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CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

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APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Consolidated Communications Holdings, Inc. First Quarter 2020 Earnings Call.

(Operator Instructions) Please be advised today's conference is being recorded. (Operator Instructions) I would now like to hand the conference over to your speaker, Jennifer Spaude. Please go ahead.

Jennifer M. Spaude - *Consolidated Communications Holdings, Inc. - VP of Corporate Communications & IR*

Thank you, and good morning. I'd like to welcome everyone to Consolidated Communications First Quarter 2020 Earnings Call. On the call today are Bob Udell, President and Chief Executive Officer; and Steve Childers, our Chief Financial Officer. Bob's comments today will highlight our strategic initiatives and our operational results as well as how we are managing our business through the COVID-19 pandemic. Steve will provide details on our first quarter financial performance and an update on guidance. Following the prepared remarks today, we will open the call up for questions.

Before we proceed, I will remind you, our earnings release, financial statements and earnings presentation are all posted on our Investor Relations section of our website at consolidated.com.

Please review the safe harbor provisions on Slide 2 of our presentation. Today's discussion includes statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. A discussion of factors that may affect future results is contained in Consolidated's filings with the SEC. Today's discussion will also include certain non-GAAP financial measures. Our earnings release includes reconciliations of these measures to the nearest GAAP equivalent. I will now turn the call over to Bob Udell.

C. Robert Udell - *Consolidated Communications Holdings, Inc. - President, CEO & Director*

Thank you, Jennifer, and good morning, everyone. First, I hope you and your families are well. The world has significantly changed since our last call in late February, but one thing remains constant. Our team of 3,400 employees are working hard to serve our customers and our first -- and first responders in the communities we serve. We are dealing -- all dealing with an unprecedented time. The Consolidated Communications is well positioned to manage through this pandemic and meet the changing needs of our customers. We started 2020 with strong momentum and a clear focus on our financial priorities centered around delivering stable adjusted EBITDA and improving our balance sheet, both of which we accomplished in the quarter.

Before we get into our first quarter results, I'll share an update on how COVID-19 is impacting our business, our customers and our employees. I'm extremely proud of how the Consolidated team has responded to this crisis. As a critical infrastructure provider, we understand the importance of



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

broadband connectivity in everyone's lives today, and our company is at the forefront of helping consumers and businesses connect, learn, and operate during these unusual times. We have implemented numerous measures to ensure business continuity, allowing our team to focus on continued reliable services and support our residential business and carrier customers. We are focused on the safety and wellness of our employees, customers and partners. We made important changes to our business operations in response to the pandemic. For example, we successfully shifted roughly 90% of our office employees to remote work arrangements over just a few day period. This transition to remote work went very smoothly and had no adverse effect on our business operations. During this time, we are handling more calls, increased order volumes and productivity is very high.

We've trained our outside field technicians on preventative measures and equipped them with personal protective equipment and implemented added precautions, such as calling ahead for all on-site visits to ensure the safest environment possible for our employees and customers. We expanded home garage policies across all of our service areas to further protect our field personnel and ensure we are not congregating employees in work centers. We are seeing call volumes up on average 20% across all customer groups and order activity within consumers correspondingly up and, driven by a 40% increase in bandwidth upgrades required to meet work from home and remote learning requirements.

Our prior work in upgrading hundreds of thousands of locations with higher capable speeds has positioned us to respond faster to a high demand for speed upgrades. These investments allow us to efficiently and expeditiously complete more customer upgrades without requiring a technician to visit.

To support businesses, we established an expedite order process for medical, critical care, education and government customers who now more than ever require rapid service delivery. Every day, we're helping businesses to manage through this challenging time.

Let me give you some examples. Hypertherm, a global manufacturer based in Hanover, New Hampshire needed to triple their bandwidth capacity to accommodate the critical shift in work from home VPN traffic in just a few days. MedCare Equipment, a medical equipment respiratory care provider based in Greensburg, Pennsylvania used ProConnect to transition more than 100 employees to remote work with a mixture of Unified Communications softphones and mobile clients. We did that in just 2 days. We quadrupled the bandwidth and completed a high-performance managed router upgrade in record time to help one of the largest wholesale grocery distributors in the Northeast and to ensure that more than 600 supermarkets and convenience stores shelves remain stocked. And we're helping numerous schools with collaboration tools and remote phone features to connect teachers with parents and students.

