

TESTIMONY OF ROBERT SMITH
GENERAL MANAGER, FRONTIER COMMUNICATIONS
BEFORE THE
U.S. HOUSE COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON HEALTH AND TECHNOLOGY
FIELD HEARING: EXPANDING BROADBAND ACCESS AND CAPABILITIES
TO SMALL BUSINESSES IN RURAL NEW YORK

MARCH 20, 2014

Good morning Chairman Collins and Members of the Subcommittee. Thank you for including Frontier Communications in this important hearing.

My name is Bob Smith. I am the General Manager for Frontier Communications, overseeing Frontier's service area in western New York State. I am honored to be here representing Frontier Communications, the largest communications service provider focused on rural America, providing broadband, voice and video services to more than 3 million residential and business customers in 27 states.

The communications business has changed dramatically since Frontier began business as a local exchange carrier – a provider of POTS, plain old telephone service – in 1935, but our commitment to providing customers with reliable and affordable products and services remains constant. Over the past decade, Frontier has transformed from a 20th Century phone company to a 21st Century broadband company, and we have made it our mission to deliver the life changing benefits of broadband technology to rural communities across our footprint. Broadband is a key driver for economic growth in America in the 21st Century. Broadband availability in rural America offers more than simply entertainment and communications capabilities. It translates into increased economic development, employment and educational opportunities, and improved health care. In July 2010, Frontier completed a transformative transaction, acquiring millions of rural and suburban communications lines from Verizon. As part of this acquisition, we committed to provide high speed broadband access to hundreds of thousands of homes previously unserved. The wireline broadband services Frontier provides ensure that our customers – your constituents – have unlimited opportunities for the future.

That is why Frontier is relentlessly deploying and upgrading broadband to the communities we serve; to mid-sized cities such as Rochester, to small towns like Dansville, and to rural areas others consider too difficult to serve like Wyoming, New York. Since 2010, we have invested more than \$2.2 billion in company funds to increase broadband access and improve infrastructure, and an additional \$133.2 million from the FCC's Connect America Fund (CAF) supports broadband deployment exclusively to unserved high-cost areas.

Frontier has significant operations in New York State, having acquired the former Rochester Telephone Company in 1995. Frontier now has 2,300 employees serving more than 275,000 residential customers in New York, and major offices in Rochester as well as Gloversville, Johnstown and Middletown. In New York State alone, Frontier has invested more than \$200 million in network enhancements and capital investments for operations over the past two years. Frontier has been able to accept \$9 million in the Connect America Fund's Phase One process to provide broadband to more than 15,750 previously unserved households in New York State.

Our efforts to deploy broadband throughout our New York service area do not stop there. We have worked with local governments, as well as with the New York State Economic Development Councils, to ensure that areas most in need of broadband are getting access. We have assisted Hamilton County in receiving a \$2.2 million New York State Broadband grant to upgrade the data transport backbone in eastern New York State, from Gloversville to Eagle Bay. Upon completion, all of Hamilton County – which includes the Adirondacks, challenging geography and sparsely populated in some places – will have access to broadband and speeds of 10 Mbps.

Most recently, we have been working with Wyoming County and New York State Senator Patrick Gallivan on broadband capacity in that County and to assist with confirming that their Agriculture Center will have the broadband capacity required to serve their needs. Access to broadband in this rural county provides farmers and spin-off agri-businesses with access to world markets, expanding their product and services market from local to global. Frontier is proud to be the provider working with Senator Gallivan on this initiative.

We continue to seek out ways to work collaboratively with State and local governments and organizations to provide businesses and residences the broadband services they need.

Like you, we know that high-speed broadband connectivity is life changing and absolutely critical to our country's economic recovery and prosperity. Communities with access to the Internet are ripe for economic development and job creation. Frontier is modernizing facilities and services because we believe that our "time and treasure" is best used by extending robust broadband networks to these communities. Today, that means giving customers access to high-speed Internet service. Broadband technology offers rural America untold economic, educational and social opportunities and we consider it our job to deliver that access.

Thank you for giving me and Frontier the opportunity to participate in this hearing.