

STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE
PUBLIC COMMENTS HEARING

REGARDING:

THE 2014 VERMONT TELECOMMUNICATIONS PLAN

Pursuant to 30 V.S.A. § 202d

HELD:

Thursday, September 18, 2014

2:00 p.m.

Middle Branch Grange Hall

Store Farm Road

East Bethel, Vermont

BEFORE:

Jim Porter, DPS, Moderator

Clay Purvis, DPS

Kiersten Bourgeois, ACCD

REPORTED BY: MARILEE JAYE YOUNG, CSR

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1 THE MODERATOR: Thank you all for
2 coming. We're here today for a public hearing to
3 take comments on the 2014 comments draft of the
4 telecom plan. I'm Jim Porter with the Department of
5 Public Service. With me is Clay Purvis, also with
6 the Department, and Kiersten Bourgeois, who is with
7 the Agency of Commerce and is the governor's
8 representative to Connect Vermont. I understand
9 that we're finding power outages and an imminent
10 frost may have affected our turnout. We do have
11 another hearing tonight at six in Strafford, but I
12 guess, we have a list, if you would, we've got a
13 court reporter here and, when you come to speak, if
14 you could come sit in the chair, I think she would
15 be able to hear better. And, after everyone makes
16 their comments, we're happy to hang around
17 afterwards and answer questions that anyone has
18 about the plan or anything else.

19 And, with that, anybody like to speak
20 first? Anybody?

21 I can also say, if you don't speak, if you
22 have written comments or know someone who couldn't
23 come today, you can mail them to the Department, you
24 can e-mail them to us. We can give you those
25 addresses before we leave. There's some copies of

1 the plan in the back if anyone would like to take
2 one, and I think our contact information is on that,
3 as well.

4 CJ STUMPF: I have a list of people
5 that I'm supposed to give comments for. I'm hoping
6 my cell phone battery holds out long enough. I'm in
7 one of the areas of the power outage. And I'm CJ
8 Stumpf, and I'm from East Randolph, and we're an
9 area that doesn't have any coverage, and so this
10 just sort of, say where I'm coming from, I got
11 interested in this issue because we had called
12 FairPoint I think eight times. Every six months I'd
13 call again, say, Please can we have DSL? And then
14 Sovernet, and, let's see, Exceed, which used to be
15 the Blue Sky satellite guys, we can't get a shot at
16 their satellite, and I think I already said
17 Sovernet, and -- so we called everybody. Eventually
18 I got with the VTA. That got me to meet the ECFiber
19 guys. I'm now the ECFiber East Randolph rep., they
20 didn't have anybody from my area, and that's part of
21 the reason why, when the telecom plan came up, I was
22 like, Oh, good, and I took a look.

23 And so I'm going to start with comments
24 from a lot of the people from my area. So we're a
25 very agricultural area; we have dairy, we've got --

1 we've got dairy goats, we've got dairy cows, not a
2 lot of beef, we've got a lot of produce, horse
3 farms, and you'll be hearing from some folks from
4 those other areas, but what happened is, with the
5 frost coming in, especially in a produce area,
6 people said, I cannot come tomorrow because we're
7 going to be cranking, trying to get it in before we
8 lose everything, so could you please, you know, say
9 this for me. So some of these comments I will
10 submit in their entirety as written comments, I'm
11 not going to go and read you ten people's different
12 comments, but I'm just going to tell you, as well as
13 I can, and I hope they'll forgive me for doing this,
14 what it is that they really want.

15 Is that okay? I know this isn't standard,
16 but --

17 THE MODERATOR: Yes.

18 CJ STUMPF: All right, so let's see.

19 So Veronica Knudson, she operates Veronica and Ernie
20 Knudson's Garden in East Randolph on Route 14. And
21 they produce produce along with absolutely fabulous
22 pumpkins and hay, which helps a lot of us. And
23 let's see, so Veronica's viewpoint is this. She
24 really wants Internet, because she got to a friend's
25 place where it had Internet this year and halved her

