

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Petition of Charter Fiberlink VT-CCO, LLC for designation as an Eligible Telecommunications Carrier to Receive Rural Digital Opportunity Fund Auction (Auction 904) Support for Voice and Broadband Services	Case No. _____
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PREFILED TESTIMONY OF MICHAEL CHOWANIEC

January 6, 2021

SUMMARY OF PREFILED TESTIMONY OF MICHAEL CHOWANIEC

The testimony of Michael Chowaniec supports the petition of Charter Fiberlink VT-CCO, LLC (“Charter Fiberlink”) for designation as an Eligible Telecommunications Carrier (“ETC”) in the Rural Digital Opportunity Fund (“RDOF”) Census Blocks in Vermont for which Charter Fiberlink was assigned an affiliate’s winning bids in the FCC’s RDOF Auction. Mr. Chowaniec discusses how Charter Fiberlink meets the requirements for ETC designation and why such designation serves the public interest.

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1 Q1. Please state your name, your position, and by whom you are employed

2 A1. My name is Michael Chowaniec. I am Vice President, State Regulatory Affairs of
3 Charter Communications, Inc.

4

5 Q2. Have you previously provided testimony to the Vermont Public Utility Commission?

6 A2. Yes. I have provided joint prefiled testimony and joint supplemental testimony with the
7 Commission in Case No 18-4011-PET on behalf of Spectrum Northeast, LLC, an indirect
8 wholly owned subsidiary of Charter Communications, Inc. (“Charter”). I provide this
9 testimony on behalf of Charter Fiberlink VT-CCO, LLC (“Charter Fiberlink”), a majority
10 owned and wholly controlled subsidiary of Charter that holds a CPG for the provision of
11 telecommunications services, including local exchange service.

12

13 Q3. What is the purpose of your testimony?

14 A3. My testimony supports Charter Fiberlink’s petition for Eligible Telecommunications
15 Carrier (“ETC”) designation in Vermont. As background, CCO Holdings, LLC (“CCO
16 Holdings”), an affiliate of Charter Fiberlink, was selected as a winning bidder in

1 Vermont¹ under the FCC’s Rural Digital Opportunity Fund Phase I Auction (Auction
2 904) (“RDOF Auction”), and CCO Holdings assigned its winning bids to Charter
3 Fiberlink in the RDOF Census Blocks identified in **Exhibit CF-MC-1** (“RDOF Census
4 Blocks”). Charter Fiberlink’s receipt of RDOF Auction funding and building to these
5 unserved areas, however, is conditioned upon Charter Fiberlink obtaining designation as
6 an ETC in those RDOF Census Blocks.² The FCC’s deadline for Charter Fiberlink to
7 submit appropriate documentation of the ETC designation is June 7, 2021.³

8
9 Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”) authorizes
10 the Commission to designate a company that meets the requirements of 47 U.S.C. §
11 214(e)(1), such as Charter Fiberlink, as an ETC. As demonstrated in the Petition and my
12 Prefiled Testimony, Charter Fiberlink meets all requirements for ETC designation.
13 Further, designating Charter Fiberlink as an ETC in the RDOF Census Blocks would
14 allow Charter Fiberlink, either directly or through its affiliates,⁴ to bring high-quality,
15 innovative voice and broadband Internet access services to consumers in unserved
16 portions of Vermont, advance the goals of universal service, and serve the public interest.

17
18 Q4. Please describe Charter Fiberlink’s technical qualifications.

¹ See *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021*, Public Notice, DA 20-1422 (Dec. 7, 2020) (“*Auction 904 Results Notice*”).

² See *Auction 904 Results Notice*, at ¶ 36.

³ *Id.*

⁴ Charter Fiberlink will directly provide the supported Lifeline voice services. Charter Fiberlink’s broadband Internet access and voice services are provided with support of subsidiaries controlled and majority owned by Charter.