We are closely monitoring all early indicators of potential business impacts related to COVID-19. And while we are seeing bandwidth upgrades and demand for collaboration solutions, some of the more complex and advanced solutions sales are slowing a bit as businesses focus on response to the pandemic, and we, of course, are watching small business customer trends closely. Within our wholesale business, we are working with wireline and wireless service providers across the country in support of bandwidth upgrades and new service requests. We made it easier for our carriers to upgrade facilities with an efficient, expedite order process.

Our network engineers and technicians are working 24/7 to ensure network reliability and performance, which our customers so vitally need. We've had we have had approximately a 20% increase in data traffic utilization and 10% increase in voice traffic, and our network continues to perform well.

All networks are not created equal. And we're extremely pleased with how well our network is performing as it is designed to handle the increased traffic we are seeing.

Our industry is incredibly resilient, and our services play an increasingly important role in the post pandemic economy. We've been through our share of crisis and downturns in the past, and our company has always emerged stronger and better positioned for the future. I am confident we will do the same in this situation.

While we manage the business during this time, we remain focused on our strategic imperatives, which have not changed. You can see these on Slide 5 of our presentation deck. These strategic imperatives continue to be our road map for long-term success, and let me review them briefly.



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

First, we are committed to producing stable earnings and growing free cash flow. The recent COVID-19 response actions have led us to further refine how we do business, which creates opportunities for long-term savings and efficiencies.

Our second strategic imperative is leveraging our fiber assets across 3 customer groups: carrier, commercial and consumer. We are opportunistic with our fiber builds and focused on success-based opportunities that benefit multiple customer groups. Third, we are executing on our capital allocation plan, which we announced 1 year ago. We are focused on disciplined cash management, while we remain committed to improving the balance sheet. And our final strategic imperative is the review of our portfolio of assets for potential monetization. This analysis continues, and I'll update you further if there is a material event to discuss.

Now first quarter highlights. Our carrier sales team continue to drive gig Ethernet sales and is doing an excellent job of negotiating long-term contracts. Our collaboration continues with wireless carriers as we help optimize their capacity needs and provide transport solutions that offer diversity and maximize utilization for peak performance. Total tower connections under contract increased 4.2% year-over-year, totaling 3,900 connections. As we build out capacity within our carrier-grade fiber network to support wireless densification, especially in rural areas, we are well positioned to be the backhaul provider of choice.

Our network investments made for carrier services are also benefiting commercial customers. Our on-net buildings increased 17% from a year ago, primarily driven by Des Moines, Iowa market expansion. The vast majority of our new sales are on-net, which correlates to higher margins, increased opportunity to add products and a greater ability to ensure the best customer experience.

We recently launched ProConnect Unified Communications in Northern New England. This cloud-based collaboration solution makes it easy for users to make and receive calls, host video conferences, share files, message and manage through advanced features from anywhere and from any device, a valuable solution during this time of the pandemic.

Within the consumer channel, we achieved the fourth consecutive quarter of broadband revenue. Our strategy of leading with broadband services is growing average revenue per unit and it's working. Virtually, 100% of our consumer base is connected to the network through either fiber-to-the-node or fiber-to-the-home. Our core network capacity allows us to grow broadband revenue in the most cost-effective manner. Our fiber-rich network positions us well to partner with communities to deploy last mile fiber in rural areas that would otherwise be difficult to justify financially.

Just this week, we announced the citywide upgrade of Brooklin, Maine, and we've been successful with 5 other fiber-to-the-home RFPs in the Northeast, and we are targeting a second half 2020 turnup of these fiber network extensions.

CCiTV, our streaming video service, fully launched in Northern New England in late 2019. It is leveraging the network speed improvements over the last 2 years. We see strong sales activity with CCiTV, and we continue to see 60% to 70% of the subscribers bringing their own device. The easy self to install product further reduces overall capital intensity compared to traditional video. We will expand CCiTV in legacy markets this year and expect to launch this summer in Texas.

Through a combination of efforts, including public-private partnerships, innovative and new technologies, we are improving our consumer broadband business.

I will now turn the call over to Steve, who will provide more details on our financial results for the first quarter and an update on guidance for 2020. Steve?

