to the states and
319 territories. Twenty-eight governors have approved and opted in,
320 and another state will actually be announcing its opt-in choice
321 this afternoon. This is truly an exciting time while the
322 remaining 27 governors have 58 days left to make their final
323 determination to either accept the FirstNet/AT&T's solution or
324 assume the risks associated with opt-out.

325 It is, again, important to note that FirstNet has been open
326 and transparent in every step, ensuring that everyone who is
327 involved in this process has as much information as possible.

328 We built in new steps as needed that allowed the states and the
329 business communities to step up and become true partners.
330 Ultimately, each state and governor have all the information
331 possible to make an informed decision.

332 The public and first responders need us to be successful.

333 Lives will depend on this network. This is the standard against
334 which we will be measured. When you look at the recent storms
335 that brought devastation to Texas, Florida, and Puerto Rico, and
336 the inconceivable tragedies that took place in Las Vegas and now

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337 New York, communications are a vital part of any response and
338 recovery.

339 We are proud of what we have achieved thus far, but we also
340 know that we have a long way to go to deliver to public safety
341 what it truly needs and deserves. This has never been done
342 before. And FirstNet will continue to work with each state and
343 territory to get it right for them and for public safety.

344 Thank you again, and I look forward to answering your
345 questions.

346 [The prepared statement of Mr. Poth follows:]

347

348 ***** INSERT 2*****

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349

Mrs. Blackburn. The gentleman yields back.

350

Mr. Sambar, you are recognized for 5 minutes.

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351 STATEMENT OF CHRISTOPHER SAMBAR

352

353 Mr. Sambar. Thank you.

354 Chairman Blackburn, Ranking Member Doyle, members of the
355 committee, I am Chris Sambar, AT&T Senior Vice President. I am
356 responsible for AT&T's fulfillment of the FirstNet project, a
357 special opportunity for AT&T and its dedicated employees to
358 demonstrate their continued commitment spanning two centuries
359 to public service and public safety.

360 I am proud to affirm to this committee that AT&T is on track
361 to deliver on its commitments and has, in fact, met the first
362 set of milestones identified in the FirstNet contract, as Mr.
363 Poth mentioned. We have also launched the FirstNet application
364 ecosystem, including an application store for America's first
365 responders, as well as the first ever developer program geared
366 specifically for first responders.

367 And now, again, as Mr. Poth mentioned, we have over half
368 of the states and territories having made the decision to opt
369 into FirstNet. AT&T is delivering on the promise of a dedicated
370 interoperable network that will give first responders in those
371 states and territories the technology they need to effectively
372 communicate and collaborate across agencies and jurisdictions.

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Before FirstNet, first responders frequently lacked the ability to communicate with each other and to coordinate incident response activities across agencies and jurisdictions. Relying on over 10,000 radio networks as well as the same commercial networks that Americans used today, first responders have been hampered by a lack of interoperability and network congestion during times of significant emergency.

The recent unprecedented sequence of natural disasters and public safety incidents over the past couple of months have reinforced the wisdom of the widespread bipartisan consensus of Congress in 2012 to establish the First Responder Network Authority, FirstNet, as an independent authority within NTIA, to provide emergency responders with the first nationwide high-speed broadband network dedicated to public safety.

AT&T is honored to have been chosen to build and manage the FirstNet network. We committed to spend about \$40 billion over the life of the FirstNet contract to build, operate, and maintain the network. AT&T also committed to connect the first responder network to our best-in-class telecommunications network, valued at over \$180 billion, with a wireless network reaching 99.6 percent of the U.S. population.

Moreover, AT&T submitted a plan that ensures that local

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395 commanders in opt-in states can adjust the access in times of
396 emergencies to the services, featuring priority and preemption,
397 allowing others such as bus drivers during pre-storm evacuation
398 or medical personnel after the storm has passed to have access
399 to the same services in time of need. Priority access means just
400 that. In times of network congestion, our first responders will
401 have communications precedent for primary users, be able to
402 preempt other users off of the AT&T and FirstNet network.

403 In earning the FirstNet contract, AT&T demonstrated its
404 particular competencies with respect to world-class national
405 disaster recovery. The national disaster recovery team at AT&T
406 recently demonstrated its value in preparation for and during
407 the aftermath of the devastating hurricanes that recently hit
408 Texas, Florida, Puerto Rico, the U.S. Virgin Islands, and, most
409 recently, the California wildfires.

410 We helped, and are continuing to help, restore
411 communications in these areas by deploying an array of equipment,
412 including portable cell sites, cell on light trucks -- we call
413 those COLTs -- generators, charging stations, evacuee centers,
414 and emergency communications vehicles. We used ships and
415 chartered cargo flights to deliver this equipment to our NDR
416 personnel in Puerto Rico. In northern California we were able

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to move mobile restoration assets in quickly and place them in areas where fire had destroyed our communications equipment and where first responders needed them most.

In the meantime, there are significant and immediate benefits to states that opt into the FirstNet network. Opting in eliminates long-term risks associated with funding, building, and for the next 25 years maintaining a network that interoperates with the FirstNet network. Public safety entities in states or territories that opt in can purchase, at competitive rates, service with key features such as quality of service, priority access, and preemption. Notably, preemption over the AT&T LTE network for primary users is expected by this year's end.

In conclusion, I would like to reiterate that Congress intended for FirstNet to provide the public safety community with what it demanded for years, a single interoperable public safety network. That network that AT&T is building for opt-in states and territories brings security, priority, and preemption.

And I look forward to answering any questions you have today.

[The prepared statement of Mr. Sambar follows:]

***** INSERT 3*****

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438 Mrs. Blackburn. The gentleman yields back.

439 Mr. Stevens, you are recognized, 5 minutes.

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STATEMENT OF JOHN T. STEVENS

Mr. Stevens. Madam Chair, good morning. Members of the committee, good morning. I certainly appreciate the opportunity to speak here today.

Let me preface my remarks by saying that there is no greater advocate for FirstNet than the state of New Hampshire. As a former state police commanding officer, what often would keep me up at night was knowing that troopers, police officers, firefighters, and EMS personnel were in the field in some areas with little or no communications. So, when I came back to state service approximately 10 years later, many of the interoperability communications issues still existed. In my first conversations with FirstNet, approximately about three-and-a-half years ago, New Hampshire was going to receive a significantly small footprint. As one of the last recommendations of the 9/11 Commission, FirstNet was created and Congress appropriated \$6.5 billion to build a nationwide network, a nationwide, dedicated first responder network, not a national network.

Even though FirstNet was under an edict to develop in rural areas, we recognized early on that there would be many areas of

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the country that would be underserved. Having the opportunity to see FirstNet maps that illustrated limited coverage, and looking at New Hampshire maps, that certainly the northern part of the state was not being addressed, we looked at possible other opportunities.

Knowing the information and being familiar with FirstNet advertised timelines of 90 days for a governor to make a decision, and 180 days to develop an RFP, award an RFP, and create an alternative plan that would need to be submitted for approval, the timeline that was provided was unrealistic and unattainable for New Hampshire and probably many other states.

With that in mind, the state of New Hampshire, through the Statewide Interoperability Executive Committee and its Data Communications Working Group, began to develop an RFP in July of 2015. That, in and of itself, turned the industry upside down.

Industry people were taking every opportunity to dismiss New Hampshire and its intentions for putting the RFP on the street in December of 2015.

On September 7th, 2016, the governor and council awarded a no-cost, no-obligation contract to Rivada Networks. Why? Because the proposal that was submitted was so intriguing that it could not be ignored. From September 2016 to September 2017,

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the state of New Hampshire along with Rivada Networks developed an alternative state plan that was delivered to Governor Sununu on or about the same date as the FirstNet/AT&T state plan was delivered. Today we are the only state in the country that has an alternative plan in place.

I mentioned early in my testimony that there was no greater advocate than New Hampshire because it is an officer safety issue and it means increased capability to provide services to our citizens and visitors. So, it is unclear to us why FirstNet, NTIA, and now AT&T, would wish to make the reality of an opt-out decision so onerous and difficult.

At the beginning of last month, October 2017, New Hampshire SEIC made a unanimous recommendation to opt out. Why? Because the alternative plan was far superior to the FirstNet/AT&T plan that was delivered in regards to coverage and price. We are operating in good faith and we understand that there are regulatory permissions that need to be reached. However, based on what we know and what we have been dealing with, we feel threatened by policy and procedure, not by law. We will not allow this opportunity to fail, and we have every confidence in the proposed network that is being proposed.

Was that the intent of the law that created FirstNet or was

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506 the intent to provide to the first responder an unprecedented
507 opportunity to communicate in the most difficult of situations?

508 It is unfortunate, from our perspective, that in some ways
509 FirstNet seems to have lost its intended mission.

510 When we first looked at this, we looked at this as a win/win
511 situation. New Hampshire would secure an investor to build the
512 infrastructure at no cost to FirstNet, where FirstNet could invest
513 the \$6.5 billion elsewhere, and then, New Hampshire would enter
514 a fair and reasonable leasing agreement with FirstNet for the
515 utilization of 20 megahertz of 700 spectrum.

516 We have done our due diligence. In regards to due diligence,
517 I would be remiss in my responsibilities if, in fact, we did not
518 go down this road to try to create an alternative plan.

519 FirstNet demands our transparency, but fails to be
520 transparent themselves. AT&T says it wants to work with the
521 state, but says it will only negotiate pricing when the state
522 opts in. NTIA says that it may take up to two years to approve
523 an alternative plan.

524 I applaud Governor Sununu and all the work that has been
525 accomplished in New Hampshire, which has also provided direction
526 for many states who are weighing in on their options. When the
527 scales seem to be tipped, when pressure is enhanced, and when

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528 there are unprecedented obstacles, which can all be seen as
529 threatening states to opt in, we believe it is worthy of review.

530 In conclusion, New Hampshire has done its due diligence,
531 and our only mission is to make FirstNet successful in New
532 Hampshire.

533 Thank you.

534 [The prepared statement of Mr. Stevens follows:]

535

536 ***** INSERT 4*****

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537

Mrs. Blackburn. Thank you.

538

Mr. Moran, 5 minutes.

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STATEMENT OF BRIAN J. MORAN

Mr. Moran. Well, good morning, Madam Chairman Blackburn, Ranking Member Doyle, members of the subcommittee. On behalf of Governor Terry McAuliffe, I would like to thank you for this opportunity to discuss FirstNet and our mutual desire to equip our first responders with the interoperable communication capabilities necessary to respond to all hazards.

Governor McAuliffe is proud that Virginia was the first state in the nation to opt into FirstNet. Virginia decided to opt in in July after a thorough review in order to provide public safety subscribers with the benefits of priority service at no cost to the Commonwealth and to proceed with the buildout of Virginia's portion of the National Public Safety Broadband Network. We also viewed the decision to opt in as a way to promote competition within the public safety communications marketplace in order to reduce costs and drive innovation for public safety agencies.

The option to opt out was thoroughly reviewed through in-depth engagement with our public safety stakeholders across the Commonwealth. But the unknown costs of network construction, maintenance, and operation were neither feasible nor determined to be in the best interest of Virginia.

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561 Virginia has long been a leader in the field of public safety
562 interoperable emergency communications. Our success is based
563 on a belief that first responders and emergency communications
564 experts should lead the effort to identify solutions, as they
565 are the ones who best understand the unique threats we face and
566 the resources needed to respond.

