

From: Sutich, John <John_Sutich@comcast.com>
Sent: Friday, May 15, 2020 11:52 AM
To: Ann Cummings <ACUMMINGS@leg.state.vt.us>
Cc: adam@necrasongroup.com; oski@necrasongroup.com; Faith Brown <FBrown@leg.state.vt.us>
Subject: [External] Follow up from yesterday's hearing

[External]

Senator Cummings and members of the Senate Finance Committee,

Thank you for the opportunity to testify yesterday. I wanted to clarify two items from my presentation.

First, it has come to my attention that I unintentionally diminished the importance of Commissioner Tierney's call to action to providers in the recent broadband expansion announcement. To clarify, this particular announcement was moved up and announced in response to the calls by Governor Scott and Commissioner Tierney for providers to do as much as they can during this difficult pandemic. As I said yesterday, we appreciate all the work done by the Commissioner and her team to respond to the needs of Vermonters during this extraordinary time. I also want the committee to know that this project is an example of how we are always working to invest in system upgrades and expansions, 770 miles over the last 10 years.

Second, I want to clarify my comments supporting the exception to the 100\100 goal. Our reasoning is basic – the broadband grant program should set the minimum standard at the FCC's definition of broadband 25\3 to include evaluation of all possible solutions. During the proposal evaluation process, the speed offerings can be weighed against the cost of the proposal. The FCC has adoption 25\3 as the minimum level for broadband because that speed tier allows online learning, video streaming and working from home for a family with multiple devices in use.

To be clear, the 25\3 standard is not cap of service offerings. In fact, according to FCC data, only 2 providers (HughesNet and Hudson Valley Wireless) offer 25\3 as the highest speed offering. For Comcast, we offer 6 residential and 6 commercial speed tiers, and the 100mbps tier is near the lowest speed we offer. Specifically, 25\3 is the speed available for Comcast's Internet Essentials service and our standalone entry level service, performance Starter. Our other service offerings well exceed 100 mbps. Below I attached a table of our residential offerings. Comcast offers the low-income broadband adoption program Internet Essentials throughout our footprint for \$9.95/month and comes with digital training and access to a low cost computing device. This program is open to families with students and many other qualifying populations. We are providing the first two months free for those who sign up by June 30. You can see more info here: <https://www.internetessentials.com/covid19>

We are sensitive to the Committee's concern to spend taxpayer money wisely. In developing of service offerings and price points, we focus on what customers are willing to pay for. In considering how best to invest taxpayer dollars, the committee might be interested in how consumers choose to spend their own dollars. For Comcast, 54% of our Vermont customers

subscribe to the 100\5 mbps product, 27% subscribe to the 300\10 mbps product, and far fewer take higher levels of service. This is not simply an economic decision. Our 1G product is \$107.95, which compared with the symmetrical service EC Fiber offer for \$96.00, would give customers 10x more speed for less than \$10.

I can understand that on its face, a symmetrical standard appears to be the gold standard that all Vermonters deserve. However, the reality is that there is far greater need for higher download speeds than upload. As I mentioned, our network is performing extremely well and managing the significant increase in upload usage. Our customers are able to conduct online learning, work from home and other activities with the upload speed they have from Comcast. In the rare instance that a customer needs extreme upload speeds, there are higher commercial broadband speeds tiers. I am happy to share those if you wish, but I am reacting to the focus on residential broadband. It bears emphasizing that to date, all fiber builds, due to costs, are limited in scope. Comcast has been able to innovate over our HFC network to become the largest provider of gigabit speed in the country in just 18 months. And, as both Tim Wilkerson and I discussed, the industry is developing the next innovation of the DOCSIS protocol that will allow symmetrical speeds, up to 10G, in the near future.

The point is that Comcast has much to offer today, into the future, and is able to extend existing infrastructure in a manner that is a wise and value-driven investment of taxpayer dollars.

Residential Tier	Speeds*
Performance Starter	25 Mbps/3 Mbps
Performance	100 Mbps/5 Mbps
Performance Pro	200 Mbps/5 Mbps
Blast!	300 Mbps/10 Mbps
Extreme Pro	600 Mbps/15 Mbps
Gigabit	1 Gbps/35 Mbps
Gigabit Pro**	2 Gbps/2 Gbps

Thank you and take care,
John

John Sutich
Vice President, State Government Relations
617-279-5659
John_sutich@comcast.com