Steven L. Childers - Consolidated Communications Holdings, Inc. - CFO & Treasurer

Good morning. As Bob indicated in his remarks, we did have a very strong start to the year. And in the first quarter, we performed above our original 2020 guidance for adjusted EBITDA, free cash flow and debt reduction. Despite the disruption of the health crisis and the transition to the work from home for safety of our employees, there were no material impacts to our Q1 results. With that said, due to the uncertainties in both the severity



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

and the duration of the current economic downturn, we are withdrawing our 2020 guidance, and so we have more visibility into the impact of COVID-19 on our business.

Slide 6 of the earnings presentation summarizes the company's first quarter results. Operating revenues for the first quarter totaled \$325.7 million down 3.8% compared to Q1 '19, and we generated adjusted EBITDA of \$131.6 million, which is up \$1.3 million from a year ago.

Now let's look at each of our customer channels. Total commercial and carrier revenue was \$147 million in the first quarter. Data and transport grew 1.6% to \$89.6 million. Voice services revenue declined \$2.3 million or 4.9%. Other revenue declined \$3.5 million, primarily due to lower equipment sales, which have very low margins. As we think about Q1 performance and potential impact of COVID-19 in the second quarter and beyond, our commercial sales team started this year very close to being fully staffed on quota-bearing headcount for our direct SMB and indirect resources.

We are seeing a high level and virtual sales activity with broadband upgrade in Unified Communications demand to assist in the transition to businesses working from home. We do continue to monitor our SMB channel. And while we haven't seen a material impact to date, we do expect to see a higher churn rate for this customer group. Additionally, we expect decisions on equipment purchases to be deferred due to the economic conditions, and we could see a decline in this lower margin revenue versus our original plan.

We are seeing strong performance from our carrier sales team this time. We have strong demand and a backlog for wireless backhaul to support higher national broadband needs.

Before we move or transition to consumer, I'd like to emphasize, our commercial and carrier group did have a very strong first quarter. As we discussed, we expect certain areas to come under pressure. But as of today's call, we are seeing no material changes in our leading indicators.

Now turning to our consumer channel. Revenue totaled \$126.4 million and was down \$3.3 million or 2.6% year-over-year. Consumer broadband revenue grew for the fourth consecutive quarter and was up 1.6% in the first quarter. Consumer revenue increased 4.5% to over \$73 per unit. We continue to realize positive momentum by leading with broadband, specifically in our newly upgraded areas.

Consumer voice was down 6% or \$2.7 million in the recent quarter, but that decline in voice revenue was cut in half from a year ago. We attribute this to a more robust broadband offering, which contributes to higher voice retention.

Our video revenue was down 8% and is consistent with our strategy to transition from low-margin linear video to broadband streaming services. The \$1.6 million decline in revenue was more than offset by reductions in video programming expense and lower CapEx.

Network access revenues declined \$5.1 million, largely due to declines in special access and subsidy revenues were up slightly and remained at our expected \$18 million run rate per quarter. With respect to subsidies, we remain optimistic about the opportunity to expand broadband capabilities in rural markets with the support of the Rural Development Opportunity Fund. We are evaluating the funding opportunities and potential returns on invested capital within our service area, and we will be aggressive as we look to enable access to underserved areas.

The SEC final order, which was published in February, brings certainty on transition revenue and adds new service tiers and auction weightings that we believe will be advantageous for existing fiber infrastructure providers.

Now turning to operating expenses. Exclusive depreciation and amortization, operating expenses totaled \$205.6 million, an improvement of 8% or down \$17 million from the prior year. We continue to identify and implement initiatives to transform the business and optimize free cash flow. Our track record speaks for itself in this area as we have been, and we will continue to be very focused on improving our cost structure based on the needs of our business and our customers. Cost of services and products declined \$10.6 million, driven by network cost optimization, lower CPE sales and lower salaries and benefits associated with ongoing cost initiatives.

Cost expense will fluctuate with revenue, especially on equipment sales, linear video, content cost and network app revenues. The SG&A costs were reduced \$6.6 million in the recent quarter, primarily due to operational synergies and ongoing efficiencies. We did experience a modest



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

amount of an increase in bad debt expense related to the new accounting standards for credit evaluation for accounts receivable and also for COVID.

