

**Announcement of Federal Funds for Major Broadband Expansion in Scott, Lee,
and Wise Counties and the City of Norton**

September 7, 2010

Weber City, Virginia

I am pleased to return to Weber City this morning to announce the largest federal investment in our region in recent years. It will bring last-mile high-speed Internet services to thousands of homes and hundreds of businesses in Lee, Wise and Scott Counties and the City of Norton.

At my request, the U.S. Department of Agriculture, through its Recovery Act broadband grant program, is providing federal funding totaling more than \$45 million to install 1,746 miles of fiber-optic cable bringing high-speed Internet services directly to more than 7,500 homes, businesses, schools and other community facilities in the southern portion of Scott County, Lee and Wise Counties, and the City of Norton.

More than fifteen years ago, I encouraged local governments throughout the Ninth District to find a means of deploying broadband networks so that affordable high-speed Internet access would be available to businesses and residents throughout our region. My goal in making this recommendation was to set our region apart in comparison to other rural areas of the nation, to make us more attractive than the

typical rural region to industries looking to expand their operations into new locations, and to create technology-based jobs for Southwest Virginians.

And today's announcement is the largest step forward to date in this effort. With the federal funds two fiber-to-the-premise networks will be constructed serving more than 7,400 homes and businesses.

First, the U.S. Department of Agriculture's Rural Utilities Service through its Recovery Act broadband grant program, at my urging, is providing a total of \$20,226,207 to LENOWISCO Planning District Commission and Sunset Digital to bring high-speed Internet access services through a fiber-to-the-premise network to 2,500 homes and businesses throughout Lee and Wise Counties and the City of Norton. Of that total amount, \$14,158,345 will be provided as a federal grant, and \$6,067,862 will be provided as a low-interest, federal loan.

With the benefit of the federal funds, 889 miles of fiber-optic cable will be installed throughout the City of Norton and Lee and Wise Counties, providing high-speed Internet services directly to 2,500 homes and businesses in a 16 community area.

In Wise County, the Right Fork of Bold Camp, South Fork, Flat Gap, Imboden, Stonega, Roda, Derby, Exeter, Crackers Neck, Powell Valley, Crab Orchard, Sandy Ridge will receive high-speed Internet services.

In Lee County, the communities of Olinger, Poor Valley and Flatwoods will receive the services. In addition, the high-speed Internet services will be expanded in

areas where networks have already been constructed including Rose Hill, Ewing, Blackwater, Jonesville, Pennington Gap and St. Charles.

As part of the project, in addition to the homes and businesses, new services will be provided or existing services will be improved for the Lee and Wise County and City of Norton Schools, the Lonesome Pine Regional Library Network, Lee Regional Hospital, Mountain View Hospital, Lonesome Pine Regional Hospital, the Stone Mountain Health Services clinics, UVA Wise, Mountain Empire Community College, the Pioneer Center for Business Development in Norton, 43 fire, rescue and police and sheriff's departments, and 20 courthouses, town halls, social services offices, and post offices.

Once construction begins on this project, which is slated for the near future, it is estimated that the project will be completed in 3 years. In addition, this build-out of fiber-optic cable will enable LENOWISCO and Sunset Digital to even further expand their broadband network, eventually reaching 85 percent of the households in Lee and Wise Counties and the City of Norton.

In a second allocation of federal funding, the U.S. Department of Agriculture's Rural Utilities Service is providing, at my request, a total of \$24,850,000 to construct a fiber-to-the-premise network to bring high-speed Internet services to the residents of the southern portion of Scott County. Of that total amount, \$17,395,000 will be provided as a grant, and \$7,455,000 will be provided as a low-interest federal loan.

With the benefit of the federal funds, Scott County Telephone Cooperative will install 857 miles of fiber optic cable directly to 4873 homes and 100 businesses in the southern portion of Scott County. The communities of Hiltons, Kermit, Morrison City, Wadlow Gap, Stanley Valley, Possum Creek, Williams Mill, Fairview, Robinette Valley, and Dungannon will receive the services.

In addition, high-speed Internet services will be provided for the first time to the Hiltons post office, Hiltons Elementary School, Scott County Behavioral Health Services, Scott County Mental Health, Community Medical Care, and the fire and rescue departments in Hiltons, Fairview, Copper Creek/Moccasin 1, Copper Creek/Moccasin 2 and North Kingsport. Existing broadband services will be upgraded at Nickelsville and Dungannon Elementary Schools.

The Ruritans of Wadlow Gap, E. Carters Valley, and Copper Creek will receive services, as well as the Fairview Community Center and Stuart Masonic Lodge.

