

#### TESTIMONY OF GERALDINE PITT, CEO OF VIYA BEFORE THE COMMITTEE ON HOUSING, TRANSPORTATION AND TELECOMMUNICATIONS April 24, 2023

Honorable Chairman Marvin Blyden, Members of the Committee on Housing, Transportation and Telecommunications, members of the 35<sup>th</sup> Legislature and their staff, and the listening and viewing audience, my name is Geraldine Pitt and I am the Chief Executive Officer for the Virgin Islands Telephone Corporation, known locally as Viya. Thank you for inviting me to testify on the future of telecommunications in the Territory and the strides that Viya is making to keep the community connected.

#### 2022- 2023 Steady Progress

In the year since I last appeared before this Committee, Viya has been executing several of the initiatives I previewed for you then, all aimed at delivering improved products and services to Virgin Islanders.

At the center of our strategy is a program named VI Fiber because *at Viya, the Virgin Islands come first*. Under this program, Viya deployed fiber deeper into our network, invested in Remote Phy technology, and upgraded the network to DOCSIS 3.1, which is *ten times faster* than DOCSIS 3.0. Viya is now offering 1Gbps Internet service to most of the Territory. Virgin Islands residents don't need to wait for the future in 2025 or 2027, they can have 1Gbps

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Internet now with our VI Fiber program. Any business that requests fiber connectivity can have it today.

- Even more exciting news for our customers is the increase in upload speeds with our 1 Gbps download speeds with 400 Mbps upload speeds. While a number of our nodes are already upgraded, we find ourselves in an unusual position with interference from unlicensed spectrum that impacts our network in a phenomenon called "laser clipping." Viya has been using spectrum analyzers, has equipment providers on island testing and just as our team discovered, they too found that the issue has nothing to do with capacity but rather the source of the interference, which is also affecting our current offering, particularly at night. We have also reached out to the Federal Communications Commission for assistance in dealing with this issue.
- As indicated in my last testimony, Viya is working with viNGN, to deploy additional inter-island capacity to secure *redundant and diverse routes* between St. Thomas and St. Croix. This would dramatically enhance the resiliency of the telecommunications infrastructure throughout the Territory.
- After three attempts to secure the E-rate to provide internet to schools and other educational facilities, we are ecstatic to have been awarded the VI Department of Education's E-Rate Wide Area Network (WAN) Leased Lit Fiber contract to bring

high-speed, fiber-based connectivity to all public schools. Viya will collaboratively use our network and viNGN's network to connect these facilities.

Viya is, and will always be, open to collaboration with entities like viNGN to ensure that the Territory benefits from a more digitized teaching and learning experience. The project is 100% fiber-based to provide the fastest speeds, and the inter-island link between the two VI Department of Education Network Operations Centers (NOCs) guarantees continued connectivity even during an outage. The VI Department of Education will also have real- time access to network monitoring and management tools. Viva has a long history of supporting educational initiatives. During the COVID-19 pandemic, The Virgin Islands Department of Education contracted with Viya for over 5,000 Mi-Fi/ Mobile Hotspot devices. This effort was a perfect example of what happens when readiness meets opportunity. We were prepared for the hurricane season with the pandemic. Because we were ready, we became the natural partner for the VI Department of Education in connecting students to online learning platforms using its high-speed 4G LTE network with the Mi-Fi service. Now, with the E-Rate rollout we look forward to working with Commissioner Dr. Dione Wells- Hedrington and her team to provide students with the optimal digital experience for learning at their respective facilities.