As of today's call, we have not seen a material difference in our accounts receivable, agings or daily cash receipt trends. We continue to monitor these key metrics very closely. Net interest expense for the quarter was \$32.1 million, down \$2.2 million from the same period last year. Our weighted average cost of debt was approximately 5.3% at the end of the quarter down from 5.6% at year-end.

Cash contributions from the company's wireless partnerships were \$10.1 million in the first quarter compared to \$7.3 million a year ago and are in line with our anticipated distribution level. Historically, our cash distributions have been \$35 million to \$37 million a year. However, at this time, we have no additional insight to the financial results for our limited partnerships with Verizon.

Adjusted net income per share was a positive \$0.23 per share compared to a net loss of \$0.03 a year ago. The improvement reflects the consistency of our operating results and a decline in depreciation expense. We invested \$42.4 million in capital expenditures during the first quarter, which supported success-based projects and broadband network infrastructure expansion.

Total liquidity, including cash on hand and availability under our revolver was approximately \$98 million. In response to the economic impact of COVID-19, we will be focused on maximizing cash liquidity, and we will be making certain elections under the CARES Act to defer employer portion of payroll taxes, which we estimate to be a little over \$4 million a quarter.

Consistent with our capital allocation policy, we used essentially all free cash flow in the quarter to reduce debt by \$43 million for a total of \$105 million in the last 3 quarters since we made the change in our capital allocation policy. Our net debt leverage was 4.23x at the end of the first quarter, down 4.33 -- from 4.33x at the end of the year.

We will continue to commit all cash -- free cash flow to improve the balance sheet with the goal of getting to our net leverage target of 4x as soon as possible. Although the near-term outlook is uncertain, our commitment to our strategic imperatives and our position as a critical service provider is stronger than ever. We have demonstrated our ability to manage cost, and we will take whatever actions necessary to protect the business.

With that, I'll now turn the call back over to Bob.

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Thank you, Steve. So in closing, I'm pleased with the solid and consistent results we delivered in first quarter while reducing operating expense and executing on our capital allocation plan. We're taking every -- we're taking action every day to keep our employees safe and help our customers and the communities we serve during these trying times. We have a strong business and have operating plans in place to respond to the fluid events associated with COVID-19. We've weathered many storms in our 125 years in operations, and I'm confident we'll manage through this one and help our customers do the same.

Operator, we'll now take questions at this time.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from Davis Hebert with Wells Fargo.



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

James Davis Hebert - Wells Fargo Securities, LLC, Research Division - Director & Senior High Yield Analyst

I appreciate all the prepared remarks. Very helpful. In your prepared remarks, seemed fairly positive about network performance and customer activity. You did withdraw your guidance, however, and I know you suggested SMB is something you're watching. Can you talk about that percentage of revenue in the SMB channel and maybe some other areas where you see a lack of visibility having an impact on the full year?

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Well, thanks, David, for the question, and I'll start that, and then Steve will have, I'm sure, some specifics. Let me tell you how close we're watching the trends right now and how good we feel about what we're seeing. And the fact is we just don't know what the economy is going to do over the next 60, 90 days with respect to SMB closures. But what we can tell you right now is we're seeing roughly 51,000 SMB accounts, those -- we define SMB as those with \$500 a month bills with us or less. And there's 255 that have called us for either a temporary hold on their service, which indicates that they want to maintain their business line and relationship with us. And those customers get a 50% discount. And so that's really resulted in a 50% hold, if you will, kind of like a vacation or seasonal suspend. And that's resulted in about a \$10,000 a month impact, and that's as of yesterday, we're seeing those statistics. So it's not a real significant factor yet. And you look across our whole base, we think that with the increase in speeds, we're in a pretty good position to weather the storm. We just don't know what's going to happen over the next couple of months. Steve, anything to add?

Steven L. Childers - Consolidated Communications Holdings, Inc. - CFO & Treasurer

Yes. So Davis, maybe just put a little finer point on what Bob said. If you look at our earnings release and the revenue tables, we don't necessarily break out SMB in that carrier commercial group. But I think Bob kind of gave you the math to get to \$100 million, \$110 million total revenue from SMB if we broke it out. So the way I would think about it, total commercial, the carrier number is probably about 20 -- 26% to 30% of that total commercial carrier. And then SMB is probably maybe 17% to 18% of that number or said differently, SMB is probably about 7% to 8% of our total revenue.

