



May 25, 2018

Senator Patrick Leahy
437 Russell Senate Building
United States Senate
Washington, DC 20510

Dear Senator Leahy,

I hope this note finds you and Marcela well.

I feel compelled to write after seeing a video clip of your questions to FCC Chairman Ajit Pai during the recent Senate Appropriations Subcommittee hearing. While I understand your interest in seeking to quantify the effects of the FCC's policies on broadband investment and deployment – no easy task to be sure – I can offer the experiences of Vermont Telephone and VTel Wireless (collectively, VTel), which Chairman Pai mentioned in his testimony, as a testament to the positive impacts of the current FCC's regulatory policies.

As you know, VTel was the first company to offer Internet access in Vermont. We were first in Vermont with GigE to homes. We built America's first 100% 4G LTE wireless broadband network, integrating voice and data while also supporting E911. We routinely post some of the fastest Internet speeds and highest customer satisfaction ratings in the State.

Each year, VTel must invest to operate and grow its wireline and mobile broadband networks. The FCC under Chairman Pai's leadership has created a positive regulatory climate for VTel to make such investments. For example, the FCC has taken steps to reduce regulatory barriers to the installation of cell towers and smaller cell sites. These policies encouraged VTel to commit to build a new cell tower in March 2018, which will improve wireless broadband service to Whitingham, Vermont. Similarly, in April 2018, VTel turned up three new 500 Mbps microwave paths to boost wireless backhaul to Wardsboro and Dover, Vermont.

Later this year, the FCC will conduct its Connect America Fund Phase II reverse auction in which VTel seeks to participate. If successful in that auction, VTel will be able to use auction funds to help subsidize the cost of extending the reach of its networks to deploy higher speed broadband and voice services in additional rural areas of Vermont that are otherwise uneconomic for most wired and wireless carriers to serve. Importantly, there are relatively few areas in rural

Vermont where broadband service is not currently available, primarily because of the federal American Recovery and Reinvestment Act of 2009 (ARRA), pursuant to which VTel received awards allowing the company to deploy state-of-the art wireline and mobile broadband networks where such deployment would not otherwise be possible.

Chairman Pai's FCC also has eliminated the overhang associated with a number of heavy-handed regulatory initiatives launched by the FCC under then Chairman Wheeler, such as regulating competitive business data services and imposing onerous service discontinuance rules. These initiatives frustrated the deployment of IP technologies and required that VTel spend significant sums on regulatory lawyers and personnel to ensure compliance – sums that would be unavailable to VTel to invest in its broadband network and services.

As far as net neutrality is concerned, which was a subject of your questioning of Chairman Pai, VTel is committed to an open Internet. However, whatever your views on the need for or wisdom of net neutrality rules, I can assure that regulating broadband like legacy telephone service would not create any incentives for VTel to invest in its broadband network. In fact, it would have precisely the opposite effect.

You asked Chairman Pai to give tangible examples of investment into rural broadband as a result of recent FCC policies. I can tell you that, just days ago, VTel committed \$4 million to purchase equipment and services from Ericsson to upgrade its 4G LTE core to enable voice roaming and Wi-Fi calling to all our Vermont rural subscribers and to simultaneously begin rolling out faster mobile broadband that will start our transition to 5G. This commitment represents VTel's largest single technology investment since the capital invested in connection with VTel's ARRA awards, and one of the largest in the history of our company.

There is never enough capital, and the challenges of competing against larger and more established companies in rural Vermont remain enormous. However, VTel is quite optimistic about the future, and the current FCC is a significant reason for our optimism.

I hope it is clear this note is sent with the deepest respect I have long held for you personally, and for your decades of commitment to the development of rural Vermont broadband. If you would like to discuss any of these matters, it would be a pleasure to come to Washington at your convenience.

Sincerely,



Dr. Michel Guité
Chairman and CEO