1 costs on sourcing product, and she wants to put up a
2 website, and part of the savings within shipping,
3 because shipping varies so much, depending upon your
4 source. Speaking of which, if you have Internet you
5 can use Amazon Prime, which is eating Amazon funds a
6 little bit because their shipping costs are a little
7 higher than anticipated, but it's a really great way
8 to not have to drive on Route 15 and 66. I'm not in
9 any way affiliate with Amazon but I hate driving on
10 the roads. And so she said she's on -- she's a
11 senior and she's on a fixed pension or a
12 fixed-income situation, and so one of her requests
13 is to really reinforce the thoughts you guys have
14 had on using some kind of funding to help fixed-
15 income seniors to be able to afford Internet. They
16 are out there trying to do business things. I mean,
17 Veronica and Ernie -- how old's Ernie, 70 something,
18 right? Yeah. And he's still out there, I mean,
19 he's growing a lot of stuff. And the Armstrongs I'm
20 going to speak for next, they're in their seventies,
21 they have four hundred acres of land in our area,
22 they are dairy farmers for a long time, they're
23 passing their farm along to the next generation.
24 Are they a Dairy of Distinction? I'm trying to
25 remember. Silloways are, and they couldn't be here

1 today, and so, anyways, I'll -- but so she said
2 she'd like to get bundle if she could that includes
3 TV, Internet, and phone that's affordable. And she
4 wants her website so she can advertise, because
5 right now her ability to reach her target market
6 with her produce is pretty restricted to word of
7 mouth, and she wants Internet so that she can reduce
8 her -- now these are my words, not hers --
9 acquisition costs for business. I was getting one
10 of the people car-pooling, Dowell family, Quick,
11 write this down, because she suddenly can't come.
12 She apologizes, she was right in the middle of
13 canning a whole bunch of coleslaw, and the power
14 went out. She's like (untranscribable sound) I was
15 going to come and give comments and I can't.

16 Then there's Stanley and Larry Armstrong.
17 They have the dairy, and this goes also for their
18 next generation farmers that they're passing the
19 farm on to because they don't have children, which
20 is Jason, and, uh, help, I'm drawing a complete --
21 Hazel, thank you. And they have the same situation
22 that Tim Angell had mentioned of needing to file
23 reports on-line with the State, which they have
24 trouble doing without the Internet, and they
25 apologize, in addition to running their dairy

1 operation, they also acquired the local store and
2 kept it open when it was going to close, and so they
3 were, when I caught them, they were running over
4 there, just getting a generator set up to keep the
5 store open because the power was out there, too.
6 And so, from their standpoint, also, a lot of the
7 milking parlor equipment is set up, you can get onto
8 the Internet and tie into systems there. So -- and
9 then, lastly, their brother Marshall, who just moved
10 back up from Boston to live with them, is a complete
11 movie buff, and he wants to be able to stream, and
12 so he says, Please give me fast Internet so that I
13 can watch movies, which he loves and is -- if you
14 want to know anything about a movie, you go ask
15 Marshall Armstrong.

16 Then -- I'll start paraphrasing -- Liz
17 Leeds is also local area. She says, I've got a
18 second home. Quote, since I do a lot of work with
19 Brazilian colleagues, I Skype frequently and
20 download lengthy documents. I can't Skype from my
21 house from Vermont and the connection frequently
22 drops or is very slow, the connection she does have.
23 I would spend a lot more time in Vermont and, thus,
24 spend more dollars if I had a fast and reliable
25 connection.

1 Zach Hozid is a law student. He's unable
2 to do his homework adequately and he's got no TV and
3 he's just isolated up on the hill. So he's -- he
4 needs -- and I'm hearing that from other people who
5 would like to be able to rent to the law students
6 and the VTC students is that it really restricts the
7 growth of those colleges and our ability to leverage
8 our assets by renting out, because all of those
9 students can't function without Internet.

10 Bunny Harvey, teacher, artist, second home,
11 she's unable to work efficiently in Vermont.

12 Niko Muhly, a son of Bunny, here I'm
13 getting into -- he's an American contemporary
14 classical music composer. He has no Internet at
15 all, and he has to rely on what his mother has, and
16 many times it's very slow and drops frequently.