1 A4. Charter is one of the nation’s leading providers of broadband Internet access services and
2 voice services, and Charter has played a significant role in expanding the availability of
3 these services—especially broadband Internet access services—across the United States.
4 Indeed, Charter Fiberlink and its affiliates currently provide high-quality voice and
5 broadband services to approximately 26.8 million residential Internet access service
6 customers and 9.3 million residential voice service customers in 41 states, including
7 many in rural and “high cost” areas.

8
9 Charter provides voice communications services to over 9.3 million residential customers
10 throughout its 41-state footprint using interconnected Voice over Internet Protocol
11 technology.⁵ Charter’s voice service offering includes unlimited long distance calling in
12 the United States, Canada, Puerto Rico, the US Virgin Islands, and Guam. Calling
13 features include voicemail, call waiting, caller ID, call forwarding, and other features, at
14 no additional charge. In addition, the E911 feature automatically provides the emergency
15 service operator with a caller’s phone number and location (wherever available from
16 local government or public safety organizations). With respect to its residential voice
17 services, Charter offers customers a simplified pricing structure with plans that include
18 all applicable fees⁶ – thus permitting such customers to know their total costs in advance

⁵ See Press Release, Charter Communications, Inc., *Charter Announces Third Quarter 2020 Results* (Oct. 30, 2020), <https://corporate.charter.com/newsroom/charter-announces-third-quarter-2020-results>.

⁶ The rates, terms and conditions of Charter’s voice service plans are subject to change in accordance with applicable federal and state regulations.

1 of choosing Charter's services, rather than facing a variety of complicated surcharges
2 after they receive their first billing statement.⁷
3

4 Charter's broadband Internet access services deliver industry-leading speeds to the vast
5 majority of its 26.8 million residential broadband Internet customers.⁸ Charter now offers
6 minimum download speeds of at least 200 Mbps in 60% of Charter's national footprint,
7 and 100 Mbps everywhere else in the footprint—including households and small
8 businesses in rural areas. On December 17, 2020, Charter announced that it plans to
9 double Charter's broadband Internet access service starting speeds in additional markets,
10 making 200 Mbps the starting flagship speed in 75% of Charter's communities. These
11 speed enhancements will be available to new customers in these markets immediately.
12 Existing customers will receive these speed increases with new Charter broadband
13 Internet access service packages during the first quarter of 2021.
14

15 Charter also offers a 1 Gbps connection with maximum download speeds of up to 940
16 Mbps to the vast majority of those same households, as well as to small and medium-
17 sized businesses.⁹ Additionally, recognizing the need for fast, reliable broadband service
18 for community anchor institutions, Charter offers 10 Gbps symmetrical speed broadband

⁷Charter Fiberlink remits fees, such as federal or state universal service fund fees or E911 fees, to the appropriate regulatory agencies, where required, and in accordance with law, but does not generally collect them as separate line items on the bill, in addition to the monthly rate that residential customers pay for Charter Fiberlink's voice service. All such fees are described in Charter Fiberlink's invoices for voice service in accordance with applicable federal and state billing requirements.

⁸ See *supra* note 5.

⁹ *Id.*

1 Internet connections to schools, libraries, hospitals, and other important community
2 institutions.

3
4 Charter Fiberlink is highly qualified to meet the FCC's RDOF service obligations given
5 Charter's proven track record of financial, managerial, technical and commercial success
6 operating as an existing provider of broadband Internet and voice services. In 2019,
7 Charter generated over \$45 billion in revenue from the provision of all of Charter's
8 services, along with approximately \$6.5 billion in income from its operations.¹⁰ Charter
9 Fiberlink will draw upon Charter's financial capability and extensive teams of
10 experienced engineers with expertise in the fields of communications technology,
11 hardware design, software development, data analytics, and networking to construct
12 and/or install the networks and infrastructure necessary to provide the required services in
13 the RDOF Census Blocks. Additionally, Charter Fiberlink will leverage the significant
14 operational, managerial and technical expertise of Charter to perform all billing,
15 installation, customer service, and other matters related to providing its services in
16 Vermont. The Charter corporate family has extensive experience managing the technical
17 and customer service-related issues associated with the provision of mass market
18 consumer voice and broadband Internet access (as well as other communications
19 services). Charter monitors its network performance on a 24/7/365 basis and has