And as like Bob said, we are monitoring the aging. We're managing, watching all the call center volumes. We've actually -- and as we've talked about in prior calls, we've actually added been staffing that -- or the SMB team up over the last few months, so we're paying more attention to the SMB group anyway. And we've also rolled out several products. So it'll make it easy for them to either move from home or come back to when they come back in the business. So right now, through April, I'm really pleasantly surprised with the level of activity that we're seeing from the sales teams, and we'll just continue to monitor it.

James Davis Hebert - Wells Fargo Securities, LLC, Research Division - Director & Senior High Yield Analyst

Great. That's really helpful. And then you're making nice progress towards your leverage target. And how do you balance the debt pay down approach, which you made nice progress on that this quarter, versus building liquidity to address some of that uncertainty that you guys referenced?

Steven L. Childers - Consolidated Communications Holdings, Inc. - CFO & Treasurer

Yes, Dave, this is Steve again. Thanks for the question, and that is our focus, right? I mean as Bob said, in his opening remarks, our strategic imperatives and our capital allocation policy, even though we are withdrawing guidance, those policies and commitments are still there, and we're highly focused on it. So with leverage, again, we did accelerate the pace of deleveraging for Q1, all free cash flow went to pay down debt. And you might have noticed that we bought -- we only bought about \$5 million in bonds in our open market repurchases. And that -- for the quarter, that was in part because the bonds, for most of the first quarter, were trading 95 or above. In Q3, Q4, we've bought about \$55 million. We provided a little bit more significant discount. So we were focused on getting the revolver down over the first half of the quarter and then maybe the last 2 or 3 weeks when you started -- the bonds started trading down a little bit and because of the uncertainty of COVID. Again, we did buy a little -- or a few bonds, but we were -- at that time, we were pivoting towards maximizing liquidity under the revolver and getting them as close to 0 as we possibly can.



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

So I think in the short term, we are focused on preserving every dollar of cash that we have. We will look to -- we'll monitor both the bonds as well as paying down the revolver. But we are focused on preserving liquidity in the short term. But again, we still remain committed to the overall leverage target of 4x as soon as we can.

James Davis Hebert - Wells Fargo Securities, LLC, Research Division - Director & Senior High Yield Analyst

Understand. Okay. That's very helpful. And then last question for me, and I'll turn it over. You suggested your ongoing portfolio review. I'm just curious if you were having ongoing conversations before this crisis hit, if things do normalize, knowing -- I'm not sure when or if that happens, but do you -- would you expect some of some of those conversations to come back again and more progress on any sort of asset sales? And that's it for me.

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Yes. Thanks, Davis. That obviously, I can't speculate or won't speculate on ongoing discussions. But I will say this, any conversations that we're having, continue and no one knows how long this situation with COVID is going to last. And so I don't see it impacting with the cycle time it takes to evaluate and analyze and then work through discussions with any interested parties. I don't see that changing as a result of COVID, unless this were to extend and affect the capital markets for 18 months. And even then, I think there's deals getting done. So it's not changed our approach in any way. We're not a distressed seller of those types of things, but we're certainly doing analysis and deciding if some of those assets are better served by being part of someone else's structure, and we'll continue that process.

Operator

Our next question comes from the line of Gregory Williams with Cowen & Company.

Daniel Saifi Parr - Cowen and Company, LLC, Research Division - Research Associate

This is Dan on for Greg. Real quickly, you noted that you're going to be fairly aggressive in bidding for the RDOF opportunity that is advantageous for current connectivity providers. Is it fair to characterize that a lot of the 6 million homes passed for RDOF are actually CAF II homes simply upgrading from 10/1 to 25/3 speeds, and these are homes that you've already upgraded with fiber-to-the-node. So it seems like you're in a very strong position to win again. Again, is that a fair characterization?

And second, from COVID-19, is there any commentary on somewhat of an impact from the snowbird effect in some of the Fairpoint markets where people are leaving for the winter that might not be coming back into the footprint due to COVID-19?

