

Company History

Blue Ridge Communications began around 1950 when founder Claude E. Reinhard built an antenna on top of Blue Mountain and ran a cable from the mountaintop to a community building in Palmerton. At that moment, Palmerton residents were able to view Philadelphia television broadcasting channels for the very first time. Since then, Blue Ridge has expanded to serve subscribers in fifteen counties in Pennsylvania.

In 1994, Blue Ridge's parent company, Pencor Services, founded PenTeleData with the intent of providing affordable broadband high-speed internet access. PenTeleData is a strategic partnership of local communications companies that serves twenty-eight counties in eastern Pennsylvania and western New Jersey. Today, PenTeleData is one of the largest privately owned networks in the nation and has deployed nearly 10,000 miles of fiber optic cabling. PenTeleData's network connects a number of notable customers, including Lehigh Valley Health Network, Crayola, and Weis Markets.

Blue Ridge and PenTeleData plan to continue to invest each year to meet the ever growing demands of our subscribers for high-speed internet access and other IP services. Blue Ridge has been using private funds to build out to unserved areas, and has been investing in existing networks to bring customers the fast internet speeds they demand. Likewise, PenTeleData goes to great lengths to make connectivity a reality for customers, and will even serve customers that are not located within its immediate partner footprint. This is accomplished through strategic partnerships with other providers like Comcast and Verizon.

Blue Ridge and PenTeleData have made some great technological investments within the past few years, but we are looking to do more. We recognize that a digital divide exists in Pennsylvania, and we are eager to do our part to help close it. Fortunately, the FCC and Congress have taken steps to help ease the burden on providers. Although we are thankful for the help we have received, there is still more that must be done. We are ready to meet broadband objectives and improve access to high-speed internet, but we need you, Congress, and the FCC to continue to encourage private investment and remove barriers to deployment to help us reach those goals.

Encourage Private Investment

Private investors across the country have been investing vast amounts of money in infrastructure. In fact, the American Cable Association estimates that broadband providers are investing \$75 billion annually. By the beginning of 2018, Blue Ridge had deployed 1 Gig speeds throughout its entire footprint, including the Poconos. In 2018, Blue Ridge added 22.62 miles of new cable plant and 34.55 miles of new fiber optics solely using private funds. For 2019, we are on pace to match 2018's numbers. The best way to ensure providers like us continue to make these investments is to do no harm, as nothing will undermine Blue Ridge and PenTeleData's

efforts to deploy broadband more than signaling to us that our returns on investment are uncertain or even in jeopardy.

The best way to ensure that private investors continue to invest is to ensure that any governmental efforts do no harm. In other words, do not permit governmental support to be used in areas where private investment has already been used to deploy infrastructure. Duplicative efforts by overbuilders are a waste of taxpayer funds. Public funds should not be used for middle mile builds. We already have that. Last mile is what rural communities need. Similarly, focus on unserved areas, not underserved. We believe the FCC's definition of unserved—an area where no provider offers 10/1 Mbps broadband service—should be supported. Fast speeds everywhere are ideal, but wireline deployments become much more expensive as the speed of service increases because more copper plant needs to be replaced with fiber.

Additionally, ensure competitive and technologically neutral legislation and regulation. Do not favor any providers or any industry sector. If a provider is operating on an “act first, ask for forgiveness later” basis, enforce the applicable rules. We have encountered a number of providers who will disregard proper protocol. They will skip over the pole attachment process and move our attachments without permission, which subjects us to complaints from the pole owners. Additionally, they will bypass right-of-way procedures and will apologize after the work has been done. Rules exist for a reason. Either enforce them or repeal them, as they can be a huge barrier for the time it takes to deploy broadband and abuse by providers unwilling to follow them creates issues for those of us who are complying.

Remove Barriers to Deployment

Ask any provider what stands in the way of fast deployment and you will hear two things: cost and pole attachments. Deployment is extremely costly, especially in areas where there are not enough homes per mile to generate enough income to justify a costly build. Because Blue Ridge operates in some of the most sparsely populated areas, we often find that poles are very old with no room for new attachments, often necessitating costly replacements. By encouraging private investment, providers will continue to deploy broadband. The speed of deployment, however, depends on how many hoops providers must continue to jump through. There are many barriers to construction, each with its own challenges and associated fees. These barriers include accessing poles, ducts/conduits, and rights-of-way; delayed applications, and costly make-ready, among others. Pole attachments are governed by a mix of federal, state, and local requirements, which further complicates deployment.

Over the years, the FCC has promulgated rules pursuant to the Federal Pole Attachments Act. The act and subsequent rules are designed to simplify the pole attachment process. In reality, a lot of unintended consequences have arisen. For example, when the FCC started regulating the rates that pole owners may charge for providers to attach to the pole, we found that pole owners increased survey fees, presumably to make up the difference. It is almost as though

when the FCC relieves one burden, another arises. Additionally, we have learned that the rules are not always followed. This further complicates broadband deployment.

Earlier this year, new FCC rules went into effect. These rules modified the existing pole attachment process and introduced a new process known as one-touch make-ready (“OTMR”). OTMR is designed to simplify the pole attachment process by allowing the new attacher to do all the work from survey to make-ready itself. This is a huge advancement, as traditional make-ready requires immense cooperation among many parties—the pole owner, existing attachers, and new attachers. Under traditional make-ready, each existing attachers must move their attachments before the new attacher may go on the pole. This often results in delayed deployment. OTMR rules allow the new attacher to move all the attachments in the communications space itself, thereby eliminating wait times. This should speed up deployment. Another huge benefit of OTMR is that the new attacher is allowed to conduct its own survey, which should reduce the cost of deployment.

Due to the infancy of these rules, however, we cannot say whether the introduction of OTMR is a good solution. The rules are certainly written to benefit new attachers, but we also foresee some issues. Additionally, we have already encountered some problems with OTMR. The first issue is that to use OTMR, the make-ready work must be classified as “simple” as opposed to “complex.” OTMR may not be feasible in areas due to the complex work, such as pole replacements, needed. Further, it is up to the pole owner to classify the work as either simple or make-ready. There is some concern that pole owners may abuse this power, as our only recourse is filing a complaint with the FCC.

Additionally, due to the newness of the process, large providers have the opportunity to take advantage of the small. Earlier this year, Blue Ridge received notice that a large company was going to begin OTMR on poles where we are existing attachers. Fortunately, we have a legal department and were able to spend some time learning the new rules. When we received notice from the large company, we discovered that the large company was out of compliance and likely trying to take advantage of us.

Pursuant to the OTMR rule, new attachers are to give existing attachers the opportunity to be present at a survey. The new attachers are also required to provide existing attachers with notifications that include certain information, such as the date and time for the make-ready work and an opportunity to be present when the make-ready is being performed. The letter Blue Ridge received from the large company included a survey that had already been conducted and did not provide Blue Ridge with the date and time of the make-ready. As such, Blue Ridge was not given the opportunity to be present at the survey or make-ready. These two provisions are crucial for existing attachers because they provide protection from potential harm resulting from new attachers moving our attachments. Because we knew the rules, we wrote back and asked for compliance with the rules. Fortunately, the large company apologized and complied. Had we

not known the rules, we may have experienced harm—damage to our equipment, a service outage, etc.

Deploying broadband is no easy matter. It takes an immense amount of cooperation among providers, and federal, state, and local governments. Blue Ridge and PenTeleData are ready to connect all we can, but we need your assistance and cooperation. Together, we can work to expand and improve access to high-speed internet, as long as private investment is given the opportunity to thrive and barriers to deployment are broken down.