17 Maureen McCullough and Sue, a nurse at
18 Dartmouth, she got rid of her land line because --
19 here I don't understand the comment, sorry -- she
20 could talk to the neighbors without static and
21 crackling, and she forgot to send her note about
22 Internet so she'll send that one later, sorry. So
23 expect more from Maureen McCullough and Sue.

24 Victor and Lucille Boule, they run Bath &
25 Boule on Route, which is a fairly -- you know guys

1 know the construction business Bath & Boulet? They
2 can't get good Internet or cell services, and their
3 kids can't do their homework at home, so they're in
4 the need a website, need cell service for safety and
5 communicating and coordinating their business.

6 Let's see, Carol and -- let's see, and
7 apparently she was trying to gather the input from
8 her neighbors and she ran out of time. Carol and
9 David Jarmy, right now they have a horse farm, they
10 went to Exceed, but that's metered, and they have a
11 daughter.

12 And then Steve Small is dairy and hay up on
13 Clay White Road, and I'll try to gather his comments
14 and get that to you.

15 Dan Small is a relative -- actually, Tim,
16 you know how that ties in. Are they at the same
17 operation?

18 TIMOTHY ANGELL: No. No, Danny
19 doesn't work for his father.

20 CJ STUMPF: Oh.

21 TIMOTHY ANGELL: But he lives with
22 them.

23 CJ STUMPF: All right.

24 TIMOTHY ANGELL: He does have a repair
25 business.

1 CJ STUMPF: Okay. Cool. Well,
2 apparently he wants it, and he wants to send you
3 information.

4 And there's a couple of more, I'm just
5 going to stop here with. And then Sam Lincoln sent
6 me a comment that I'm going to paraphrase, but he
7 said, I can't make the meeting tomorrow, as we dash
8 to harvest crops ahead of a frost -- and I will
9 deliver his full comments -- but, basically, he
10 says, Having owned agricultural and timber
11 harvesting business in western Orange County for
12 over twenty years, the cell phone's been a huge
13 assistance to his operation for scheduling product
14 transportation, ordering parts, supplies and fuel,
15 along with getting technical support for machinery
16 and communicating with employees from remote
17 locations. Those are daily occurrences as we are
18 almost never near a land line during normal business
19 hours.

20 And so he goes on to discuss the enormous
21 savings and time and efficiencies that he gains from
22 having that. However, he says, the largest benefit
23 of cell service to their operation is safety.
24 Timber harvesting has hazards, and they've done a
25 lot of safety training, I know the operation, they

1 have, and he then cites an interesting comment that
2 I'm going to mention because it actually has a
3 perfect parallel to my operation training difficulty
4 horses. He had a situation where he was out of his
5 machine using a chain saw to make final cuts to some
6 logs that had been partially processed. The logs
7 rolled and slammed me to the ground and I had my leg
8 pinched between two of the logs that had a combined
9 weight of 2500 pounds. I opened my eyes to a chain
10 saw idling by my chest, and I wrenched myself free
11 of the logs, twisting my knee badly in the process.
12 I lay on the ground for a good fifteen or twenty
13 minutes with my leg throbbing along with the
14 overwhelming fear of a much worse accident that I
15 had just potentially avoided, but a larger fear was
16 that I had no cell coverage to call for help. When
17 this occurred I had on a hard hat, ear protection,
18 high-visibility vest, chain saw safety pants, and
19 steel-toed boots, along with several safety training
20 certifications. Had I not been able to free myself,
21 my iPhone wouldn't have done me much good because
22 there was no cell service for a half mile one way or
23 more than a mile in the other direction. I would
24 likely have remained pinned until dark set in nine
25 hours away and I didn't return home.

1 So what they've done, instead, since that
2 incident is install 100-watt safety radios, at
3 considerable expense to their business, and revised
4 all their training methods. But, on their hilly
5 terrain, with the limited size of antennas that a
6 machine can handle, the normal 15-mile range for
7 that type of radio is reduced to two to three miles,
8 constraining their operation.