567 I am joined here today by local public safety professionals
568 from Virginia who have been instrumental in promoting
569 interoperability and guiding our decision to opt in. Fire Chief
570 Richard Bowers from Fairfax County is leading the effort to
571 leverage the benefits from our decision to opt in, and I know
572 Loudoun Chief Brower and others from Arlington County are here
573 as well.

574 Fairfax Fire now has interoperability between their public
575 safety radio system and broadband with a push-to-talk
576 application. When Fairfax Fire deployed to Houston to support
577 Hurricane Harvey response efforts, they were able to utilize
578 priority service.

579 Terry Hall from York County serves as the Chair of the
580 Statewide Interoperability Executive Committee. Through the
581 SIEC, they have facilitated a collaborative multidiscipline
582 process to engage our local governments.

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583 Virginia's unique geography, critical infrastructure, and
584 emerging threats require the Commonwealth's public safety
585 community to be prepared for a wide range of threats. Since the
586 attacks at the Pentagon on 9/11, the goal has been, and still
587 is today, to ensure continued interoperable communication among
588 our first responders.

589 We saw the importance of this this past June when
590 Representative Scalise and his colleagues were victims of a
591 horrible violent attack in an Alexandria ballpark. Again, in
592 August, our Commonwealth was attacked when a large demonstration
593 of white supremacists and neo-Nazis and counterprotesters
594 descended on the city of Charlottesville for a rally that resulted
595 in the death of Heather Heyer and two state police troopers.

596 It is tragic situations like these that highlight the
597 importance of equipping our first responders with the tools they
598 need to save lives. We believe that our decision to opt in creates
599 the opportunity to realize the ultimate goal of creating a
600 dedicated, safe, secure, and reliable network for public safety
601 in the least risky manner.

602 Moving forward, we will continue to work collaboratively
603 with FirstNet and AT&T to maximize the benefits of the network
604 for the Commonwealth's public safety community. Essential to

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605 this collaborative effort is ensuring adequate coverage and
606 reliability, especially in rural areas. We must ensure FirstNet
607 and AT&T prioritize mission-critical voice and enhanced location
608 capabilities in order to protect our men and women in uniform.

609 As more states determine their best way forward, I know that
610 the public safety community will continue to provide feedback
611 to Congress, FirstNet, and AT&T. Virginia's decision to opt in
612 marked another significant step forward as we advance
613 interoperable emergency communications and public safety, and
614 we look forward to the work ahead.

615 Thank you again, and I look forward to answering your
616 questions.

617 [The prepared statement of Mr. Moran follows:]

618

619 ***** INSERT 5*****

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620

Mrs. Blackburn. The gentleman yields back.

621

Mr. LeGrande, 5 minutes.

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622 STATEMENT OF ROBERT LEGRANDE II

623

624 Mr. LeGrande. Good morning, Chairman Blackburn, Ranking
625 Member Doyle, and members of the subcommittee.

626 My name is Robert LeGrande, and I am the former Chief
627 Technology Officer with the District of Columbia government.
628 I am a former program executive for the National Capital Region's
629 Interoperability Program. In this role, I led the District's
630 Land Mobile Ready upgrade and, also, led the development of the
631 nation's first citywide 700-megahertz wireless broadband network
632 for first responders. This network was considered a model for
633 the nation and served as a testbed how broadband applications
634 can be shared among public safety agencies.

635 I left the D.C. Government in 2007 and formed The Digital
636 Decision. My firm leverages lessons learned from the District,
637 the Land Mobile Ready, as well as the 700-megahertz wireless
638 broadband deployments, to help states, locals, and even
639 commercial customers prepare to deploy public safety broadband
640 communication networks.

641 I appreciate the committee's ongoing efforts to address this
642 critical issue, and I thank you for the opportunity to present
643 my views on FirstNet. It is important to remember that FirstNet

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644 was created to address the communications problems that have
645 plagued public safety for many years, especially the lack of
646 interoperability, which we have spoken about so many times
647 already, among our first responders.

648 Along with my public safety colleagues, I believe that a
649 dedicated public safety broadband network was what was needed
650 to address the public safety requirements. In discussions with
651 this subcommittee prior to the legislation being passed, I
652 referenced my previous experience when working with a Seawolf
653 Class nuclear attack submarine. No one would disagree that the
654 Navy and our fleet is America's first line of defense. By the
655 same token, no one should disagree that our first responders are
656 our last line of defense, including their communication systems.

657 Now we would never consider a U.S. Navy and a Carnival Cruise
658 Line partnership in order to cover the operating cost of a nuclear
659 attack submarine. So, why would we rely on anything less than
660 a fully-funded dedicated public safety broadband network for our
661 first responders? Well, of course, that was not possible, given
662 the limitations of the available funding. That would have been
663 \$50 billion or more. But Congress was able to provide FirstNet,
664 and they did a good job of putting this together, with the spectrum
665 and funding to support the development of a public safety

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666 broadband network and establish provisions to encourage the
667 private sector involvement.

668 Now, while many public safety officials, including myself,
669 fought for a true dedicated public safety broadband network, what
670 we actually got from FirstNet is access to AT&T's network with
671 public safety features and functions along with it. Now, while
672 that may have been necessary, and it was, given the limitation
673 of funding, it also means that we must look at this network and
674 its competitive options for states to make sure that they have
675 viable means to opt out from this commercial offering, because
676 it is truly a commercial offering.

677 Now, unfortunately, I do not believe, as Mr. Stevens had
678 mentioned earlier, that the opt-out requirements established
679 under FirstNet adequately preserve the states' rights to make
680 their own decisions and consider competitive options for the
681 network providers. This is especially troubling, given that half
682 the FirstNet spectrum, half of it, came from state and local
683 governments. That sacrifice in spectrum makes state and local
684 governments investors in FirstNet.

685 At a minimum, states should have the same ability as FirstNet
686 to develop a public-private partnership. States should be able
687 to choose their preferred network provider and use that provider's

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688 core to serve its public safety users as long as that network
689 core complies with industry standards and is interoperable with
690 AT&T's network. If states are required to use a network core
691 provided by AT&T, then that means that AT&T must provide service
692 to their public safety users.

693 This is not the kind of opt-out provision that public safety
694 had in mind. States should not be subjected to stricter
695 limitations or harsher penalties or fees than AT&T. Competition
696 is the reason why the United States has the most advanced
697 commercial LTE networks in the world, and competition must
698 continue to ensure public safety benefits from the tremendous
699 innovation and advances in communications. If there is one thing
700 that the public safety communications industry needs, it is
701 competition at every level.

702 FirstNet decided that a public safety broadband network,
703 a dedicated one was not achievable, but, instead, chose a
704 commercial solution. FirstNet should, therefore, ensure that
705 this approach is implemented on several key principles.

706 First, it should support vibrant and fair competition. It
707 should include open and nonproprietary devices and applications
708 that are available to all providers. It should ensure that
709 interoperability for all networks -- I'm sorry, let me say that

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710 again. It must ensure interoperability for all networks that
711 satisfy a minimum public safety standard. It should create
712 incentives, not penalties but incentives, for private sector
713 involvement that encourages broader industry support, and it
714 should ensure a level playing field for the states' opt-out
715 process.

716 With that, I really appreciate the committee's time, and
717 I look forward to answering the questions.

718 [The prepared statement of Mr. LeGrande follows:]

719

720 ***** INSERT 6*****

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721 Mrs. Blackburn. The gentleman yields back. That concludes
722 all of our opening statements, and we are going to move to the
723 question-and-answer portion.

724 For all of our colleagues that are here today, Mr. Doyle
725 and I have discussed how we want to stay right to that 5-minute
726 questioning. And if you get to the end of your 5 minutes and
727 you have got a question, if you will submit it for a written
728 response, that will help us to be mindful of everyone's time and
729 finish the hearing prior to votes being called.

730 So, I recognize myself for 5 minutes for questioning.

731 Mr. Sambar, I want to come to you first. Cybersecurity and
732 cybersecurity measures are something we continue to talk about
733 here in this committee. So, as you are looking at this network
734 and the buildouts and the integration, do you all have a strong
735 cybersecurity plan? What type encryptions or firewalls do you
736 have that will prevent some malicious cyberattacks?

737 Mr. Sambar. Thank you, Chairman. I appreciate the
738 question.

739 I will start with Mr. LeGrande's point that he just made
740 on interoperable cores. I think that feeds right into your
741 question.

742 Part of this is a nationwide interoperable network. Part

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of the strength in that nationwide interoperable network is reducing what I call seams or vulnerabilities as much as possible.

When you try to have cores interoperating and force interoperability between cores, you introduce seams. That is why the interpretation of the law that was passed, the RFP that was issued, and the FirstNet Authority, as I have said publicly recently, core-to-core interoperability is not something that they are interested in because they don't want to introduce those vulnerabilities. So, that is really the first step in cybersecurity.

Next, beyond that, we are building a separate public safety core. So, to say that this is going to be traffic on our commercial core is not correct. From a technical standpoint, we are building a separate interoperable public safety core network, which means all of the traffic for first responders that flows across this network will be on that core, not on our commercial core. So, that is the next level of security. That core network will be encrypted from end to end, and we have designed that encryption, at the direction of the FirstNet Authority, to comply with various state and federal requirements.

And then, the last piece of this -- well, there is actually another one. I could probably go on for 10 minutes, but I want

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765 to --

766 Mrs. Blackburn. No, I have only got 5. That is okay.

767 [Laughter.]

768 Mr. Sambar. I understand. So, I will respect your time.

769 The next piece is the device itself in the first responder's
770 hand. So, we do self-certification on all of our devices, but
771 the FirstNet Authority has a lab in Boulder, Colorado, where they
772 will also be certifying the devices.

773 Then, the applications on the device, oftentimes
774 vulnerabilities are introduced to a device through the
775 applications on a device. That is why we have set up a public
776 safety app store specifically for public safety -- you have to
777 authenticate to get into this app store; it is not open to the
778 public -- where we can validate the security and functionality
779 of those applications.

780 And then, the last piece of this, the Security Operations
781 Center. So, AT&T operates a Global Security Operations Center.

782 We are standing up a separate Security Operations Center, roughly
783 100 people that will do nothing but 24 hours a day, 7 days a week,
784 365 days a year, monitor the traffic on this core network, the
785 first responder traffic.

786 So, as you can see, multiple steps that we are taking to

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787 ensure cybersecurity is job 1 on this network.

788 Mrs. Blackburn. Okay. Mr. Stevens, I want to come to you
789 and Mr. Moran.

790 There are several of us on this panel that have rural areas,
791 and I am sure Mr. Loeb sack is going to talk to you about some
792 of this. And when we look at the expectation of buildout
793 schedules, you talked a little bit about the timeline on the RFP
794 end. So, on the expectation of the buildout schedule for these
795 rural and remote areas, as you are reviewing proposals, do you
796 think that we should be confident they are going to be able to
797 make these schedules? Should we be apprehensive? Should we
798 change how we are reviewing and monitoring some of this ourselves?
799 What do you think the expectation is here? And is FirstNet being
800 helpful to the process or not?

801 Mr. Stevens. The state of New Hampshire certainly is a rural
802 state and it is divided by a number of different sections. The
803 southern part of New Hampshire is considered really metropolitan
804 Boston. We have a major rural area in the western part of the
805 state and in the northern part of the state.

