

## Testimony of Scott Brooks

on behalf of Consolidated Communications regarding Vermont House Bill 121

Chair James, Vice-Chair Campbell, and committee members, on behalf of Consolidated Communications I'm here today to oppose House Bill 121 related to regulating broadband pricing.

There is no doubt that the broadband landscape has drastically changed over the past decade and has only accelerated in the past five years with additional private investment supplemented with public funding. I always say if there was a silver lining to the pandemic it showed how important connectivity to one another was and thus all the public funding that was earmarked across the country to try and get high speed broadband to all corners of each state. Personally, as a Vermonter, I think Vermont has done a great job of utilizing the federal dollars to roll out fiber across the state. As you saw in the Consolidated Overview presentation, Consolidated has invested a great deal of its own capital to build out fiber around the state. You pair that with public funded dollars through the Sothern Vermont, Lamoille FiberNet and Otter Creek Communications Union Districts (CUDs) who selected to partner with Consolidated and a lot of the state has been built with fiber. Hunter Thompson, Director of Telecommunications and Connectivity recently stated that over 50% of Vermonters now have access to fiber do in large part to our fiber builds. Those dollars have been efficiently utilized to the extent that the CUD builds were underbudget, the most cost effective and most timely as the CUD fiber builds were finished in one or two years. The Sothern VT CUD build-out started in 2022 and was completed in 2023 and Lamoille FiberNet and Otter Creek CUDs were started and completed in 2024. That said, there is just under 3% of the Lamoille FiberNet CUD that will be completed this year. Also in 2024, the Chittenden County CUD also selected to partner with Consolidated to address under or unserved locations in that County which will be built in 2025.

With that as the backdrop, Consolidated is working tirelessly to improve the lives of Vermonters by building out a very expensive fiber network so that we can get as many customers off of our copper plant and onto a fiber network that is considered future proof. That has been the goal of not only Consolidated, but all the other

Incumbent Local Exchange Carriers here in VT including TDS who I worked for here in Vermont for 26 years. Financing fiber builds has been an industry challenge here in Vermont and across the nation for decades. Only until recently has the industry, and that includes Consolidated, have been able to build more fiber into all of our networks because of public funding assistance. Each and every revenue stream is extremely important to all ILECS so that we can continue to build deeper into rural Vermont. When you mandate artificial price caps that can have unintended consequences like fewer dollars to build into those more rural areas, companies thinking about not investing as heavily in VT, but investing in other states instead. This has come to fruition in New York when AT&T wireless shut down its 5G home Internet product after the law was enacted and which this bill is modeled after. Starlink could be a viable option for the highest cost and rural areas in VT, but has also filed a waiver for exemption in New York and may pull out of New York if not granted and they are much larger corporation (11.8 billion in revenue) than Consolidated (1.1 billion in revenue).

There is often talk of little to no competition in Vermont. That could not be further from the truth and with the continued build out of fiber around the state by Consolidated, other ILECs, and the CUDs along with continued efforts by the wireless industry and cable, most Vermonters now have at least two options for broadband. In February Jeremy Crandall from CTIA testified in front of this committee and he stated, “Nationally, the real (inflation-adjusted) price of wireless service has declined by 18-19% since 2017, according to the Bureau of Labor Statistics. Conversely, from 2020 to 2023, the prices of consumers good and services such as cable, electricity and food all rose approximately 10%.” Consolidated is seeing this as well as our lowest tier fiber service 100M/100M starts at \$25/month for the first year and \$45 dollars after that. DSL Service for 25M/3M is in the \$60/month range. We are lowering our prices to compete with other fiber providers as well as cable and wireless companies. As an example, if you look at the same Fiber speed tier 100M/100M for the CUDs that are not partnered with Fidium its \$70 - \$80/month. Theoretically, the CUDs not partnered with Fidium will be able to file for an exemption because they fall under the 20,000 threshold. From an equity perspective how is that fair for Vermonters who happen to live in certain geographic part of the state? For Example: A Vermonter who lives in the Lamoille FiberNet footprint in Johnson would be eligible for \$15 100M/100M service if this was enacted because they are partnered with Fidium, but if you live in another CUD footprint that same 100M/100M fiber service the



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customer would pay be between \$70 - \$80/month. Even today, that same customer pays \$25 with Fidium and other parts of the state it \$70-\$80/Month.

Consolidated is an advocate for affordability and participated in the federal Affordable Connectivity Program (ACP) and lastly, we offer statewide pricing for our customers. What does that mean? We charge the same rate for customers in urban, suburban areas where there is competition as well as rural areas where they don't have competition where we could charge more because of a captive audience. We are working hard to be a good partner with our customers and the state and feel the free market will serve Vermonters well.

For these reasons we strongly oppose House Bill 121