

Subcommittee on Energy Preparedness on Communications

September 10, 2007

R. Chadwick Paul, Jr., President and Chief Executive Officer

Ben Franklin Technology Partners of Northeastern Pennsylvania

Good morning, Mr. Chairman and members of the Subcommittee. My name is Chad Paul and I am President and Chief Executive Officer of Ben Franklin Technology Partners of Northeastern Pennsylvania. Thank you for inviting me to testify today. I appreciate the opportunity to share our efforts regarding business preparedness as it relates to the financial services arena.

WALL STREET WEST

Overview

In the wake of the September 11th attacks, the Securities and Exchange Commission and the Federal Reserve recommended that financial services firms develop reliable backup operations outside the New York City power grid, watershed and geographic proximity. Far enough from New York City to meet SEC recommendations, yet close enough for synchronous data transfer, the Northeastern PA region is uniquely situated to provide a complete backup of the New York financial markets in the event of another disaster.

Governor Ed Rendell submitted a "Wall Street West" proposal for northeastern Pennsylvania in 2006, and the Workforce Investment for Regional Economic

Development (WIRED) grant was awarded by the U.S. Department of Labor Education and Training Administration to the Ben Franklin Technology Partners of Northeastern Pennsylvania. Wall Street West is a \$40 million initiative, managed by the Ben Franklin Technology Partners of Northeastern Pennsylvania, involving a variety of federal, state and private-funding sources. Nearly \$15 million in state funds are leveraging up to \$25 million in federal and private investments.

Workforce Development

The WIRED grant will help northeastern Pennsylvania to create a talent pool of workers with skills for the financial services industry. The three-year federal WIRED grant involves nine counties and provides workforce development initiatives to support business attraction in the financial services sector, as well as other technology-based sectors. The Wall Street West project will develop career ladders and incumbent worker training to help workers advance.

Fiber Connectivity

Synchronous data transfer between primary and backup sites is requisite for many financial services companies. Another part of Wall Street West, the construction and deployment of high-speed fiber optic connectivity from lower Manhattan to northeastern Pennsylvania, will provide the necessary infrastructure for the region's well-trained workforce. In June 2007, Gov. Rendell,

along with Wall Street West, announced an agreement for Level 3 Communications (Nasdaq: LVLT) to build this fiber optic network.

“We analyzed and compared a number of proposals, and negotiated with vendors to obtain the best possible price without sacrificing the best-of-class performance and quality that our financial services prospects will demand,” said Chad Paul, Ben Franklin President and CEO at the announcement event. “We are creating a fiber network that must meet the requirements of one of the most demanding information technology environments in the world: the safe and secure transmittal of America’s financial transactions, all at incredible speed. “

While providing better connectivity between New York and northeastern Pennsylvania, the Wall Street West fiber network will also interconnect with an already robust fiber-optic infrastructure that covers all nine counties covered by the Wall Street West initiative, including Carbon, Berks, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike and Wayne.

“Northeastern Pennsylvania is already home to a number of financial firms, and this initiative is essential to continuing the area’s advancement and economic growth,” said Gov. Rendell. “It will also strengthen New York City’s status as the financial capital of the world by providing firms there with mission-critical data back-up.”

Funding the Infrastructure

Ben Franklin and its partners leveraged federal and state grants to fund the Wall Street West fiber optic infrastructure:

- U.S. Economic Development Administration

 - Engineering and Design Planning for Infrastructure

 - \$1,000,000 total awarded

 - Sandy K. Baruah, Assistant Secretary of Commerce for Economic Development, and U.S. Representative Charles W. Dent presented two checks to the Ben Franklin Technology Partners on May 29, 2007 for the Wall Street West Fiber Network. Congressman Dent advocated for the grant application for high-speed fiber optic connectivity that was submitted by BFTP/NEP. This connectivity will provide the necessary infrastructure for synchronous data transmittal between New York City and northeastern Pennsylvania. Ben Franklin is leading the creation of this fiber network, and this grant is the first federal grant funding of the fiber network.

- Ben Franklin Technology Development Authority

 - Infrastructure for Fiber Connectivity

 - \$3,000,000 total awarded for 2006-07 and 2007-08

- Pennsylvania Department of Community and Economic Development

 - Community Conservation Program

 - Fiber for Wall Street West

 - \$500,000 total awarded through June 2009

- Pennsylvania Department of Community and Economic Development World
Trade PA

Fiber for Wall Street West

\$3,000,000 total awarded through June 2010

Early Success: SECCAS

SECCAS LLC, the leading provider of compliance solutions for financial firms, relocated to Scranton in April 2007, and is expected to create at least 10 well-paying jobs in Lackawanna County within three years. “These jobs could have gone to New York, New Jersey or Maryland,” Gov. Rendell said. “This project is another great example of how our competitive business environment and strategic investments are working to grow our economy.”

For more information about the Wall Street West initiative, visit

www.wallstreetwest.org.

About the Ben Franklin Technology Partners of Northeastern Pennsylvania

The Ben Franklin Technology Partners of Northeastern Pennsylvania (BFTP/NEP) links Pennsylvania companies with universities, funding, and other resources to help them prosper in today's knowledge-based economy through innovation. The Center is a non-profit corporation that is part of a four-center, state-funded economic development initiative. The Ben Franklin program was created by the Commonwealth in 1983 to play a leadership role in strengthening regional economies, building the state's technology economy, and creating and retaining high-wage, high-skilled jobs.

BFTP/NEP's strategy encompasses three key areas:

1. Developing early-stage, technology-oriented companies;
2. Helping established manufacturers creatively apply new technology and business practices; and
3. Promoting an innovative community-wide infrastructure that fosters a favorable business environment for high-growth companies.

Since 1983, the Ben Franklin Technology Partners of Northeastern Pennsylvania has achieved the following results:

- Started 366 new companies
- Developed 698 new products and processes
- Created 11,648 new jobs
- Retained 19,622 existing jobs

The northeastern center is headquartered on the campus of Lehigh University, Bethlehem, and at regional offices in Wilkes-Barre, Lewisburg, and Reading. Visit www.nep.benfranklin.org