806 When we originally looked at the maps that were being
807 provided by FirstNet early on in the process, much of the northern
808 part of the state was ruled out as far as development was

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809 concerned. In fact, FirstNet said to us at that point in time
810 that primarily they would be looking at building out from
811 Manchester and Nashua, which are the two largest cities in New
812 Hampshire.

813 Now, since that time, we have had a number of meetings in
814 regards to buildout and price. I will have to say that the
815 meetings that we had with AT&T and FirstNet were extremely
816 constructive, and we felt that the buildout was much larger than
817 we had originally sought from the original plans. However, what
818 we were able to ascertain from our alternative plan was the
819 alternative plan was providing for us statewide coverage from
820 the northern part of New Hampshire to the southern tip and east
821 to west.

822 Mrs. Blackburn. Thank you.

823 Mr. Poth, I am going to submit a question for the record
824 for you on NTIA. I want to get some answers there.

825 Mrs. Blackburn. And, Mr. LeGrande, I will submit one to
826 you having to do with your work as state and local authorities.
827 We have got a couple of points there.

828 The gentleman is recognized for 5 minutes.

829 Mr. Doyle. Thank you.

830 Mr. Moran, you look like you are a much younger,

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831 better-looking version of former Congressman Jim Moran. Are you
832 related to him?

833 [Laughter.]

834 Mr. Moran. I am not sure. Will you accept my comments based
835 on my answer?

836 [Laughter.]

837 Mrs. Blackburn. We could tell by your voice the minute you
838 started to talk.

839 Mr. Doyle. Welcome. Tell Jim we say hello.

840 Mr. Moran. Will do.

841 Mr. Doyle. Mr. Poth, if a state opts out and contracts with
842 a third party and the network fails or fails to meet its
843 obligations, what are the risks and what are the obligations to
844 FirstNet and other states?

845 Mr. Poth. That is a great question, and thank you for that.

846 As you point out, if a state that has opted out at any path along
847 the way of that 25-year period is unable to continue because of
848 the contractor, or for whatever reason, we are going to instantly
849 start working with that state to try to minimize the impacts to
850 that state and, most importantly, to public safety in that state,
851 to reconstitute the network and try to move it forward.

852 As you mentioned in your opening statement, this is a very

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853 complicated network with a lot of moving parts. And if a state
854 that opts out -- and we are fully supportive of that -- has those
855 problems, then we are going to have to figure out ways to recover
856 costs. FirstNet will not have the cost. AT&T is not obligated
857 to put any money into that to help recover the cost in that state
858 that has run into the problem. So, we are going to be working
859 with the state on how to quickly minimize.

860 If they have, for example, received some funding, grant
861 funding, from NTIA that hasn't been completely expended, that
862 may be an opportunity to use some of those funds to help get the
863 network back to a point where it is, once again, nationwide and
864 operable.

865 Mr. Doyle. Thank you.

866 Mr. Stevens, I understand Rivada has conducted projects here
867 and around the world and has some valuable experience, but I also
868 understand that Rivada is not currently operating a live radio
869 access network in the United States or, for that matter, anywhere
870 else in the world. I understand they made you an offer you
871 couldn't refuse, but I am just curious, are you a little bit
872 nervous contracting with a company that doesn't currently operate
873 a network anywhere in the world?

874 Mr. Stevens. Well, based on the information that we have

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875 been provided through the alternative plan, and with the
876 safeguards that we have enacted through the negotiation with
877 Rivada as far as having performance and surety bonds in place,
878 we feel that, as we move forward and actually develop a service
879 contract, if, in fact, there should be a decision in New Hampshire
880 to opt out, then we feel that New Hampshire is confident that
881 we would be able to continue and provide a statewide application
882 to FirstNet for all our first responders.

883 Mr. Doyle. Thank you.

884 Let me ask Mr. Sambar and you, Mr. Stevens, we have seen,
885 with the recent devastating hurricanes in Texas, Florida, Puerto
886 Rico, the Virgin Islands, as well as what has happened in
887 California with the wildfires, that communications can go down
888 during disasters because of a lack of electricity and for other
889 reasons. I would think a state would want to be assured that
890 the FirstNet network is supported by a carrier with the
891 wherewithal and the experience to recover communication services
892 during disasters.

893 Let me ask you, what experiences does Rivada have in
894 restoring communications during hurricanes and fires and other
895 natural disasters of this magnitude? And I would ask Mr. Sambar
896 the same question.

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897 Mr. Stevens. Are you asking me, sir?

898 Mr. Doyle. Yes, sir.

899 Mr. Stevens. The only thing that I am familiar with in
900 regards to communications that were set up based on a natural
901 disaster was Rivada's commitment to the state of Louisiana after
902 Katrina.

903 Mr. Doyle. Mr. Sambar?

904 Mr. Sambar. So, from AT&T's standpoint, Congressman, you
905 are probably aware of the last four hurricanes, all the
906 restoration efforts. I could go into details of tornadoes,
907 wildfires in California. We have extensive experience. Our
908 natural disaster recovery program has been funded at over \$600
909 million over the past 20 years. So, we have a significantly large
910 program.

911 And I will note, just in the Q3 earnings that AT&T released
912 last week, we noted a 2-cents-per-share earnings hit or earnings
913 cost to AT&T based on the recent disasters just in the quarter.

914 That equates to roughly \$200 million in impact to AT&T. So,
915 obviously, a large company with the wherewithal to absorb impacts
916 like that is probably very important to this program, and we think
917 we are that company.

918 Mr. Doyle. Thank you.

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919 Madam Chair, I see, in the spirit of what we are trying to
920 accomplish here, that I will not ask my other questions, but submit
921 them for the record for answers.

922 Mrs. Blackburn. Quick learners.

923 [Laughter.]

924 Mr. Doyle. Thank you. Mrs. Blackburn. Mr. Lance, you
925 are recognized, 5 minutes.

926 Mr. Lance. Thank you very much, Chair.

927 Mr. Poth, as I mentioned in my opening statement,
928 interoperability issues faced by the first responders on 9/11
929 was a significant factor in the creation of FirstNet. The law
930 allows state and local public safety agencies to make their own
931 communications decisions, regardless of the state's opt-out
932 decision. Consequently, it is likely that some public safety
933 agencies will continue to use other network providers beside AT&T.

934 Does FirstNet intend to establish agreements with other
935 providers to enable interoperability across multiple networks
936 and, if not, how would that have an impact on public safety
937 communications?

938 Mr. Poth. So, the current system will allow the
939 interoperability. So, another carrier provider to public
940 safety, those devices will be able to talk to a FirstNet/AT&T

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941 device. We are not going to be pursuing contractual
942 relationships with other providers for that, since the
943 interoperability is a requirement and it is a standard.

944 We are also, as part of our statute, requiring open standards
945 for the devices and applications, as Mr. Sambar mentioned earlier,
946 for public safety. So, we think that that addresses the needs
947 if a public safety agency all the way down to a local firefighter
948 decides that the better solution for them is to go with another
949 solution set other than the FirstNet one.

950 Mr. Lance. Thank you.

951 Mr. Sambar, would you like to comment on that?

952 Mr. Sambar. Yes. Thank you, Congressman.

953 So, I would say, to make it brief, there are international
954 standards which govern the wireless industry around the world
955 called 3GPP standards. We have committed to FirstNet Authority,
956 which they asked us to commit to, that we will maintain those
957 standards. We have for the past 40-plus years in the wireless
958 industry and we will continue to do so.

959 It is the reason that, when I text you on your phone,
960 regardless of what provider you have, we can get a text across
961 with no problem. We can send an email. We could talk to each
962 other. And it works that way around the world.

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963 We will continue that. We are very interested in open
964 interoperable.

965 Mr. Lance. Thank you.

966 And, Mr. LeGrande, could you please comment on what the
967 public safety implications would be in the case of failure to
968 enable interoperability?

969 Mr. LeGrande. Well, we need no, unfortunately, looking
970 further than what happened in New York. That was tragic.

971 And when I started my work here in Washington, D.C., believe
972 it or not, in 2001 we didn't have any public safety communications
973 at all in the WMATA tunnel systems. That was a program that I
974 led -- I think there is a member of the fire department here --
975 proudly, with Chief Ramsey and Chief Thompson.

976 I think it is important to note that what Mr. Sambar was
977 referring to with regards to interoperability and 3GPP standards,
978 yes, carriers have interoperability that they do every day. I
979 mean, there are partners that AT&T has around the world.
980 Core-to-core interoperability is what they do as a standard
981 practice.

982 What I am advocating for is to make sure that we have
983 established a swim lane internationally and nationally how
984 carriers operate, and that we should not alter that because we

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985 have a commercial system that we are leveraging. We are not
986 leveraging a dedicated network only for public safety. It is
987 a shared network with the public. Now it is segregated at the
988 core, as he mentioned, but it is certainly shared at the RAN,
989 which is the lower part of the architecture.

990 I don't want to be too technical. I don't want to go too
991 far on this answer. But it is important that we continue to allow
992 the carriers who exist to fight for public safety's business.

993 The bottom line, the biggest barrier of entry -- and I have been
994 around the country talking to folks, sir, and Frank Gianetti in
995 Pittsburgh, Pennsylvania, where I am from -- the biggest barrier
996 to entry is cost. And the best way to drive down cost and to
997 drive up innovation is competition. And, oh, by the way, to
998 ensure that the carriers follow the way they have already done
999 business, which is to interoperate through those standards, and
1000 core-to-core is a part of that.

1001 Mr. Lance. Thank you very much, Mr. LeGrande.

1002 And, Chair, I yield back 50 seconds.

1003 Mrs. Blackburn. There you go.

1004 Mr. Loeb sack for 5 minutes.

1005 Mr. Loeb sack. Thank you, Madam Chair. I have abused the
1006 5-minute rule in the past. I promise I won't do it this time.

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1007 Thank you very much. I readily admit that.

1008 [Laughter.]

1009 I really appreciate this hearing today.

1010 Mr. Moran, I had the same thoughts -- thank you very much
1011 for being here today -- about your relation.

1012 I do greatly appreciate FirstNet's vigilance to ensure that
1013 rural areas of the country gain access to the nationwide public
1014 safety broadband network, including by specifying a 15-percent
1015 geographic requirement for the prime contractor to partner with
1016 existing rural telecom providers. And we have a lot of those
1017 folks in Iowa. We do all over rural America.

1018 So, to Mr. Sambar and to Mr. Poth, where is AT&T in its
1019 progress towards that 15-percent geographic requirement? Is
1020 there any public information that AT&T and/or FirstNet can share
1021 with us on this issue?

1022 Mr. Sambar. Thank you, Congressman.

1023 The 15 percent is a requirement contractually between AT&T
1024 and the FirstNet Authority. I will tell you, the network build
1025 is just beginning. So, I can't give you a number today because
1026 we haven't actually built it yet. But I have no problem in the
1027 coming months and years of providing that information, whether
1028 it is in this forum or in a different forum.

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1029 Mr. Loeb sack. Yes, we would like to keep track of that as
1030 we are progressing.