¹⁰ 2019 Annual Report, Charter Communications, Inc., <https://ir.charter.com/financial-information/annual-reports>.
(last visited Dec. 28, 2020)

1 implemented procedures to leverage its extensive engineering resources quickly and
2 effectively to install, modify, repair, and/or restore services, as necessary.
3

4 Q5. Will Charter Fiberlink meet applicable requirements for designation as an ETC?

5 A5. Yes. Charter Fiberlink meets all applicable federal requirements for designation as an
6 ETC in Vermont, including 47 U.S.C. § 214(e) and 47 C.F.R. §§ 54.201 *et seq.*
7

8 Q6. Please explain. Will Charter Fiberlink operate as a common carrier?

9 A6. Yes. For purposes of its ETC designation, Charter Fiberlink will operate as a common
10 carrier and offer interstate and intrastate communications on a common carrier basis in
11 the RDOF Census Blocks. Designation as an ETC is a predicate to Charter Fiberlink's
12 eligibility to receive RDOF support to provide voice and broadband Internet services in
13 the RDOF Census Blocks (47 U.S.C. § 214(e)(1); 47 C.F.R. § 9.3; 47 C.F.R. §
14 54.201(d)).
15

16 Q7. Will Charter Fiberlink use its own facilities or a combination of its own facilities and
17 resale of another carrier's services to provide service?

18 A7. Yes. Charter is a facilities-based broadband Internet access and voice service provider,
19 with its own network, gateways, switching facilities, and other associated facilities.
20 Charter Fiberlink will offer the RDOF supported services using its own facilities within
21 the meaning of the FCC's rules or a combination of its own facilities and resale of

1 another carrier's services (47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1)) within the
2 RDOF Census Blocks.

3
4 Q8. Will Charter Fiberlink offer the services supported by federal universal support
5 mechanisms within the RDOF Census Blocks?

6 A8. Yes. As required by 47 C.F.R. § 54.101, Charter Fiberlink, either directly or through an
7 affiliate, will offer voice services and broadband Internet access services supported by
8 federal universal service support mechanisms, including the following capabilities within
9 the RDOF Census Blocks:¹¹

10
11 Voice Grade Access to the Public Switched Telephone Network – Charter Fiberlink
12 meets this requirement through the provision of a competitive voice service that includes
13 minutes of use for local service provided at no charge to end users and access to
14 emergency services via 911 or E911, wherever available from local government or public
15 safety organizations. Toll limitation services will also be provided to qualifying low
16 income consumers as provided in the FCC's rules (47 C.F.R. § 54.101(a)(1)) in the
17 RDOF Census Blocks.

18
19 Broadband Internet Access Service – Charter's broadband Internet access service
20 provides the capability to transmit data to, and receive data from, all or substantially all

¹¹ Broadband Internet access and voice services are provided with support of subsidiaries controlled and majority owned by Charter.

1 Internet endpoints, including any capabilities that are incidental to and enable the
2 operation of the communications service (47 C.F.R. § 54.101(a)(2)) in the RDOF Census
3 Blocks.

4
5 Charter Fiberlink commits that these services will be provided consistent with applicable
6 high-cost universal service support rules (47 C.F.R. § 54.101(c)) in the RDOF Census
7 Blocks. Charter Fiberlink will also ensure that Lifeline voice and broadband Internet
8 services are offered in accordance with the FCC's rules in all Census Blocks where
9 Charter Fiberlink has been assigned RDOF support (47 C.F.R. § 54.101(d)). Moreover,
10 for its Lifeline voice service offering, Charter Fiberlink will offer to Lifeline-eligible
11 customers a Charter voice service plan, as described above, at the discounted Lifeline
12 voice service rate in the RDOF Census Blocks. This voice service plan is comparable (if
13 not superior) to the Lifeline voice service offerings of other Lifeline providers in
14 Vermont.

15
16 Q9. Will Charter Fiberlink offer its voice service as a standalone service?