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- Continuing on the mobile side, *Viya is deploying 5G services to more than 25 locations* this year. Viya currently has 40% more cell sites in the VI than our closest competitor, hence the 5G deployment requires a phased approach to the rollout. Our 5G deployment is part of our continuing effort to ensure that our mobile network delivers the highest quality service to our customers, and together with VOLTE voice over LTE upgrades, our customers can remain connected here, throughout the Caribbean, and the mainland United States. Viya mobile has made enormous strides in the last 12 months, as customers are experiencing for themselves the speed and coverage of our network. Customers are finally able to connect the dots with mobile and Mi-Fi functionality, both of which run on the #1 Mobile network in the Virgin Islands. Further, Viya customers when traveling to the mainland, will soon have access to not one, but two national carriers. This is a major new development for Viya and our customers.
- As we phase out our legacy cable television platform in favor of an HD platform we call Viya TV+<sup>®</sup>, customers will enjoy an enhanced viewing experience. TV+ provides *an-all digital experience for our customers* with 4K picture quality plus features like cloud DVR, TV anywhere, and access to a huge on-demand library. With new technology comes challenges, for both the provider of the service, as



well as customers. Notwithstanding those challenges, providers like Viya must keep pace with the rest of the world and constantly strive to find the right balance between the choice of technology, new programming choices, prices, and customer centricity so that we can deliver high value to the customer.

- One of the achievements that we are most proud of this year, is reaching an agreement with the VI Public Service Commission (PSC) that caps Viya's residential telephone service rates so *residents won't experience a price increase for the next 5 years*. This is especially important for us because we understand the role of fixed telephony in the community, particularly for seniors who are on a fixed-income and rely on their telephone to keep connected to friends and family. I wish to thank Chairman David Hughes, the Commissioners, and their staff for all the hard work they put into the rate case and for delivering a great result for the ratepayers of the Virgin Islands.
- Just as we are upgrading our network, *Viya is diversifying the entire customer care experience* making it easier than ever to get service from Viya and stay connected with the world. Our customers can access Viya in our retail stores located on each of the three islands; online through our website, email, text, and social media. We are constantly engaging with our customers, wherever they are. Even more exciting, Viya is expanding its presence in communities, where we now



work with 19 local dealers and we regularly deploy pop-up stores to bring Viya services closer to the customer.

 Our engagement with the community extends beyond our storefronts. We are the only provider with weekly radio programs to advise our customers of products, services and solutions at Viya. More importantly, Viya partners with other stakeholders in the community to discuss the relationship between connectivity and important matters and initiatives like disaster preparedness, cybersecurity,

workforce development, economic development, food sovereignty and Virgin Islands culture. Viya can provide impactful support to our community by collaborating with key stakeholders on initiatives that are important to the Virgin Islands.

As the Company representative testifying today, I am here on behalf of the talented team that is dedicated to delivering the highest quality services to our customers. I would like to show appreciation for the families of our employees, who support them so they can deliver for each other and our customers. I would also be remiss if I didn't acknowledge and thank all the employees who helped to build this company that has been a critical part of the development of the US Virgin Islands. Viya is investing in new training, and equipment for our teams. Our trained technicians are in the Territory, you see them every day in your residences and businesses, they are always available to help customers solve

their connectivity challenges. There are also members of the support team that you see less often, but they make the wheels turn to deliver continuous improvements to our customers. Again, to my team, and the various contractors and suppliers who contribute to our success, **Thank You**.

To our community, your experience with us at every touch point is absolutely important to us. We may not always get it right, but we are laser-focused on improving every day. Hence, for 2023, *Viya's mission is to deliver on our customer promises every time so that we become the most valued connectivity solutions provider in the Territory.* Not only will you see the changes, but during the months of May and June, some of you will have the opportunity to contribute to the changes, as we conduct a series of customer feedback sessions via telephone, and focus groups.

#### Bridging The Digital Divide

Those are powerful words, and they are critical to the development of the Virgin Islands. One of the major initiatives for bridging the digital divide is the federally subsidized Affordable Connectivity Program, which provides residents who qualify, with a \$30 per month subsidy for broadband service. That's why Viya has invested tens of thousands of

dollars and a significant number of resources in our daily community outreach efforts to promote the ACP. Viya promotes the ACP throughout the Virgin Islands with our Community Sales team that you see at grocery stores, cultural events, expos, and strategic locations where our community gathers. ACP is a critical part of our conversation in the community because the cost should not be a barrier to connectivity.