1031 Mr. Sambar. Yes, and we are happy to. What I will tell
1032 you is that, based on the network designs that we have today --
1033 and again, only half, just over half of the states have opted
1034 in -- but should all of the states opt in, or close to all of
1035 the states, we actually think we will exceed the 20 percent mark.
1036 So, 15 percent is the bare minimum that we need to attain. We
1037 are actually looking at over 20 percent at this point. So, we
1038 are very confident in our ability to hit that target and use those
1039 rural providers.

1040 Mr. Loeb sack. As you both know, Iowa has opted in.

1041 Mr. Poth. Right, right.

1042 Mr. Sambar. Thank you.

1043 Mr. Poth. And it is important to note, also, that in our
1044 contract they are required to build out rural in each phase of
1045 the contract. They can't wait until the other areas that they
1046 wanted to build or built and, then, start rural. The next phase
1047 they have to have 20-percent rural buildout; the phase after that,
1048 60 percent; 80, and all the way up to 100 percent.

1049 Mr. Loeb sack. So, how do we define a rural partner in
1050 situations like this? How does AT&T define it or FirstNet define

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1051 it?

1052 Mr. Sambar. I am going to give the quick answer, and he
1053 will give the detailed answer. We define it based on their
1054 definition, and he will tell you their definition.

1055 Mr. Loeb sack. All right. Go ahead.

1056 Mr. Sambar. You are the boss.

1057 Mr. Poth. So, we required in the RFP that they identify
1058 rural TELCO partners in each of the states that they had intended
1059 to partner with. And then, that is what we are measuring them
1060 against, to make sure that those relationships have, in fact,
1061 been consummated.

1062 Mr. Loeb sack. So, it is determined at the state level who
1063 rural is then? Is that --

1064 Mr. Poth. No, not at the state; at AT&T who, as all the
1065 bidders had to, identified rural partners in each of the states.

1066 Mr. Loeb sack. Right.

1067 Mr. Poth. Some have multiple TELCOs that they may be using.
1068 Some might have used only -- we are measuring them against what
1069 they committed to in their proposal.

1070 Mr. Loeb sack. I have to throw it back to you, Mr. Sambar.

1071 Mr. Sambar. Sure.

1072 Mr. Loeb sack. So, how do you define rural?

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1073 Mr. Sambar. Sir, I think you are looking for a definition
1074 of the word "rural"?

1075 Mr. Loeb sack. Yes, right.

1076 Mr. Sambar. FirstNet Authority defines, because we were
1077 curious when we signed the contract, FirstNet defines it based
1078 on the Rural Electrification Act.

1079 Mr. Loeb sack. Right.

1080 Mr. Sambar. And it is 20,000 population in a given
1081 geography.

1082 Mr. Loeb sack. Okay.

1083 Mr. Sambar. So, we are following that definition.

1084 Mr. Loeb sack. Okay. Thank you so much.

1085 Mr. Sambar. Yes, sir.

1086 Mr. Loeb sack. And to you, Mr. Sambar, does AT&T's rural
1087 partnership efforts include only wireless networks and towers
1088 or is AT&T also planning to leverage fiber-back, all assets?

1089 Mr. Sambar. Yes, sir, it will be wireless, wire line. That
1090 includes cable, microwave, and fiber. So, it will be all of the
1091 above.

1092 Mr. Loeb sack. Okay. Great. Thank you.

1093 Still some time left, Madam Chair?

1094 It will be essential that FirstNet is able to roam onto

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1095 existing rural networks before the MPSBM is available. Mr. Poth,
1096 how are you ensuring that devices are developed that can
1097 successfully roam onto Tier 2 and Tier 3 rural wireless networks?

1098 Mr. Poth. That is a great question. I think I will defer
1099 to Mr. Sambar since they are the ones that have to implement the
1100 technology.

1101 Mr. Loeb sack. A lot of deference today.

1102 Mr. Sambar. We do defer back and forth, don't we?

1103 [Laughter.]

1104 So, the way the wireless world operates today is you have
1105 no issue when you go into different areas around the country --
1106 and I travel every week -- whether it is a rural carrier in one
1107 area, and depending on what the backhaul is or the fronthaul with
1108 the wireless network; it doesn't matter. We will continue to
1109 do the same thing on the FirstNet network.

1110 And again, it is based on the 3GPP standards that I mentioned
1111 earlier. Those are international standards. So, whether you
1112 are on a domestic wireless network owned by AT&T or a rural
1113 provider or your international -- say you are in Mexico, South
1114 America, or somewhere in Europe -- you will be able to roam on
1115 any provider's network and it won't be an issue.

1116 Mr. Loeb sack. Okay. And again, respecting the Chair's

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1117 request that we finish up in a timely fashion, I do have a question
1118 about affordability, but I think we can probably submit that for
1119 the record.

1120 Thank you, Madam Chair.

1121 Mrs. Blackburn. The gentleman yields back.

1122 And, Mr. Shimkus, you are recognized for 5 minutes.

1123 Mr. Shimkus. Thank you, Madam Chair.

1124 I am wondering how Loeb sack got all my questions. How did
1125 you get my questions over there?

1126 Mr. Loeb sack. I lucked out. I was before you.

1127 Mr. Shimkus. Okay. Yes.

1128 Mr. Loeb sack. Not normally am I, but --

1129 Mr. Shimkus. That is almost word for word. So, he covered
1130 a lot of the rural concerns that I had.

1131 But I guess I would want to follow up with the question of
1132 overbuilding that may occur. And that would be to Mr. Sambar.

1133 How do you protect from what we have seen, overbuilding in other
1134 areas and other aspects of communication? So, what about
1135 overbuilding?

1136 Mr. Sambar. Sure. Thank you, Congressman.

1137 I should have started off my comments with rural, which
1138 everywhere that I have traveled over the last year and a half

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1139 around the country, whether it is a governor or the governor's
1140 staff, public safety entities, some of the gentlemen back here,
1141 the first responders -- thanking them for coming -- but some of
1142 them have mentioned it to me. You need to cover rural areas.

1143 So, we have gotten the message loud and clear. We absolutely
1144 understand that.

1145 We are embarking on an aggressive build plan to build out
1146 rural areas. Some of that will be AT&T building it, and some
1147 of it, that would be considered us building. And in some cases
1148 we will be using rural providers to build that out.

1149 The topic of overbuilding, the 15 percent was set because
1150 they believe that is an attainable goal. If our goal was to go
1151 and overbuild repeatedly, we would never hit the 15 percent and
1152 we surely would not a hit a 20-percent number, which is what we
1153 are projecting.

1154 There will be some cases where we can't come to commercial
1155 agreement with a rural provider, but in those cases we will look
1156 to other rural providers to see if they are interested, so that
1157 we can maintain that percentage with rural. So, our goal is to
1158 use rural providers as much as possible. In many cases their
1159 economics are better than ours, and it just makes sense for us
1160 to do that.

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1161 Mr. Shimkus. Great. Thank you.

1162 Let me go to Mr. Stevens from New Hampshire. I pulled up
1163 the FirstNet website. So, maybe you can help explain this to
1164 me.

1165 They have that you have, the state has released a plan, and
1166 the state plan's review is under consultation. Is that how you
1167 view that?

1168 Mr. Stevens. Yes. Yes.

1169 Mr. Shimkus. So, part of this plan is your opt-out? That
1170 is part of the plan that you have submitted to FirstNet? Or using
1171 an outside provider other than AT&T?

1172 Mr. Stevens. No. We are in the process of reviewing all
1173 aspects in regards to opt in and opt out. No decision has been
1174 made by New Hampshire at this point in time. And basically, we
1175 are comparing the two plans, the alternative plan and the state
1176 plan provided by FirstNet, to ascertain what is best for New
1177 Hampshire.

1178 Mr. Shimkus. Okay. Thank you. I appreciate that.

1179 Mr. LeGrande, AT&T and its partners did a bid for this to
1180 FirstNet, and then, obviously, they won the bid. In your opening
1181 statement are you proposing that the bid specifications should
1182 be now modified?

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1183 Mr. LeGrande. No, I am not suggesting that the bid should
1184 be modified.

1185 Mr. Shimkus. I mean as far as the responsibilities, the
1186 agreements, and what they are supposed to do?

1187 Mr. LeGrande. No. What I am suggesting, just so we are
1188 clear, that FirstNet, if we were to join a dedicated network,
1189 meaning when I say "dedicated," I mean --

1190 Mr. Shimkus. No, we have got it. We have had that debate
1191 here. We did this because we didn't have the money and we wanted
1192 to leverage the success of the private sector.

1193 Mr. LeGrande. In fact, the exciting thing about it is there
1194 is a real opportunity where FirstNet can say, well, okay, I agree
1195 that you may not want to establish any contracts or agreements
1196 with the other carriers, but certainly try to meet with them to
1197 bring them and incent them. Take out the penalties from AT&T;
1198 incent them.

1199 When I was a CTO here, my biggest problem is I couldn't get
1200 these guys in my office because we are a small market piece now.

1201 The great thing about it, the great thing about what is going
1202 on with FirstNet is they have created an opportunity where
1203 FirstNet can act as a regulatory --

1204 Mr. Shimkus. I only have 50 seconds left.

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1205 Mr. LeGrande. Right. Sorry. I'm sorry.

1206 Mr. Shimkus. So, I know you are very passionate.

1207 Mr. LeGrande. Absolutely.

1208 Mr. Shimkus. And I appreciate it.

1209 [Laughter.]

1210 Mr. Sambar, do you feel that some of these proposals may
1211 provide different goals and objectives than what was laid in the
1212 original bid?

1213 Mr. Sambar. I can't speak for the states and their goals
1214 and objectives. Over half of them have opted in, so they are
1215 completely aligned with our goals and objectives. When we go
1216 into the states, we negotiate with them on where they want
1217 additional infrastructure, where they want generators, what areas
1218 they want covered. And we leave the decision largely up to them.
1219 So, I think our goals are 100-percent aligned.

1220 I think there are some states that may have other goals in
1221 mind, not just a first responder network, but monetization, for
1222 example, to get money for the state budget. That is not what
1223 this is about. This is not a rural broadband initiative. This
1224 is for first responders, which does overlap into rural,
1225 thankfully. But I think we need to focus on first responders.
1226 That is what we are building this for. This is not a money-making

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1227 scheme. This is not a spectrum deal. This is for first
1228 responders for the next 25 years.

1229 Mr. Shimkus. Thank you very much.

1230 I yield back.

1231 Mrs. Blackburn. Mr. Pallone, you are recognized for 5
1232 minutes.

1233 Mr. Pallone. Thank you, Madam Chairman.

1234 FirstNet implementation is essential for creating a
1235 state-of-the-art nationwide public safety network, and this is
1236 critical during emergencies. This week marks five years since
1237 Superstorm Sandy swept through my district, and the lessons of
1238 that storm are as applicable today as they were then. And five
1239 years later, I can say there are three things we need to focus
1240 on to make sure we are better prepared for the next major storm.

1241 First, we need to keep our networks online during these
1242 emergencies, and that is why I drafted the SANDy Act to give our
1243 network operators the resources they need to repair our networks
1244 during disasters. And that is also why I worked with the wireless
1245 industry to create the Wireless Network Resiliency Cooperative
1246 Framework, to ensure people can call for help during an emergency,
1247 even if their network goes down.

1248 And second, we need to upgrade our 911 networks to be more

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1249 secure and resilient and to handle the information required of
1250 a 21st century network. Among other things, that means ensuring
1251 that 911 knows your location when you place a call.

