

February 8, 2019

The Honorable Peter Welch
U.S. House of Representatives
Committee on Energy and Commerce, and
Subcommittee on Communications & Technology
2187 Rayburn House Office Building
Washington, DC 20515

VIA EMAIL & FAX

Dear Peter,

I read with great interest the testimony of Joseph Franell, Chief Executive Officer of Eastern Oregon Telecom, who testified before the Subcommittee's hearing yesterday on "Preserving an Open Internet for Consumers, Small Business, and Free Speech." Mr. Franell is also Chairman of Oregon's Broadband Advisory Council, and as a fellow CEO of a rural broadband provider, I have long admired Oregon's leadership in rural broadband policies. In fact, an early pioneer in Oregon's efforts to build out its vastly rural state was Stanford University's Professor Edwin B. Parker, who had retired to rural Oregon in the 1990's. Vermont Telephone (or VTel) brought Professor Parker to Vermont, to meet with state regulators to talk about how to unleash telecom infrastructure deployment in our own rural areas. Regrettably, our regulators disagreed, and in my view, Vermont has paid the price ever since.

My purpose here is to respectfully support Mr. Franell's comments. And, I want to add that VTel is another example of a rural broadband provider that is increasing network investment. We are presently upgrading to Ericsson 4G LTE roaming software and laying the groundwork from there to upgrade to 5G. These are multi-million dollar software and hardware upgrades. Although we are in the midst of final testing for these very material and costly upgrades, for completion in February, the initial results have been strong, and we are discussing roaming arrangements with some of America's larger carriers.

What I want to underline here is the very direct connection between these investments and the light regulatory touch that the current Federal Communications Commission (FCC) instituted starting in 2017. For us, this is not theoretical; it's actually happening. Major capital investments -- for carriers large and small, rural and urban -- almost always require a first step of "belief" and "confidence" that they will be able to realize a return on that investment. We would not have made the decision to invest millions of dollars on Ericsson 4G/5G upgrades in the

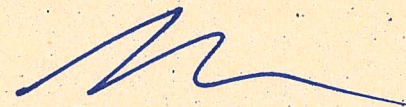
absence of the commitment by the FCC, under Chairman Pai, evidenced by his Internet Freedom and other deregulatory policies, to the economic revival of rural broadband providers.

With that said, I hope you will permit me to add two anecdotal paragraphs that should further clarify *why* we support the FCC's efforts in this area.

1. When Google's self-driving cars become widely used in Vermont over the coming decade, even Vermont's most outspoken Internet Freedom advocates – as you know, there are many candidates for this title in Vermont – likely won't want emergency wireless collision warnings for their self-driving cars to compete with the Netflix HD movie transmitting to their car's TV screens. Precisely the opposite: they will *insist* that safety-related data take priority over entertainment content. I enjoyed Mr. Frenell's comments that he dares almost not speak about such things in rural Oregon, because Internet Freedom has been so politicized. And I, too, have been lambasted in Vermont for mentioning such views. But open and candid debate, and consideration of both sides of any topic, is what you and I both deeply believe in. Your example in Vermont, over the years, has inspired my confidence that such open debate is still possible in 2019.
2. The overarching goal of an open Internet is important and inspiring. As you know, I have long advocated for more federal policies that support GigE fiber Internet to every rural home, akin to what we have built to every rural home in the 14 rural Vermont villages we serve with fiber. But we must also recognize that wired and wireless technologies present different challenges, from an operator's standpoint, and thus require regulators and legislators to recognize the same, especially with 5G on the horizon. Mobile broadband providers are, collectively, being asked to spend hundreds of billions of dollars, while at the same time content providers at the edge of the network (such as Netflix, Amazon and Hulu) insist that they be relinquished from any responsibility in sharing the costs associated with streaming massive amounts of content, on an hourly basis. They say: "Hey VTel, collect those costs from your customers!" I respectfully submit that Vermonters wouldn't mind if VTel first asked the big tech companies to chip in. Yet "Net Neutrality" advocates insist we should be precluded from doing so. How is that in the interest of Vermonters? We know it isn't.

In closing, please know that, at VTel and VTel Wireless, we consider Chairman Pai's Internet Freedom policies to be *pro-consumer and pro-investment*, enabling our company to invest with more confidence, in the expectation we can serve our rural Vermont customers better, at lower costs. Thank you for considering these views, and may I ask that this be made part of the record from yesterday's hearing.

Sincerely,



Dr. J. Michel Guité
Chairman

cc: The Honorable Frank Pallone, Jr.
U.S. House of Representatives
Chairman
Committee on Energy and Commerce

The Honorable Greg Walden
U.S. House of Representatives
Ranking Member
Committee on Energy and Commerce