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Yes. Thanks, Dan, for the question. Let me start with the second part first, and then I'll come back to the RDOF. We're actually seeing the opposite of -- we've seen about a full month to 6 week advance of people moving into the vacation homes in Northern New England. Because what we're realizing is that's where people are going in order to social distance themselves. And so they're coming out of New York, Boston, whatever large city that they're most -- that they live in. And we've seen an advance of that, which we think is actually positive. So that's that point.

The second, related to RDOF, we are well positioned. And let me give you a finer analysis of how to think about it. The reason that we acquired the Fairpoint assets in the first place was the proximity of the fiber to the customer base. And that's made it advantageous for us to extend that through the fiber nodes and the fiber-to-the-home, especially as represented by the public-private partnerships that we're successfully winning. We've got 5 of those that we'll build out in 2020, and that gives us roughly another 10,000 passings of direct fiber-to-the-home. And so the way to think about it is, on the average, we're seeing the cost per passing of extending and connecting that network to be around the \$500 mark, and that's literally



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

half of what the typical industry average is when you got to build that, including the core network from scratch. And that puts us in an excellent position long term. So yes, we think we're well positioned for RDOF. And it won't be 25/3, it will be 100 or a gig.

Operator

Ladies and gentlemen, our next question comes from Jennifer Fritzsche with Wells Fargo.

Jennifer Murtaugh Fritzsche - Wells Fargo Securities, LLC, Research Division - MD & Senior Analyst

A few if I may. I wanted to ask -- and sorry if I got cut off, but if this is asked, but just what you're seeing in terms of wireless backhaul. It seems like that's holding up there, but I wanted to confirm T-Mobile now closed. Are you seeing some RFPs coming from them?

Secondly, I wanted to ask about just, Bob, your bigger picture fast. If we do see a forced stimulus, both parties, both Democrats and Republicans, have made clear that broadband will be a large part of that. This would be an addition to RDOF. Any thoughts you have there would be welcome. I'll just leave it at that. I have one more question, which I forgot, I'll come back to.

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Okay. Thanks, Jennifer. Let me start with the stimulus piece first and I'll come back on the wireless backhaul. Overall, on stimulus, we see it unfolding. And we don't know exactly how it's going to impact the economy. But for example, just in the last day, I heard that folks with SBA loans, the banks are being told by the SBA that those loans are going to be paid for the next 6 month, principal and interest. So that gives us some optimism on the small business side. In terms of stimulus, from an infrastructure perspective, we're deep in those conversations. In fact, I'm participating in a listening session with the House Energy and Commerce Committee later today. And so we're driving discussions around how we take that stimulus and close that digital divide. And we absolutely feel we're ready with shovel-ready projects to implement those across our service territory. We've done the analysis in preparation for RDOF, as I mentioned in the previous question. And so what I want to demonstrate for the staffs and the congressional reps and senators that are working on that is we can make this happen now. And I think we're in a good position to make sure that complements our RDOF and the sunset of CAF transition to greater deployment of broadband.

So back to the wireless backhaul question. We saw, as I mentioned in the prepared remarks, an uptick in bandwidth augmentations. And we're very well prepared to handle that. Our network team does an excellent job in managing capacity and keeping us positioned to move as bandwidth demand catalysts drive increase in usage. So we saw augmentations. We also set up an expedite path to continue to look at anything, any dynamic that changes in bandwidth requirements across our carrier customers, and we've got a good reputation for being responsive in that way.

Yes, we are seeing some RFIs and RFP activity to continue supporting the commitments that were made to accommodate the T-Mobile-Sprint merger. And any more than that, I think, would be speculation, and I probably can't comment on it at this stage. But we're optimistic, and we feel well positioned to help in our markets with the unique assets that we have.

Operator

(Operator Instructions) And I'm not showing any further questions at this time.

C. Robert Udell - Consolidated Communications Holdings, Inc. - President, CEO & Director

Well, thank you all for joining us on this call. And I do appreciate -- we all appreciate your support of Consolidated, and we look forward to updating you next quarter on our results and all of our progress with COVID-19 backdrop. Have a great day, and please stay safe.



APRIL 30, 2020 / 2:00PM, CNSL - Q1 2020 Consolidated Communications Holdings Inc Earnings Call

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for your participation, you may now disconnect. Everyone, have a wonderful day.

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