1252 And third, we need to get FirstNet operational as quickly
1253 as possible to give our first responders the tools they need to
1254 better protect us and coordinate emergency responses.

1255 I wanted to mention specifically that New Jersey was one
1256 of the first states to opt in, which makes sense, given JerseyNet's
1257 success as a proof-of-concept for FirstNet as a whole.

1258 So, I wanted to ask Mr. Poth, are there lessons learned from
1259 New Jersey's experience that can benefit the nationwide network?

1260 Mr. Poth. Absolutely, and New Jersey was a great example.
1261 The state did opt in. We have been working with them for years.
1262 But what actually happened with the recent hurricanes down in
1263 Florida, New Jersey, who had already opted in with their assets
1264 from JerseyNet, asked if they could respond down to Florida to
1265 help another state using those assets. So, the nationwide
1266 response for public safety was happening in real time. So, I
1267 think that was a great example of taking advantage of an early
1268 builder and of New Jersey's "can do" attitude, that really helped
1269 Florida with FirstNet assets that were residing in New Jersey.
1270 And we hope to see that that model replicates itself throughout

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1271 the country.

1272 Mr. Pallone. Well, thank you.

1273 I wanted to clear up some questions about the bipartisan
1274 law that we passed in 2012 that established FirstNet. First,
1275 when Congress passed the law, we made clear that states could
1276 opt out of the wireless portion of the network, but they are
1277 prohibited from building a different core of the network.

1278 So, again, Mr. Poth, is that your understanding of the law
1279 as well?

1280 Mr. Poth. Yes, and, as it was discussed earlier, one of
1281 the other complications with any additional cores is around that
1282 cybersecurity. That is something that we cannot have any
1283 leniency. This must be a robust, secure network. But a single
1284 core is the intent, and that is what we are executing to.

1285 Mr. Pallone. Well, thank you.

1286 The second thing, when we passed the law, some of us were
1287 concerned about the way states divert 911 fees to other projects.

1288 And to stop that from happening to FirstNet, we required all
1289 fees raised by the states to be invested only back into the
1290 network.

1291 So, let me ask Secretary Moran, if I can, can you walk us
1292 through the financial considerations you took into account when

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1293 Virginia decided to opt into the network?

1294 Mr. Moran. Well, first of all, in Virginia we don't raise
1295 fees. So, it's a low-tax state, very competitive for business.

1296 [Laughter.]

1297 So, Mr. Congressman, it was at no cost. That was one of
1298 our primary reasons for opting in, was that it was at no cost
1299 to the Commonwealth. In assessing and evaluating the options
1300 for the state to build out the network, it would have been
1301 cost-prohibitive. And obviously, our primary responsibility,
1302 as yours is, is to provide that dedicated network to our first
1303 responder community. So, we saw the no cost being one of the
1304 primary factors to make that decision. So, there is no cost to
1305 the Commonwealth.

1306 Mr. Pallone. I don't know if anybody mentioned it; you look
1307 a lot like your brother, but you sound just like him when you
1308 spoke.

1309 Let me ask Mr. Sambar, going back to the three priorities
1310 I mentioned earlier -- next-generation 911, network resiliency,
1311 and FirstNet -- as the only carrier testifying today, what are
1312 you doing to further these goals?

1313 Mr. Sambar. So, your three goals, I will hit them in order.

1314 Networks online. If you use Hurricane Harvey in Texas as

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1315 an example, at anytime we had no more than 4 percent of our network
1316 down at any given time throughout Texas. That is when the
1317 hurricane hit through the week following with the floods. So,
1318 we are pretty proud of our ability to keep networks online, and
1319 that is hundreds of thousands of people working very hard to keep
1320 the network going.

1321 Secondly, the 911 networks. AT&T is one of the largest
1322 carriers investing in the 911 networks or next-generation 911
1323 in the United States. And we feel really good about the natural
1324 synergies between the next-generation 911 that we are offering
1325 and the FirstNet network, and the ability to go from the call
1326 that the citizen is making into the 911 PSAP and out to the first
1327 responder over the FirstNet network. There is some real natural
1328 synergies there that work really well.

1329 And then, getting FirstNet up and operational, and that is
1330 possible by a big carrier like us. We do start with our commercial
1331 network as the foundation. So, states that have opted in, we
1332 already have subscribers signing up for FirstNet. They do start
1333 on our commercial core and our commercial network. They will
1334 graduate in March of next year to the FirstNet network, but we
1335 want to get it up and operational as soon as possible. We don't
1336 want states to have to wait two, three, four, and five years.

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1337 Mr. Pallone. Thank you.

1338 Mr. Sambar. So, I think that hits all your priorities,
1339 Congressman.

1340 Mr. Pallone. It does. Thank you.

1341 Thank you, Madam Chairman.

1342 Mrs. Blackburn. Mr. Johnson, you are recognized for 5
1343 minutes.

1344 Mr. Johnson. Thank you, Madam Chairman.

1345 And it is a really important hearing. I represent a district
1346 in Ohio that is very, very needy in terms of broadband. There
1347 are many places throughout my district where we have high school
1348 children who have to go to the neighboring town to get to a Tim
1349 Horton's or a Panera Bread, where there is a wifi, so that they
1350 can do their homework assignments, or to a public library to get
1351 to a computer. Some schools even give out laptops, but the
1352 students don't have any connectivity to the outside world with
1353 which to do their work. So, it is a really, really important
1354 issue for me.

1355 And when you think about the opportunities and the economics
1356 of it, companies aren't going to come into a region and set up
1357 facilities if they can't get access to their customers, to their
1358 suppliers, recruit employees, et cetera, et cetera. So, it is

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1359 a serious -- I mean the urban/rural divide is a very real thing
1360 from a broadband perspective.

1361 Mr. Sambar, first of all, thank you for your service. I
1362 appreciate that. I have a number of Navy SEALs in my district
1363 back in Ohio. I could probably throw their names out there.
1364 And I worked for Admiral Tom Steffens. I don't know if you
1365 remember him.

1366 Mr. Sambar. Yes, sir.

1367 Mr. Johnson. But he was my last boss when I was on active
1368 duty at Special Operations Command.

1369 So, thank you for your service.

1370 The buildout of rural broadband, obviously, is a priority
1371 of mine. I have held multiple roundtables in Ohio to discuss
1372 with stakeholders the benefits and challenges of broadband
1373 deployment.

1374 If a state such as Ohio opts into FirstNet, how will it impact
1375 the broadband buildout in rural areas?

1376 Mr. Sambar. Thank you, Congressman. Thank you for your
1377 service as well, especially helping my brothers and sisters at
1378 the Special Operations Command.

1379 Mr. Johnson. You bet.

1380 Mr. Sambar. I appreciate that.

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1381 So, as I mentioned earlier, it is not a rural broadband
1382 initiative, but the benefits for rural customers and those in
1383 rural areas are unbelievable when it comes to FirstNet. And I
1384 will give you a specific example. I won't give you the state.

1385 But a state in the South that has opted in, one of the main
1386 requirements that they put on us was they said, "We want every
1387 school in our state covered with coverage, wireless coverage."

1388 And they are not all today. They told us specifically which
1389 schools were not covered, and we went out and did wireless surveys
1390 to ensure that they were. And they said, not only do first
1391 responders go to those areas, but in a lot of those areas those
1392 are the severe weather centers where people evacuate to. So,
1393 we said, absolutely, and we fulfilled that requirement for the
1394 state.

1395 So, this goes back to the flexibility of the program and
1396 the ability of the states to negotiate where they want the
1397 incremental coverage. The public-private partnership between
1398 us and the FirstNet Authority makes it possible. You noted the
1399 challenging economics in some cases to cover rural areas. The
1400 economics of this program make that less challenging and easier
1401 for us to do, so that we can fulfill the requirements and the
1402 desires of the states.

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1403 Mr. Johnson. Sure, and I am sure I don't have to tell you
1404 and the rest of the panel how important first responders being
1405 linked in is to a rural community. I mean, it takes a long time
1406 sometimes to get from point A to point B when something goes down,
1407 whether it is a natural emergency or criminal activity, or
1408 whatever, an accident, whatever that may be. Having first
1409 responders as a part of that is critically important.

1410 For the entire panel -- and we will go right down the line
1411 -- first and foremost, we must provide our first responders with
1412 a reliable network and the tools they need to prepare for and
1413 respond. We just talked about that. Can you describe the
1414 benefits for first responders in rural areas if the state chooses
1415 to opt into FirstNet? Let's just go down the line here.

1416 Mr. Poth. Through our exhaustive proposal process, we set
1417 out a solution to do just that for public safety, all 56 states
1418 and territories where there is rural or urban. And we are
1419 absolutely confident that through the solution that we have
1420 picked, based on public safety's feedback and the solution
1421 provider, in this case AT&T, we will be able to meet that
1422 objective.

1423 Mr. Johnson. Okay. Anybody else care to address that one?

1424 Mr. Sambar. Sure. I will give you 10 seconds of your 17

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1425 seconds.

1426 Mr. Johnson. Okay.

1427 Mr. Sambar. The benefits to the state of jobs and
1428 infrastructure, the rural broadband benefits to the state, and
1429 then, features like priority, preemption, mission-critical
1430 voice, all those things that public safety has been asking for
1431 for years.

1432 Mr. Johnson. Do you view it as a negative? I mean, if a
1433 state chooses to opt out, will it be a negative impact to first
1434 responders if a state opts out?

1435 Mr. Sambar. I think there are some significant challenges
1436 if a state chooses to opt out. Of course, we will be happy to
1437 work with them. That is our charter, and we will do everything
1438 we can to be interoperable with that state. But there are some
1439 challenges as far as the time it will take them to build it out,
1440 the reliability/redundancy of that network, interoperability,
1441 security of that network. There are some significant hurdles
1442 that they need to get over. Again, we are happy to work with
1443 them, but I think there would be a lot of concerns there.

1444 Mr. Johnson. All right. Well, thank you, gentlemen.

1445 Mrs. Blackburn. The gentleman yields back.

1446 Ms. Eshoo, you are recognized for 5 minutes.

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1447 Ms. Eshoo. Thank you, Madam Chairwoman.

1448 Thank you to all of the witnesses and to the first responders
1449 here. With all due respect to everyone else in the room,
1450 including myself, I think you are the most important ones here.

1451 When the 9/11 Commission made its recommendations to
1452 Congress, which is a very long time ago now -- we have been at
1453 this for some time; it was 16 years ago that the country was
1454 attacked -- there was one recommendation that Congress had not
1455 made good on, and it was to build a nationwide interoperable public
1456 safety network. And I was bound and determined that we would
1457 get that done. I am proud of the legislation, proud that we moved
1458 ahead, and that the Congress passed it.

1459 But I think that, in light of what the country has undergone
1460 in just the last handful of months, and most recently in my home
1461 state of California -- I spent last Saturday from 6:30 in the
1462 morning until 9:30 at night touring, meeting with the public
1463 officials, public safety officials, first responders, victims,
1464 in Sonoma and Napa Counties.

1465 I really think that we need to go back to the air raid system
1466 because there really wasn't anything that worked or very, very
1467 little. And this is the second decade of the 21st century. So,
1468 we have a lot of work to do.