9 And then -- I hope it's not going to be too
10 confusing, but we are also in an area that has no
11 cell coverage along with no Internet, and my
12 business was and still to some extent is retraining
13 difficult horses which I'm often doing alone, and my
14 safety procedure that -- he goes on to talk about
15 hourly call-ins that they've instituted since the
16 incident. My safety procedure is I call somebody
17 and I say "I'm getting on, and I'm going to call
18 back in" -- and I give them a time that's no more
19 than a half an hour; because, if I have a head
20 injury and there's not a lot of time for me to get
21 stabilized. At that point, if the person can't
22 reach me -- if I don't call in right on time, they
23 call in me. If they can't reach me, they call the
24 police. My problem is, not only is our cell service
25 marginal, it's flaky; sometimes I've got it and

1 sometimes I don't. So my operation now is, see if
2 the cell phone works, put it on top of a jump
3 standard, if it doesn't work go up to the house,
4 move the bay station so that I can reach down to
5 where I'm working, run back down, put the hand set
6 on top of the jump standard, and hope that if I have
7 an accident I can knock the jump standard over, get
8 the hand set, and it still works. So the safety
9 factor for this in an area like Vermont, I don't --
10 I didn't see it addressed, and it's a funny thing
11 because it's not normally something you would ever
12 consider, but it's come up again and again.

13 So I will send the rest of Sam's comments
14 in. And the only other thing that he and I and many
15 of my neighbors have seen is, for whatever reason,
16 and this is not part of the plan, but we're seeing
17 reduced coverage along Route 14 and Route 107 in the
18 last four to six months, which I would agree with.
19 So that used to be areas where we could reliably
20 make calls and now we can't; so, if there's anything
21 that anybody can do to find out what happened, and
22 he said, and I said the same thing, we've done the
23 mark the spot where you can say to them, There's no
24 coverage, and we haven't gotten any improvements.

25 So I'm going to yield the floor and come

1 back a little bit later with my comments, but that's
2 everybody else's, or that's two-thirds of them.

3 THE MODERATOR: No, those were great.
4 I have to tell you that I've been working with the
5 legislature for about nine years now, and from
6 January to May I've heard those comments from
7 Senator MacDonald, literally, every day, so I'm well
8 familiar with the constraints in this area, and it's
9 really helpful to hear your comments.

10 CJ STUMPF: Okay, great. I'm glad
11 they were helpful.

12 THE MODERATOR: And we'll do questions
13 once everybody that wants has made their comments.

14 CJ STUMPF: Okay. Thank you.

15 THE MODERATOR: Who else?

16 JOHN ROY: Okay. My name is John Roy.
17 I live in Vershire over on the other side of Orange
18 County, and I'm here in my capacity as treasurer of
19 ECFiber, and I gave testimony at the State House
20 this year, and this is -- this is very focused and
21 just on a few things within the plan, and I'm a
22 speaking on behalf of ECFiber but I would imagine
23 anything that would be helpful for us would be
24 helpful for any other smaller, present or future ISP
25 trying to get things going.

1 The first thing is there are regulations in
2 place regarding pole make ready, and we would say
3 that anything that the Department can do to review
4 the processes and the procedures and the costs and,
5 secondly, if there's anything that can be done on
6 enforcing these; because, for a little, still-small,
7 hand-to-mouth operation, time -- or for anybody time
8 is money, but for us it is. And, when a pole
9 license should take a maximum six months from
10 application to license being granted and it goes
11 nine months, ten months, this is -- this is money
12 down the drain for us, and it's very, very
13 difficult. And -- and as you well know, we may put
14 in if we had a 2-mile stretch, we put in application
15 for 52 poles, and 51 of the licenses come through
16 and that's really great, that's 99 percent, but we
17 can't run anything until we have the licenses for
18 all of the poles. So that's one thing, if there's
19 anything that the Department can do in that area.
20 And the other thing that happens is we don't really
21 understand all the tariffs on make-ready costs, and
22 it seems like we'll get some estimates and they're
23 just a lot higher than the previous ones, and we're
24 not quite sure why, and, again, that's another
25 issue. So that's Item 1 is make ready.