17 A9. Yes. Charter Fiberlink will offer its voice service as a standalone service and at rates that
18 are reasonably comparable to urban rates (47 U.S.C. § 254(b)(3); 47 C.F.R.
19 § 54.313(a)(3)) in the RDOF Census Blocks.¹²

20

¹² See *RDOF Order*, at ¶ 42.

1 Q10. Will Charter Fiberlink advertise the availability of its universal service offerings and
2 charges for such offerings using media of general distribution?

3 A10. Yes. In the RDOF Census Blocks, Charter Fiberlink will advertise the availability of its
4 universal service offerings and charges for such offerings using media of general
5 distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2)) and in a manner
6 reasonably designed to reach those likely to qualify for the service (47 C.F.R. §
7 54.405(b)).
8

9 Q11. Will Charter Fiberlink provide service throughout its designated service area?

10 A11. Yes. Charter Fiberlink will provide the supported services throughout the designated
11 RDOF Auction assigned Census Blocks where it has customers (47 U.S.C. § 214(e)(1);
12 47 C.F.R. § 54.201(d)).
13

14 Q12. Will Charter make the additional certifications including with respect to compliance with
15 applicable service requirements established by the FCC? Please explain.

16 A12. Yes. Charter Fiberlink certifies that, in accordance with 47 U.S.C. § 254(e) and 47
17 C.F.R. § 54.7(a), it will use federal universal service support only for the provision,
18 maintenance, and upgrading of facilities and services for which the universal service
19 support is intended.
20

21 Charter Fiberlink further certifies that it meets all applicable requirements for designation
22 as an ETC under 47 C.F.R. § 54.202 as follows:

1 Compliance With Applicable Service Requirements. Charter Fiberlink certifies that it
2 will comply with the service requirements applicable to the support that it receives,¹³
3 including the requirements of the RDOF Auction.

4
5 Ability to Remain Functional in Emergency Situations. Charter has been providing voice
6 and broadband Internet access services to customers on a 24/7/365 basis for almost
7 twenty years. As part of providing these services, it is necessary to have in place
8 contingency plans for emergency situations for each of Charter's major network hubs
9 and/or facilities that are geographically distributed across the United States. These plans
10 contain activation, staffing, escalation, and communication procedures to identify and
11 respond to such emergencies. Additionally, all switching facilities are equipped with
12 independent power generators and sufficient fuel to operate for several days to mitigate
13 commercial power outages. The design of these facilities contains multiple levels of
14 redundancy and autonomy that also mitigate the need for dedicated human
15 interaction. Charter Fiberlink will apply this successful model to its RDOF services in
16 the RDOF Census Blocks.

17
18 Q13. Describe how designating Charter Fiberlink as an ETC is in the public interest.

19 A13. Granting this Petition will serve the public interest through the deployment of broadband
20 Internet and voice services to unserved high-cost areas in Vermont. Deployment of these

¹³ 47 C.F.R. § 54.202(a)(1)(i).

1 services will spur investment in facilities and equipment and promote new economic
2 opportunities and job growth in Vermont.

3
4 According to the FCC's Auction 904 Results Notice, there are 19,330 unserved
5 residential and small business locations in Vermont.

6
7 Designating Charter Fiberlink as an ETC will permit it to receive RDOF Auction funds
8 for 15 Census Blocks in Vermont, directly advancing the goals of the RDOF Auction and
9 universal service in those RDOF Census Blocks. Charter's deployments will bring
10 expanded voice and broadband connectivity to these areas, many of which are rural and
11 less densely populated in Vermont, which will help close the digital divide for residents
12 of Vermont and expand economic opportunity and job growth in communities that will
13 benefit from increased connectivity. Because granting the Petition will allow Charter
14 Fiberlink to use the RDOF funds as intended to expand voice and broadband Internet
15 access services in the RDOF Census Blocks in Vermont, designating Charter Fiberlink as
16 an ETC is in the public interest.

17
18 Q14. Does this conclude your testimony?

19 A14. Yes.