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1469 In California, relative to AT&T's existing coverage
1470 throughout the state and the interoperability of the public safety
1471 broadband network with other cellular networks, how is AT&T
1472 dealing with coverage areas where you are not the dominant carrier
1473 in that area? Just very quickly.

1474 Mr. Sambar. Yes, Congresswoman.

1475 So, we are in the process of negotiating with California.
1476 As you know, they haven't opted in.

1477 Ms. Eshoo. I know that.

1478 Mr. Sambar. We are in the process of negotiating.

1479 Ms. Eshoo. They have some problems with you. But how are
1480 you dealing with coverage areas where you are not the optimum
1481 and others are?

1482 Mr. Sambar. So, we have given them a significant number
1483 of sites that they can move around in the state and give us priority
1484 areas, so that we can cover those areas that are not covered today
1485 where other carriers are dominant. In those areas where other
1486 carriers are dominant --

1487 Ms. Eshoo. Now wait a minute. What does that mean?

1488 Mr. Sambar. That means we are --

1489 Ms. Eshoo. You want the state to tell the ones that are
1490 more dominant than you what?

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1491 Mr. Sambar. No.

1492 Ms. Eshoo. Tell me how that works.

1493 Mr. Sambar. We are going to build big cell towers in the
1494 places where we don't have coverage, so that we can cover
1495 ubiquitously throughout California to give them the coverage they
1496 are asking for. California has come to us and said, "We need
1497 coverage in these areas."

1498 Ms. Eshoo. Okay. All right.

1499 Mr. Sambar. And we said, okay, we will build those areas
1500 out.

1501 Ms. Eshoo. How are you going to ensure interoperability
1502 with the public safety network with the jurisdictions that use
1503 other networks?

1504 Mr. Sambar. So, just like we do today, if you have a
1505 different carrier than I have on my phone, we can talk to each
1506 other. That is called interoperability. And we will maintain
1507 that in the future. This will not be a locked-in proprietary
1508 network.

1509 Ms. Eshoo. Why are there penalties? Did the Congress do
1510 that or is it part of your contract? It is my understanding that
1511 in California's case, I think relative to the RAN, the penalty
1512 would be in the area of \$15 billion. Who came up with that?

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1513 How do you make that determination?

1514 Mr. Poth. No, that --

1515 Ms. Eshoo. And why are there penalties?

1516 Mr. Poth. Excuse me. There aren't any penalties right now.

1517 What that \$15 billion --

1518 Ms. Eshoo. Well, that doesn't make me feel too good.

1519 Mr. Poth. Right.

1520 Ms. Eshoo. You just said "right now". Are there going to
1521 be? And where did this \$15 billion, approximately, come from?

1522 Mr. Poth. So, that was FirstNet's attempt at trying to make
1523 sure in our full transparency. So, in the state of California,
1524 as we talked about earlier, if they opt out and they have a problem
1525 where they have to default and they are not able to continue to
1526 work, the estimates could be as high as that number.

1527 Ms. Eshoo. But I don't understand. Is this a penalty for
1528 not opting in?

1529 Mr. Poth. No, absolutely not.

1530 Ms. Eshoo. Well, what is it for?

1531 Mr. Poth. So, we have tried to share with the states what
1532 we thought, because of this very involved, complex project, if
1533 we had to reconstitute the network from zero after a state,
1534 implementation didn't work, that it could be as high as that.

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1535 That is where I have said earlier, and I qualified, we are working
1536 with every state, including California, to minimize any of those
1537 impacts. And hopefully, they would never even get to that point.

1538 So, in our zeal to make sure that --

1539 Ms. Eshoo. But why even talk about penalties? I mean,
1540 obviously, if something doesn't work, the state is going to be
1541 responsible and has to build up a system.

1542 Mr. Poth. That is what that number is. It is not a penalty
1543 or fine if someone opted out and weren't able to complete it.

1544 Ms. Eshoo. Let me just ask -- thank you for your leadership
1545 --

1546 Mr. Poth. Right.

1547 Ms. Eshoo. Did you say, Mr. Sambar, that AT&T does not make
1548 any money on this?

1549 Mr. Sambar. No, I --

1550 Ms. Eshoo. You said, "We are not in this for profit."?

1551 Mr. Sambar. We are a --

1552 Ms. Eshoo. It is a wonderful notion, but it is a real --

1553 Mr. Sambar. That would be nice, it would be nice if we were
1554 a philanthropist, but --

1555 Ms. Eshoo. It is a stunner to me.

1556 Mr. Sambar. Yes, we have shareholders that we are

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1557 accountable to. So, yes, we do have to make a profit off of it.

1558 So, it is profitable.

1559 Ms. Eshoo. But why did you say it is not -- why did you

1560 --

1561 Mr. Sambar. It is a public-private partnership, and our
1562 primary commitment going into this wasn't to make money.

1563 Ms. Eshoo. All right. All right. Yes. Well, okay.

1564 Good.

1565 It is great to have a Moran here.

1566 [Laughter.]

1567 Either over there or at this part. It is just wonderful.

1568 Thank you for your leadership in the state.

1569 Thank you, Madam Chairwoman.

1570 Mrs. Blackburn. The gentlelady yields back.

1571 Mr. Kinzinger, for 5 minutes.

1572 Mr. Kinzinger. Thank you, Madam Chair.

1573 There is nothing wrong with making money. It is capitalism.

1574 I want to thank you, Chair, for yielding and for holding
1575 this hearing. And given the events that unfolded yesterday in
1576 New York that are currently being investigated as a terrorist
1577 attack on our country, I think this hearing is especially timely
1578 today.

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1579 Broadly speaking, we need to get this system operational
1580 and running efficiently, so that we can respond to both natural
1581 disasters and, frankly, the next attack that is going to happen
1582 in the future. We know this is a generational fight we find
1583 ourselves in the middle. It will probably last for the rest of
1584 my lifetime.

1585 But, in that vein, Mr. Sambar, during recent emergencies,
1586 cell towers have become overwhelmed by the volume of calls and
1587 texts. Will first responders avoid similar communications
1588 hurdles using the network that AT&T and FirstNet are planning
1589 to deploy?

1590 Mr. Sambar. Thank you, Congressman.

1591 Yes, that is exactly one of the primary purposes of this
1592 network. It is so that first responders are not on the typical
1593 commercial networks, subjected to the same congestion that they
1594 would be otherwise subjected to on a commercial network.

1595 So, there are two features called priority and preemption.
1596 Priority means that their data goes faster than anyone else's.
1597 So, if they are trying to get a picture of a subject to another
1598 first responder to let them know what is going on, if they are
1599 trying to get a picture of a fire to a fire captain, so that he
1600 knows the nature of the fire, how many engines he needs to send,

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1601 that data will go through uninterrupted through the network.

1602 That is priority.

1603 Preemption, the next one, means that, if a first responder
1604 is trying to get on the network and it is congested, which can
1605 happen anytime you have a crowd of people in an area, preemption
1606 will actually move someone on our commercial network off to
1607 another frequency band on our commercial network, and allow that
1608 first responder on immediately. The only call that it won't
1609 preempt is a 911 call. So, we will not take regular commercial
1610 citizens and kick them off if they are on a 911 call, but it will
1611 preempt other users off. So, they will have an uninterrupted
1612 network experience.

1613 Mr. Kinzinger. Excellent. That is really good to hear.

1614 Switching gears a bit, Mr. Poth, with regards to the lease
1615 terms that FirstNet sent to the states, is there a process for
1616 appealing FirstNet's terms or are these effectively "take it or
1617 leave it"? And how did you develop those terms?

1618 Mr. Poth. So, the spectrum management lease is just a draft.

1619 We tried to provide that information early, so the governors
1620 and their teams could review what would be a working document
1621 that we would negotiate probably two years from now.

1622 Unfortunately, based on the statute and the regulatory

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1623 requirements that first go into the FCC for approval of an
1624 alternative plan, then to NTIA, literally, it would be probably
1625 about two and a half years. So, this was just a draft of some
1626 of the concepts that are important as the license-holder,
1627 FirstNet, to be able to lease that portion of the spectrum to
1628 a state. So, absolutely, we are going to work with the states
1629 now and through this entire process to make sure that they feel
1630 comfortable and their questions are answered.

1631 Mr. Kinzinger. So, it is not "take it or leave it"? You
1632 are saying this is an early draft and --

1633 Mr. Poth. Yes, this is a working draft because we wanted
1634 to provide -- we didn't want states to get through a
1635 two-and-a-half-year process and, then, start looking at terms
1636 and say, "Well, why didn't you tell us this two-and-a-half years
1637 ago?"

1638 Mr. Kinzinger. Okay, and I understand that NTIA has yet
1639 to issue a Notice of Funding Opportunity, which would, presumably,
1640 provide the states with detailed information regarding the
1641 process that NTIA intends to use in its review for state
1642 applications for spectrum and construction grants. States now
1643 have less than two months to make a decision on opting in or opting
1644 out, and they are missing some pretty important data. When is

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1645 NTIA going to release that notice?

1646 Mr. Poth. Talking to NTIA as recent as yesterday, they have
1647 published those into the system and it is going through clearance.

1648 So, they hope within the next few days it will come out, that
1649 guidance.

1650 Mr. Kinzinger. Okay. Hopefully. That would be good.

1651 And last, let me ask you, in the FirstNet press release dated
1652 June 19th of this year it stated that the FirstNet state plan
1653 "comes fully funded and will require no additional resources for
1654 the states to deploy or operate the network." It would seem,
1655 then, that opting into FirstNet is more economic for states than
1656 opting out. However, there are still some unanswered questions
1657 with respect to processes and determinations that have been made.

1658 In order to fully ensure that FirstNet is the best and most
1659 economic option, we do need more answers. So, will you commit
1660 here today that you will work with Congress, the states, and
1661 stakeholders, to provide these answers to the best of your
1662 ability?

1663 Mr. Poth. Absolutely.

1664 Mr. Kinzinger. Excellent.

1665 Mr. Poth. We have met with some states over 30 times over
1666 this process, and we are going to continue to do that for the

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1667 life of this program, to make sure that all their questions are
1668 answered, no matter what.

1669 Mr. Kinzinger. Great.

1670 And to the five of you, thank you for being in here. Thanks
1671 for giving us your time.

1672 And with that, I will yield back.

1673 Mrs. Blackburn. The gentleman yields back.

1674 Mr. McNerney, you are recognized.

1675 Mr. McNerney. Well, I just want to say to the Chair that
1676 I appreciate enforcement of the 5-minute rule, being on the lower
1677 end of the committee here.

1678 Mr. Poth, we have recently seen a series of natural disasters
1679 in California, flooding, earthquakes, and wildfires, including
1680 the devastating wildfire we had a couple of weeks ago in which
1681 120 cell phone towers, cell towers, were down and destroyed.
1682 In planning and building out and hardening this system, you know,
1683 the resiliency of the system, how does FirstNet plan to account
1684 for those types of disasters?

1685 Mr. Poth. We require of AT&T via the contract that the
1686 installations are public safety hardened. And how we are
1687 measuring that is against reliability and up time. But, even
1688 with that, unfortunately, Mother Nature, in particular, no matter

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1689 what hardening is done, can affect those towers.

1690 One of the other requirements that we have is -- and Mr.
1691 Sambar alluded to it -- deployables and the ability to quickly
1692 recover into an area. They are contractually obligated
1693 throughout the 56 states and territories in those areas where
1694 their existing assets go down to restore the network as quickly
1695 as possible.