1 The second thing, and this is dealt with
2 somewhat in the plan, and this is policy on line
3 extension. I guess particularly this affects cable
4 companies, and I don't want to speak on behalf of
5 cable companies, I'm sure they're very capable of
6 doing that, but the physical plant that they have in
7 place and the customers most likely provides them
8 with a good return on their investment and they're
9 happy with that, and going beyond these, it's lower
10 density, lower take rates, and is not as attractive
11 to them. And I guess my point is that, to the
12 extent that they are given incentives to extend,
13 somewhat, their reach, what that does is it makes
14 the remaining area that is not affected by them even
15 less attractive and more difficult for people to
16 reach, and we definitely -- our focus right now is
17 on going to places where people don't have good
18 alternatives. So, if that gets expanded, it makes
19 it a little more difficult for us.

20 So those are the two comments I have about
21 things that the Department might be able to work on.

22 At the State House, Pam Mackenzie, the
23 chairman of the current and soon-to-go-out-of-
24 business VTA, gave testimony, and there were two
25 things that she said, I noted. One was encouraging

1 people to think outside the box, which we all talk
2 about; and the other is to be willing to take some
3 risk. And, as I thought about that, was thinking,
4 this could mean thinking beyond regulatory meetings
5 as a way to reach our goal of chicken in every pot,
6 Internet in every home; and, also, a second way is
7 to think about financial support that can be given
8 other than grants, there are ways that that could be
9 done I'll talk about; and then, thirdly, is what can
10 be done across departments within the government to
11 make things happen and for the Department of Public
12 Service to achieve its goals of Internet coverage.

13 And so, as a result of those things, the
14 first is dark fiber being run with last-mile
15 accessibility. This is getting a little off but, as
16 you know, when the Town of Vershire found itself
17 excluded from even consideration for a grant from
18 the VTA, we, the citizens of our town, were quite
19 unhappy; but, ultimately, the Orange County fiber
20 connector was -- was developed and put in place. I
21 was guilty, as were a few others, of thinking of
22 this as a booby prize; but, nonetheless, as this has
23 been put into place and as other dark fiber license
24 are being considered and will be built over the next
25 twelve months or so, these are useful to an

1 enterprise like ECFiber, because what it does is, on
2 those areas, it reduces -- doesn't take down to zero
3 but it reduces the amount of investment we have to
4 make to make it work; and, secondly, these -- these
5 lines are able to go by places where there is just
6 not an attractive density of housing, but it gets
7 from one area to another and, if we are not required
8 to spend the full ticket on that, it is very, very
9 helpful. So we have the Orange County fiber
10 connector, there are going to be a couple of
11 extensions off of it, and then the VTA's approach in
12 Orange or -- more in Orange County but in ECFiber's
13 area of using dark fiber to fulfill their BBID,
14 business broad band improvement districts, this will
15 allow us to have a presence in 19 of our 24 towns
16 and be very, very close to three other towns. So
17 anything that can be done in the way, of that, from
18 our point of view, it helpful.

19 The next thing is, we have a business
20 model, a financial model, where we don't get very
21 many grants, we haven't been successful. We borrow
22 money, and then we pay it back, and we are able to
23 do that within the constraints of what we have and
24 where we're working; and so, from our point of view,
25 an awful lot more mileage can be got from state

1 money in the form of something that makes the loan
2 pool available to us. Because we have two major
3 constraints when we borrow money, well, many, but
4 two major ones. The first is, because we are a
5 startup, a risk, our rate of borrowing is maybe a
6 little higher than it might be; and, secondly, we
7 just don't have the pool to fish in to get funds,
8 and so the acquisition of funds is big; the cost of
9 them is another issue. And, if something could be
10 done with the State's bonding power, with various
11 authorities, and this goes well beyond outside of
12 just the Department of Public Service, and it
13 involves the state treasurer and others but, if
14 something can be done in the area of either loan
15 guarantees or a revolving loan fund or something to
16 this effect, we are at the point now where we have,
17 as of the end of June, we reached a cash positive
18 EBITA, Earnings Before Interest, Taxes, Appreciation
19 and Amortization, by the end of this year forward-
20 looking statement, for anyone who's out there, we
21 expect that we will also be able to handle our loan
22 service obligations from our excess revenues. So we
23 could borrow money -- if we can borrow money, we can
24 pay it back. Anything to help to do that and
25 support it and, again, primarily this is not the

1 Department of Public Service but, if in various
2 conversations you can say, Yeah, if that's done,
3 that'll help towards the goal that we've been given,
4 I think would be very helpful.

