

Prefiled Direct Testimony of Michael C. Reed on behalf of Consolidated Communications  
Expanding Broadband Infrastructure in the Granite State  
October 13, 2017

Good morning, I am Mike Reed, President of the Northern New England region for Consolidated Communications. Thank you for the opportunity to testify before you today as to the importance of expanding broadband infrastructure in New Hampshire, especially in rural areas. Senator Hassan's assertion is undisputed – "access to the internet is vital in today's 21<sup>st</sup> century economy." Access to high speed broadband is no longer a luxury; it is a necessity for American families, businesses and consumers. High-speed Internet access fuels the economic engine that unlocks new ways to be more productive, compete for business, enable learning in and beyond the classroom and provide high-quality healthcare to rural communities. Network expansion and infrastructure projects provide immediate benefit for those in more rural and remote areas by enabling them to take full advantage of the digital age.

Consolidated Communications, together with the recently acquired FairPoint Communications, has a long history of delivering service to rural areas in the 24 states that we serve. The combined companies employ 4,400 employees, and is the 9<sup>th</sup> largest fiber provider spanning 36,000 fiber route miles in its 24-state fiber network. In the "old days" it was plain old telephone service (POTS). Today it is high speed broadband internet service. Our team is dedicated to completing broadband projects and embracing new technologies that bring critical improvements to the "last mile" of Consolidated's network that will increase broadband speeds to unserved and underserved areas.

We applaud Senator Hassan's goal to further investment and broadband deployment in rural communities through efforts like the introduction of the AIRWAVES Act. As technology advances, improvements in wireless broadband access may prove to be part of the solution to the problem of ubiquitous, nationwide broadband availability. However, the old adage "wireless needs wires" will continue to hold true. The network is all connected – whether wireline, WISP, CLEC, cable or wireless, it all needs wires and wireline carriers (incumbent telecom or cable). The advancement of wireless broadband access will need to be supported by robust wireline backbone infrastructure. As alternative methods of funding broadband deployment to high-cost, hard-to-reach areas of the country are contemplated, we must be certain to efficiently use limited federal resources by making sure all parts of the broadband ecosystem are capable of accommodating the anticipated new users and uses of the internet.

Our goal in speaking with you today is to describe some of the expansion and technology upgrades that have already occurred in rural New Hampshire (including the North

Country and the Monadnock region) to meet the growing demands. In addition, we ask that your efforts to stimulate broadband investment be focused on how to best spend limited federal resources and taxpayer dollars to provide service to the still unserved, especially in the most rural areas, rather than overbuilding existing networks to bring more options to those already served.

On a local level, Consolidated Communications is already in the rural community. Formerly as FairPoint Communications, in New Hampshire we serve over 215 towns and territories. We operate the largest fully-owned and managed fiber-based network in northern New England with approximately 19,000 miles of fiber. We have a demonstrated commitment to investing in our networks to meet the leading edge of communications services.

The following is a summary of our expansion and upgrade investments in high-speed Internet in New Hampshire. Since April of 2008, FairPoint has:

- Invested more than \$75M million in communications upgrade and expansion,
- Over 7,200 miles of fiber all across the state,
- Increased maximum residential broadband speeds from 3Mbps to 25Mbps in most markets, 50Mbps in select markets, and 1Gig in Portsmouth,
- Increased internet availability from 63% to over 96% of addresses in our territory,
- Upgraded 95% of central offices to enable Ethernet services of up to 10 Gbps speeds for business, education, government and healthcare needs,
- Built fiber to nearly 400 cell towers, enabling wireless services in the region,
- Accepted \$4,376,606 in annual CAF II funding to reach 13,131 locations and exceeded the YE17 completion metric of 40% of funded locations (reported 69.71% on 7/1/17 for YE16),
- Accepted, as a result of the CCI-FRP acquisition, incremental capital expenditure obligations of \$1M annually for 3 years for areas of the New Hampshire network that have service quality issues and/or higher than average trouble reports in order to improve basic and wholesale service,
- Established a community broadband development team who has worked with more than 45 communities in NH. The team has demonstrated the availability of broadband and the overall network infrastructure in their town or region, known upcoming broadband expansion such as CAF II and provided a glimpse of broadband demand.

Today, Consolidated and other wireline providers have the ability to identify their remaining unserved residential locations. These locations remain unserved not out of a desire to deny service but because they are harder, and more expensive, to get to. Information about

the remaining unserved locations should be used to identify where resources and collaboration are needed. It is imperative to understand the network infrastructure that is already in place and to make sure that federal resources and taxpayer dollars are being used to expand – not duplicate – broadband network access. Unnecessarily overbuilding existing facilities can hinder vitally important private investment in broadband network infrastructure. The American Recovery and Reinvestment Act of 2009 demonstrated that such inefficient use of funding ultimately did not serve areas or expand mobile service as Congress anticipated.

Conversely, utilizing existing network resources, working together with alternative providers to get to that last mile - for example by providing necessary backhaul to support new cell tower deployments, and capitalizing on those efficiencies – for example upgrading end user bandwidth “as we go by”, will result in a more expedient and cost effective expansion to those who have been without broadband for too long.

Private sector efforts show that worthwhile investment can be made in the nation’s broadband infrastructure. But instead of being competed against, private sector efforts should be fostered and complemented by local, state and federal government policy. Overall, improving broadband infrastructure will require spending government funds more wisely by providing incentives and support for private investment.

In conclusion, I would like to thank Senator Hassan for inviting me to testify today and offer Consolidated’s assistance in the furtherance of expanding high-speed Internet to the unserved and underserved in rural New Hampshire.