1696 Mr. McNerney. Okay.

1697 Mr. Poth. And we are going to hold them to that.

1698 Mr. McNerney. Thank you.

1699 Mr. Sambar, do you plan to provide ways to ensure that
1700 communication continues when cell towers go down during the
1701 process, before the minis can be in place?

1702 Mr. Sambar. Absolutely. As Mr. Poth mentioned,
1703 reliability and up time on the network is our priority. So,
1704 whether that is something happens to the tower, which that will
1705 always happen -- you can't keep a tower from burning up, right?

1706 That is going to happen. But the deployables, as you mentioned,
1707 I actually have a picture of one here in the wildfires in
1708 California. So, this is a mobile, 1-ton truck that you pull out
1709 --

1710 Mr. McNerney. So, you are saying that that can be in place

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1711 almost immediately?

1712 Mr. Sambar. Yes, it is. You can see the fire in the
1713 background. So, this was actually put up immediately after the
1714 fire passed through, burned the tower down. We drove this in,
1715 so that the first responders in the area had communications.

1716 Mr. McNerney. Very good.

1717 Mr. Sambar. Thank you, sir.

1718 Mr. McNerney. All right. Device security, which you have
1719 already responded to, to a certain degree, to the chairwoman's
1720 questions, it is very important to me. I introduced a bill, the
1721 Securing IoT Act, which requires that cybersecurity standards
1722 and certifications be established for wireless devices. What
1723 cybersecurity or industry standards or guidelines is AT&T in
1724 considering in developing FirstNet?

1725 Mr. Sambar. So, similar to my response earlier, just to
1726 recap, the cybersecurity starts at the device level, the
1727 applications on the device as well as the device itself. So,
1728 AT&T will be certifying all the devices. The FirstNet Authority
1729 has a lab in Boulder, Colorado. They will certify the devices
1730 as well.

1731 Mr. McNerney. So, what standards are they using?

1732 Mr. Sambar. AT&T has our own proprietary standards.

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1733 FirstNet has developed their own proprietary standards that they
1734 will be certifying the devices based on.

1735 Mr. McNerney. So, is there any acceptance of those
1736 standards?

1737 Mr. Poth. Yes, and what the FirstNet standards were drawn
1738 from is with NIST, the Department of Justice, OMB, DHS, and some
1739 of our fellow federal agencies to make sure. We are also
1740 capitalizing and requiring that AT&T bring private sector best
1741 practices to bear on the cyber approach, too.

1742 Mr. McNerney. Okay. Well, I understand that volunteers,
1743 first responders, can bring their own devices?

1744 Mr. Sambar. Yes.

1745 Mr. McNerney. What steps are going to be taken to make sure
1746 those devices are cyber-secure?

1747 Mr. Sambar. So, they can bring their own devices, and it
1748 is up to them what device they use. If they are purchasing an
1749 AT&T device, again, it will be certified and they will know that.

1750 The applications on that device are definitely a point of
1751 vulnerability, and we will be certifying all the applications,
1752 putting them into a public safety application store, so that they
1753 can ensure that an application in that store is secure from a
1754 cybersecurity standpoint, as well as it functions correctly.

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1755 Mr. McNerney. Thank you.

1756 Mr. LeGrande, do you believe that FirstNet with AT&T can
1757 ensure competition at every level?

1758 Mr. LeGrande. I think they have the opportunity to do that.
1759 I think we should not treat this like it is, again, a dedicated
1760 public safety broadband network. I think we set up a competitive
1761 environment, in that FirstNet leverages its position to, again,
1762 incent other carriers. To wildfires, to the hurricanes, you
1763 know, the bottom line is what is in the best interest of public
1764 safety is all the carriers competing to drive down costs and create
1765 the best possible environment. So, I think they are in a very
1766 good position to do that, yes. That would be my answer.

1767 Mr. McNerney. Do they need additional incentives to make
1768 sure that they assure competition?

1769 Mr. LeGrande. I think that FirstNet has the opportunity
1770 to reach out beyond AT&T. They have got their contract with AT&T
1771 continuing. I am not questioning that. But there is an
1772 opportunity to embrace the other carriers and say, "Look, if you
1773 come up with these levels of standards and you bring your networks
1774 up to this, then we can have all of these guys competing."
1775 Because, again, the best thing for public safety is low cost and
1776 greater innovation, and competition is what gets us there.

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1777 Mr. McNerney. Thank you, Madam Chairman. Thirteen
1778 seconds.

1779 Mrs. Blackburn. You are doing well.

1780 Mr. Bilirakis, you are recognized for 5 minutes.

1781 Mr. Bilirakis. Thank you, Madam Chair. I appreciate it.
1782 I will stay under the 5 minutes as well. No guarantees, though
1783 I will try. Thank you again for having this hearing.

1784 Governor Scott in my state of Florida has issued a Notice
1785 of Information to review the FirstNet proposal as compared to
1786 other options the state may have. While we do not know the outcome
1787 of this inquiry, I do support the governor's due diligence to
1788 subject the proposal to competition in the marketplace and ensure
1789 it is right for our state.

1790 My question is to Mr. Sambar. I am a representative of a
1791 coastal community in the Tampa Bay area, and it is subject to
1792 hurricanes, as you know, with limited evacuation routes,
1793 unfortunately. I am intrigued by the shifting of first responder
1794 priorities you discuss in your written testimony. Can you
1795 elaborate on the benefits of the selective ability to at-risk
1796 communities such as mine, please?

1797 Mr. Sambar. Absolutely, and I believe you are referring
1798 to the priority and preemption services. Those are actually

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1799 features that will be in the network. Priority exists today.

1800 We have been providing that to commercial customers for two years
1801 now.

1802 Preemption is a new feature that will only be available for
1803 first responders, and that will be by the end of this year.

1804 Preemption is really the one that first responders have been
1805 asking for. And that provides the ability in an area where a
1806 network is congested, if it is a coastal community, prior to,
1807 during, and after a storm, and there is a significant amount of
1808 congestion. Maybe some of the towers aren't working properly.

1809 There is a limited amount of bandwidth. It ensures that first
1810 responders have first rights to that bandwidth. So, they can
1811 actually move others off of a network, and they will have a
1812 seamless network experience wherever the network exists. So,
1813 a terrific benefit for first responders who have been asking for
1814 it for a long time, and we are going to be providing that to them
1815 very soon.

1816 Mr. Bilirakis. Very good. Thank you.

1817 Mr. Stevens, under the 2012 act that authorized FirstNet,
1818 Congress directed FirstNet to develop a plan for each state to
1819 deploy the network. From your perspective, has there been
1820 sufficient engagement from FirstNet with the states?

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1821 Mr. Stevens. Yes. We have had good conversations with
1822 FirstNet along with AT&T along the process. However, we took
1823 advantage of the opportunity that the law provided that we would
1824 go down the road by developing an alternative plan. As you said,
1825 sir, New Hampshire has done its due diligence and we have two
1826 viable plans that we are looking at for comparison.

1827 Mr. Bilirakis. Very good. Thank you.

1828 And I will yield back, Madam Chair. Thank you.

1829 Mrs. Blackburn. The gentleman yields back.

1830 Ms. Matsui, you are recognized.

1831 Ms. Matsui. Thank you, Madam Chairman, and I thank the
1832 witnesses for being here today.

1833 As you know, the FirstNet contract requires a 25-year
1834 performance period. That means that the life cycle of this
1835 contract will see the deployment of next-generation wireless
1836 broadband networks for both consumers and first responders.

1837 Mr. Sambar, could you discuss how auctions that would deliver
1838 spectrum suitable for 5G networks also could be critically
1839 important for the continued upgrades necessary for the first
1840 responders on your network?

1841 Mr. Sambar. Thank you, Congresswoman. I appreciate that
1842 question because, when the RFP was initially written by the

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1843 FirstNet Authority, it spoke to the Band 14 spectrum, that one
1844 piece of 20-megahertz spectrum that was allocated, and putting
1845 up that spectrum and making that available to public safety.
1846 And we changed it around a little bit, and we said, yes, we will
1847 do that and we are going to cover a significant percentage of
1848 the population with it, but we are also going to make available
1849 all of our spectrum bands.

1850 So, as we move into a 5G world, millimeter wave technology,
1851 small cells on street corners, the first responder may connect
1852 to Band 14 on a tower a quarter mile or a half mile away, but
1853 they may connect to the street corner small cell, which is a 5G
1854 small cell. It may not be Band 14. It may be something else,
1855 but it may give them 10 times the speed that they would have had
1856 on the Band 14 connection a quarter or a half mile away. So,
1857 we are really opening up our network, so that first responders
1858 have the best possible connection.

1859 Ms. Matsui. Okay. Okay, great.

1860 Mr. Moran, what is the importance of deploying
1861 next-generation wireless broadband networks to states?

1862 Mr. Moran. Well, it is critically important, as has been
1863 noted throughout this hearing, to provide our first responders
1864 the latest and greatest technology. It is critical to responding

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1865 to what is an expanding and even more dangerous threat
1866 environment. Being in this position, recognizing whether it be
1867 natural disasters or hurricanes and tornadoes, to now more manmade
1868 disasters, if we can provide our first responders with the
1869 technology, and the firefighters the location technology, they
1870 can be in a building and be located immediately, as well as the
1871 victims that might be present. I mean, it is critically
1872 important.

1873 So, that is why we opted in, because we just saw the positive
1874 benefits and with no cost. And so, though we thoroughly reviewed
1875 the decision, we think it is the right decision.

1876 Ms. Matsui. Okay. Thank you.

1877 Mr. McNerney talked about the wildfires that cut through
1878 northern California, which we visited this last weekend. In my
1879 district we also have quite a few flooding risks also. And
1880 California is currently in a review process and considering how
1881 to evaluate its decision.

1882 Mr. Poth, what network assets will FirstNet be able to
1883 provide that will assist first responders in my district to meet
1884 such a diverse set of emergencies, such as fires and extreme
1885 flooding? I mean, we have both.

1886 Mr. Poth. Right.

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1887 Ms. Matsui. And maybe in earthquakes, too. So, you never
1888 know.

1889 Mr. Poth. And that is part of the process that the state
1890 is looking at right now and the proposals that we have on the
1891 table that AT&T is working with. The state has also identified
1892 those areas that are high risk to them because they are responding
1893 to those areas. Based on that feedback from public safety, the
1894 people that are actually having to do the work, is what is
1895 informing AT&T's solution as to where to put fixed assets or to
1896 ensure that there is closer responsive deployables.

1897 Ms. Matsui. All right. Okay. Thank you.

1898 Now, with FirstNet having delivered plans to states at the
1899 end of September, governors and state single points of contact
1900 are currently reviewing FirstNet's maps of wireless broadband
1901 coverage. A critical piece in the success of FirstNet is its
1902 ability to provide public safety officials and first responders
1903 with access to communications in even the most rural and remote
1904 areas of our states and districts. These maps must represent
1905 where coverage does and doesn't exist, so these areas are not
1906 left behind.

1907 Mr. Poth, what steps did FirstNet take to ensure these
1908 coverage maps are accurate? And is it possible to use the lessons

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1909 learned from that effort to furnish the committee's larger efforts
1910 to gather more accurate broadband data?

