

From: Nishi, Roger <rnishi@corp.wcvr.com>

Sent: Wednesday, April 28, 2021 6:31 PM

To: Ann Cummings <ACUMMING@leg.state.vt.us>; Randy Brock <RBrock@leg.state.vt.us>; Christopher Bray <CBray@leg.state.vt.us>; Ruth Hardy <RHardy@leg.state.vt.us>; Mark MacDonald <MMacDonald@leg.state.vt.us>; Christopher Pearson <CPearson@leg.state.vt.us>; Michael Sirotkin <msirotkin@leg.state.vt.us>

Cc: Faith Brown <FBrown@leg.state.vt.us>; Maria Royle <MROYLE@leg.state.vt.us>

Subject: [External] Open Access, Net Neutrality and Regulation

[External]

Dear Madam Chair and Senate Finance Committee Members,

I have heard there was testimony today on open access and net neutrality. I am writing to clarify how both impact a company like Waitsfield and Champlain Valley Telecom and other incumbent Independent telco providers.

Our networks are open access and we follow all net neutrality rules.

Regarding open access, we have tariffed rates that any entity can use purchase network elements to build an IPS or for other purposes. However, there is a belief that an open network means subsidized / artificially low rates. Our rates are based on our costs and FCC rules. Further, the economics of providing service in a rural area is daunting, and very difficult for an entity wanting to use open access to gain enough customers to support a business plan. To summarize, we have an open access network, but no one has wanted to pay to use it.

Regarding net neutrality, we do not block traffic, throttle or slow down services, or discriminate against varying classes of customers in any manner. We follow net neutrality rules. In fact, to provide services to or contract with the state of Vermont, we must follow net neutrality rules. Keep in mind that pricing plans where high volume users pay more for usage is not a net neutrality issue. It's rate design. Those that use the network heavily pay more than the light user. If we compare to electricity, if you leave your lights on, you pay for the use. Likewise, if you are on line all day working and streaming video, you are using the network much more heavily than a person who just shops and uses email. While the vast majority of us have made the business decisions to not charge for usage, it does make sense to have heavy users pay more, and thus keep rates lower for everyone else.

Finally, we are regulated at both the state and federal level, having to meet all of their rules, regulations and reporting requirements. While the services offered over our broadband networks are not regulated, our actual investment in broadband is regulated by the FCC. In the state, the Independents are regulated under Section 227d(a) of Title 30 (Please see the email from Kim Gates from Franklin Telephone Company sent on

April 9 below this email). Information service rulings do not impact the operations of our network.

If you need any additional clarification or have questions, please send a reply email or call me at (802) 496-8336.

Roger

Roger Nishi
Waitsfield and Champlain Valley Telecom
PO Box 9
Waitsfield, VT 05673
(802) 496-8336
rnishi@corp.wcvt.com