Our outreach efforts are extensive, and it includes collaborating with the Department of Human Services to promote the Affordable Connectivity Program (ACP). Commissioner Kim Causey-Gomez is to be applauded for recognizing the opportunity to deliver real value to the Virgin Islands with the ACP.

Historically, Viya has always been the market leader in providing Lifeline services to make telephone service more affordable. Viya is continuing that leadership with the ACP.

As the traditional Lifeline program has shown, subscriptions to these types of programs can remain stubbornly low and that is why Viya worked with DHS to create a voucher program that DHS administered to promote the ACP among more than 26,000 SNAP and Medicaid recipients. It has been a huge success as we now have more than 3,300 residents signed up for the ACP. This is truly commendable that we have reached that milestone in one year.

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Viya's extensive community engagement is a critical part of the campaign and Viya has launched an aggressive Affordable Connectivity Campaign direct to the community at strategic sites with the Virgin Islands Housing Authority to ensure that everyone is aware of this low-income assistance program. We are grateful to Chief Operating Officer Lydia Pelle and her team, who worked closely with our team to ensure that eligible housing residents received the communications services they needed.

Viya is the only carrier that is actively engaged with The Department of Human Services, The Virgin Islands Housing Authority, The Department of Labor, The Department of Education, and other community stakeholders to ensure that eligible participants are taking advantage of the available subsidized program.

Viya's experience with the ACP has led us to conclude that the best way to close the digital divide is for the government to build upon the success of the ACP. High-speed broadband service in the Territory presents challenges of affordability that are similar to the housing market. Despite all the efforts of the government to provide public housing, the cost of housing remains a big challenge for many people. Access to broadband is no different than access to housing, they are both necessities that affect the quality of life. There are many providers of broadband services, but many residents simply cannot afford to pay for higher speeds. Over the years, hundreds of millions of dollars have been spent on broadband infrastructure. The Virgin Islands now has three broadband

networks and millions more will be spent on network expansion, resiliency and redundancy in the coming years. Allow me to emphasize that these investments in connectivity are absolutely necessary to future proof the VI economy. Unfortunately, apart from the ACP program, not much is being done about subsidizing broadband for the wider population, the same way that we do for housing. If we keep spending only on infrastructure, there will always be a vast number of households that will not be able to afford broadband without direct subsidy to the consumer or ISPs. In the coming weeks, Viya will circulate a white paper on the subject of subsidy to key stakeholders including this Committee. Our white paper explains how such support can be structured so that all residents of the Virgin Islands receive minimum 100 Mbps Internet for a fraction of the cost to the government. Were the government to use part of the \$25 million in available BEAD money from the federal government for this purpose, the government could fund this program for many years.

It is my hope that we can work with the government to bring this program to market and close the digital divide in the Virgin Islands.

#### **Reshaping The Business**

Viya's investments in technology and people are part of a larger effort to reshape the business so that Viya can keep the U.S. Virgin Islands connected and deliver additional

advanced services and solutions to meet customers' foremost needs. This Committee knows that Viya's Universal Service Funding has been materially reduced and that there is more competition than ever in the Territory.

To navigate these challenges, Viya has been accelerating our investments in technology, consolidating real estate, and reshaping our organization. This is a continuous process as Viya must adapt to market circumstances so that we remain the leading telecommunications provider in the Territory. Our competitors are some of the largest carriers in the industry with global operations who are able to take advantage of their economies of scale and optimize their cost structure across multiple countries. Yet, Viya remains the largest telecommunications employer in the Virgin Islands. We are proud of the team that has built Viya over the years even as Viya must continue to seek ways to improve the cost structure of the business.

#### Conclusion

I would like to close by saying that I am very optimistic about Viya's future in the Territory because, at Viya, we always put the Virgin Islands first. I am proud to represent Viya's employees before you today. It is only through their hard work, dedication and



commitment to the community that Viya is successful. Viya's mission for 2023 is to deliver on its promises and if we continue to execute as we have in the past, I am confident Viya will remain the leading local service provider in the Virgin Islands.

Our future is bright, and our customers can continue to depend on us for years to come. Thank you for providing me with the opportunity to present my testimony.