The fiber optic cables will be installed along Fairview Road, Waters Edge Road, Robinette Valley Road, Yuma Road, Haynes Valley Road, Possum Creek Road, Stanley Valley Road, A.P. Carter Highway, Route 58, E. Carters Valley Road, Nickelsville Highway, Big Moccasin Road, and Sinking Creek Highway.

The construction of the fiber-optic network will create 75 construction jobs, and the new network will create 10 jobs at Scott County Telephone Cooperative. Construction is expected to begin next year and be completed by 2014.

When completed, residents and businesses will have access to high-speed Internet services with service tiers of 1.5 MB, 3 MB, 5 MB, and 10 MB; however, a full gig of bandwidth will be available to each customer. Scott County Telephone Cooperative will be upgrading its backbone bandwidth up to 40 gig to make these services available, and business customers will be able to obtain up to 40 gig bandwidth as well. Scott County Telephone Cooperative will also offer voice services to the customers in the broadband network.

The new fiber-to-the-premise Internet access services will improve the quality of life in the region, providing residents and businesses in Scott, Lee and Wise Counties and the City of Norton with new opportunities for communications, education, entertainment, shopping and conducting business online. Local entrepreneurs will be able to enhance their businesses with online tools and reach new customers, and residents will have the option of telecommuting.

And the new high-speed Internet services will ensure the region is able to attract technology-based businesses requiring widespread availability of high-speed Internet services.

Today's announcement is another in a series of recent successes in expanding broadband infrastructure in the Ninth District. In July, I announced that the U.S. Department of Commerce had honored my request and provided \$22.7 million to construct a middle-mile fiber optic cable network of 388 miles in Washington, Smyth, Wythe, Bland, Tazewell, Russell, Dickenson and Buchanan Counties. The

middle mile network makes it possible to provide last mile connections throughout these areas.

And last month, I secured another \$9.2 million from the U.S. Department of Commerce for a middle-mile network of 186 miles in Wythe, Pulaski, Giles, Floyd, Montgomery, and Roanoke Counties and the City of Radford.

Just as first canals, then railroads and then highways were the major arteries of commerce in earlier eras, in the 21st Century, access to broadband will be a defining feature of economic success for rural communities. Step by positive step our expanding broadband infrastructure is assuring that our region's communities will be at the center of economic opportunity.

And our work has already borne fruit. From the location of Northrop Grumman and CGI-AMS in Russell County, to the recent addition of 50 jobs at the KCG Call Center in Pennington Gap and to DIRECTV's location of 137 jobs in a virtual call center in our region, both of which I brought to the region through my Showcasing Southwest Virginia Program, businesses are consistently finding the broadband infrastructure in our region ample to meet the needs of 21st century business. Today's announcement will help create many more jobs in our region, and I am extremely pleased that the Rural Utilities Service has granted my request for this funding.

I would like to take the opportunity of these remarks to offer thanks to several individuals without whom today's success would not have been possible.

I want to thank Skip Skinner, Executive Director of LENOWISCO, and the Board of LENOWISCO, for taking my challenge many years ago to build broadband service to the communities in its service area. Today's announcement will assure a strong economic future for the region.

I also want to thank Paul Elswick, CEO of Sunset Digital and partner with LENOWISCO, who is managing the network for LENOWISCO and has also embraced my challenge to expand our broadband infrastructure. Paul's business is one of the many technology-based companies in the region that has developed as a result of that effort.

Bill Franklin, CEO of Scott County Telephone Cooperative, and the Cooperative's Board also deserve our thanks today for their leadership and foresight in developing high-speed Internet services throughout the region.

I also want to offer my thanks to Jonathan Adelstein, Administrator of the U.S. Department of Agriculture's Rural Utilities Service, for granting my request and providing funding to bring broadband services to 7,500 homes and businesses in the region.

I also want to thank Jessica Zufolo Assistant Administrator of the Rural Utilities Service who joins us today.

I would like to thank Ellen Davis, State Director for the U.S. Department of Agriculture's Rural Development Agency. Ellen has been instrumental in securing

the federal funds that have helped us bring high-speed Internet services to new residents across the Ninth District, and I want to recognize her today for her work.

Finally, I would like to recognize Laura Lee, my Deputy Chief of Staff, for the work she has performed for this project. I place a high priority in my office in obtaining successes much like the one we celebrate today, and Laura's work is vital to our efforts to deploy new broadband technology throughout Southwest Virginia.

I want to commend all here on the significant achievement we celebrate today and offer special congratulations to the thousands of homes and businesses that will soon have access to high-speed Internet services.