1911 Mr. Poth. Yes. So, we have been, for the last three years,
1912 in particular, but since the inception of FirstNet, working with
1913 all the states to understand their coverage, their perception
1914 of coverage, and what the actual coverage they believe. Now,
1915 with the plans, we delivered earlier, three months prior to the
1916 actual September date, drafts of those plans with the coverage,
1917 so that they could start seeing it to validate against what they
1918 know. And that is what has been driving a lot of the conversations
1919 as to where they want it to go and what they need to do.

1920 We are using those coverages, and, ultimately, it will be
1921 a buildout. It is not going to be day one where all the coverage
1922 needs are met. It won't even be met by year five, but it will
1923 continue to grow. And that is what the states are looking at.

1924 Ms. Matsui. Okay. Thank you very much.

1925 And I yield back.

1926 Mrs. Blackburn. Ms. Walters, you are recognized for 5
1927 minutes.

1928 Mrs. Mimi Walters of California. Thank you, Madam Chairman.
1929 Thank you to the subcommittee for holding this hearing and for
1930 our witnesses for their testimony,

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1931 My home state is California as well, and I know that many
1932 of my colleagues have discussed that we are particularly
1933 susceptible to widespread natural disasters, including
1934 wildfires, earthquakes, and flooding. As you all know because
1935 we have been discussing it in recent weeks, California experienced
1936 the most devastating wildfires in the state's history.

1937 Forty-three people died, nearly 9,000 structures were destroyed,
1938 and it will take years for the areas impacted by the fires to
1939 fully recovery. Canyon Fire 2, which occurred in my district,
1940 required the evacuation of thousands of residents.

1941 California is vulnerable to both natural disasters and
1942 terrorist attacks. Given the size of the state and its large
1943 population, it is critical that California's first responders
1944 have a reliable public safety network.

1945 And one of the problems of sitting in this front row is that
1946 many of your questions get asked already because you are low man
1947 on the totem pole. So, I am going to ask Mr. Sambar, do you have
1948 any comment on the testimony you have heard here today from your
1949 colleagues or the statements filed by others in this hearing?

1950 Mr. Sambar. Generally speaking, I appreciate the dialog.
1951 There was some testimony submitted by Verizon at the beginning,
1952 and I know it was not read out today. But there are a couple

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1953 of points in there that I think are important to address in front
1954 of this committee.

1955 One is the interoperability of core networks. I think we
1956 have beat that horse to death. But serious reasons why
1957 cybersecurity becomes an issue when you interoperate the cores.
1958 And that won't be allowed, it doesn't sound like, not by our
1959 rules, but by others, including the original legislation.

1960 There is also a portion of this testimony where -- and I
1961 will quote from it real briefly here -- "The FirstNet RFP was
1962 established as a spectrum deal". And further quoting, "We have
1963 never had an interest in FirstNet's spectrum and could not justify
1964 the investment required to build out spectrum that we had no
1965 intention of using commercially." So, this is from Verizon's
1966 testimony.

1967 I personally take exception to this. So, it was noted
1968 earlier my military service. I spent 23 years between active
1969 and Reserves in the military. This job and this task is personal
1970 to me. This is not a spectrum deal.

1971 To the Congresswoman's point earlier, AT&T is going to make
1972 money off of it. We are a for-profit company. I am not trying
1973 to hide that fact. But this isn't about the spectrum and a
1974 spectrum deal. This is about serving first responders, the folks

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1975 that are behind me. We are building something really special
1976 here, and we are giving them something they haven't had in a long
1977 time, that the 9/11 Commission said that they needed, that you
1978 said that they needed. And that is what we are doing here.

1979 So, I just want to set a level playing field and let everyone
1980 know this isn't a spectrum deal. That is really not the right
1981 way to talk about this. We feel very passionately about that.

1982 Mrs. Mimi Walters of California. Okay. Thank you.

1983 Mr. Sambar. Yes.

1984 Mrs. Mimi Walters of California. Mr. Poth, in addition to
1985 having to cover termination fees, in the case of California, as
1986 it was reported, to spend \$15 billion, are there any potential
1987 risks of a state opting out of FirstNet?

1988 Mr. Poth. The risk is not whether they opt out or opt in.
1989 If they opt out, we are going to do everything we can to make
1990 them successful. The risk is that the state that pursues an
1991 opt-out truly has a robust solution with financial
1992 sustainability. Twenty-five years is a long time, and this is
1993 a very complex project. Billions of dollars are being spent.

1994 We are investing; the Congress has allowed us to invest \$6.5
1995 billion in the spectrum. So, this is not a trivial exercise.

1996 And the length of the program and the complexity create a risk,

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1997 but it is something that FirstNet realizes and we will work with
1998 the state, whether they opt in or opt out, for the next 25 years
1999 to make them successful. But the integration and the complexity
2000 and the delays of an opt-out state just by statute complicate
2001 matters certainly.

2002 Mrs. Mimi Walters of California. Thank you.

2003 And I yield back the balance of my time.

2004 Mrs. Blackburn. The gentlelady yields back.

2005 Mr. Engel, you are recognized for 5 minutes.

2006 Mr. Engel. Thank you, Madam Chairman.

2007 Thank you to all the witnesses.

2008 And let me start with Secretary Moran. Virginia was the
2009 first state to opt into FirstNet. And Virginia, like New York,
2010 has withstood some devastating and high-profile disasters over
2011 the years. So, let me ask you, now that Virginia has opted in,
2012 what additional tools will it have to respond to these disasters?

2013 Mr. Moran. Well, I referenced the ability of Fairfax County
2014 and their fire, when they went to Houston to respond to Hurricane
2015 Harvey, and some of the additional technological benefits that
2016 are obtained from the FirstNet opt-in.

2017 But I would say, I very much appreciate this hearing because
2018 it has brought to mind all of the issues with respect to our opt-in

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2019 decision, all the things we discussed. But we need to maintain
2020 vigilance, and I say "we" in terms of Congress has to be vigilant
2021 because this hearing has identified a number of ongoing
2022 discussions we are having with AT&T.

2023 And I would second Mr. Stevens' point that their access,
2024 their availability to us has been excellent. And we have had
2025 those discussions, the rural concerns. But having access to what
2026 they are offering is critical to being able to respond to the
2027 ever-increasing and emerging threats. So, we just have to make
2028 sure that relationship with AT&T remains robust, so that we can
2029 have access to all what they have promised.

2030 Mr. Engel. Well, talking about the various tools, when
2031 would you expect to see those tools come online?

2032 Mr. Moran. Congressman, one of the reasons we adopted so
2033 quickly in July is because Fairfax and other localities that
2034 already had access to AT&T could immediately gain access to the
2035 expanded broadband capabilities. And so, some of that has gone
2036 on.

2037 Now, in full disclosure, AT&T does not have the coverage
2038 of other providers in Virginia. And so, it has to be a significant
2039 buildout of the AT&T services in Virginia for all of our localities
2040 to be able to benefit.

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2041 Mr. Engel. Thank you.

2042 Mr. Poth, I have a few questions for you. For states that
2043 decide to opt out, I understand that FirstNet will require those
2044 states to meet certain subscriber targets. I guess that is true,
2045 right?

2046 Mr. Poth. Yes. What we are trying to achieve is the purpose
2047 of this is for public safety, and we are not requiring the states,
2048 but the state's contractor to make sure that the solution that
2049 they provide will meet public safety's needs in that state and
2050 that they adopt to be able to take advantage of this nationwide
2051 interoperable network.

2052 Mr. Engel. How closely do the state requirements mirror
2053 AT&T's requirements in the national contract?

2054 Mr. Poth. They are very comparable, absolutely.

2055 Mr. Engel. Comparable with what?

2056 Mr. Poth. We are not asking the state any more than what
2057 we require of AT&T currently, but it is under contract.

2058 Mr. Engel. What if a state falls short? What penalties
2059 will they face?

2060 Mr. Poth. We had the discussion a little. That is
2061 impossible for us right now to try to determine. We have tried
2062 to place a range, but we don't know what the nature of a state

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2063 that would have a default. We don't know what the technology
2064 will even be, say, in year 12. So, the only thing that I can
2065 absolutely say for sure is that we will be working with the states
2066 during that entire time, and if there is a problem or a default,
2067 then we will work with them quickly to try to recover and restore
2068 that network at the minimal impact to all, on behalf of that state
2069 and public safety.

2070 Mr. Engel. Now FirstNet was started within the National
2071 Telecommunications and Information Administration, which is part
2072 of the Department of Commerce. Am I correct about that?

2073 Mr. Poth. Yes. Yes, sir.

2074 Mr. Engel. Yes. So, the legislation that created FirstNet
2075 envisioned it being spun off to operate independently at some
2076 point in the future, is that true?

2077 Mr. Poth. Well, I am not sure it was ever intended to be
2078 completely spun off, but we are an independent authority and we
2079 work very effectively with our partners at NTIA and Commerce and
2080 all the other federal agencies.

2081 Mr. Engel. So, can you briefly discuss the pros and cons
2082 of FirstNet operating as an independent entity?

2083 Mr. Poth. Well, we have had a lot of flexibility and speed
2084 to deployment that we like to say because of this procurement.

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2085 Although people may argue it has been impossibly long since the
2086 statute was passed, we have accomplished a great deal in a short
2087 time, and we attribute a lot of that to the independence, that
2088 we are able to work within the rules and requirements in the
2089 federal government, but in a much more quick and nimble way.

2090 Mr. Engel. Are we reaching that point in the near term as
2091 an independent entity?

2092 Mr. Poth. I don't see a particular need right now because
2093 I think we are addressing all the needs to make the states and
2094 public safety successful, and we are certainly in a position to
2095 make AT&T successful within the constraints of the contract.

2096 Mr. Engel. So, what needs to happen first if we are not
2097 there yet?

2098 Mr. Poth. I think the thing that we need to do is we have
2099 got to execute. We have got to make sure, on behalf of the federal
2100 government and public safety throughout this country, that the
2101 promise is actually fulfilled. And we think we have a good way
2102 of achieving that through this contract.

2103 Mr. Engel. Thank you.

2104 Thank you, Madam Chairman.

2105 Mrs. Blackburn. The gentleman yields back.

2106 Before I conclude, I ask unanimous consent to enter a list

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2107 of documents into the record: an op-ed from Thomas Manger; a
2108 letter that was submitted by Mr. Doyle by Verizon; a letter from
2109 Governor Sununu of New Hampshire to his fellow governors; Governor
2110 Sununu's First Executive Order; a letter from the Competitive
2111 Carriers Association; chairman and ranking member's statements
2112 for the record; Mr. Sambar's picture -- we need that -- of the
2113 mobile tower in front of the wildfire, and the International
2114 Association of Fire Chiefs' letter. Without objection, so
2115 ordered.

2116 [The information follows:]

2117

2118 ***** INSERT 7*****

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2119 Mrs. Blackburn. Seeing there are no further members wishing
2120 to ask questions for the panel, I want to thank all of you for
2121 being here today.

2122 Pursuant to committee rules, I remind members that they have
2123 10 business days to submit additional questions for the record.

2124 And I ask that witnesses submit their responses within 10
2125 business days. Seeing no further business before the
2126 subcommittee today, without objection, the subcommittee is
2127 adjourned.

2128 [Whereupon, at 12:31 p.m., the subcommittee was adjourned.]