5 And the last thing, and this is not a
6 definite thing, but ECFiber is beginning to explore
7 the possibility of forming a municipal utility
8 district. For that to happen it will take an act of
9 the legislature. We are just exploring what that
10 might involve but, if all of that can be done, an
11 utility district is something that the nationwide
12 bond market understands more than an interlocal
13 agreement or an LLC formed by an interlocal
14 agreement, and we expect that we would be able to
15 participate in the Vermont Municipal Bond Bank, and
16 again, this would be helpful.

17 So, again, here it's legislation, it's
18 wonderful people like Mark and others that we will
19 be counting on should we go in that direction; but,
20 again, it's part of you reaching the goal that
21 you've been given and the State reaching the goal,
22 any support in that area would be helpful. And
23 that's what I have to say.

24 THE MODERATOR: Thank you.

25 MR. ROY: Thank you.

1 THE MODERATOR: We'll get back for
2 questions after the comments.

3 Who else would like to speak?

4 MR. SADOWSKY: I would. This is the
5 first time I've testified before any government
6 committee and --

7 THE MODERATOR: Please state your
8 name.

9 MR. SADOWSKY: Pardon me?

10 THE MODERATOR: Please state your
11 name.

12 MR. SADOWSKY: Oh, George Sadowsky.
13 So I wasn't sure what the protocol was. I've
14 written out my remarks, but I'll try to ad lib and
15 deliver them with some feeling so you won't go to
16 sleep as I proceed.

17 I'm a resident of Woodstock and, among
18 other things, I'm also a member of the ECFiber
19 governing board. However, I'm speaking to you today
20 solely on my own behalf, as an individual.

21 Okay, you've put together an important
22 plan, an ambitious plan, a very large plan, of which
23 I've read only parts; and the parts I've read are
24 concerned with the Internet, because I think that's
25 of particular importance to Vermont. It also is the

1 carrier that can carry video and voice so, in a
2 sense, it's a universal communications area.

3 I've worked in the Internet space for
4 almost thirty years, and I want everyone in my town
5 as well as in Vermont to have all of the advantages
6 it provides, so I'm going to address two specific
7 points.

8 The first is the near-term goal, the
9 asymmetric goal of 10 megabits down and 1 megabit
10 up. I believe that this goal doesn't correspond to
11 the Internet that Vermonters really need now and
12 certainly in the future. It emphasizes that it's
13 much more important to get information coming
14 downstream than it is pushing information upstream.
15 It's biased toward receiving entertainment. That
16 may not have been the purpose of it; but, in fact,
17 you can get a large flow of entertainment down with
18 10 megabits a second, there's no problem; but, if
19 you're serious -- if you're in business and even if
20 you're involved socially in a whole bunch of things,
21 such as the comment about the Brazilian Skype
22 partner that you made, you can't do it with 1
23 megabit up in any reliable way. And so I think that
24 that was -- I don't think that was well thought out,
25 and I think that it's -- it's important that

1 Vermonters be able to produce digital information
2 and disseminate it in ways that do not put them at a
3 competitive disadvantage to their counterparts who
4 are doing the same thing in other places. So -- so
5 I think, to meet the needs of Vermonters, it would
6 really be more realistic to change the plan, to
7 choose a goal that's more symmetric and recognizes
8 that people who earn their livelihood on the
9 Internet do require that high band in both
10 directions.

11 The second issue concerns areas of Vermont
12 that are rural, sparsely populated, and unserved.
13 Your plan mentioned municipal networks; and when I
14 think of municipal networks, by the way, I don't
15 think of -- when I think of municipalities, I think
16 of Boston or New York, I don't think of Woodstock
17 and Bridgewater, maybe I'll think about Burlington.
18 So -- so I think that, in some sense, the
19 implication that a network is municipal and,
20 therefore, one can make statements about it carries
21 with it, again, it's implicit, maybe you didn't
22 think of it but I immediately did, that there's
23 liability on the part of the municipality in the
24 event that something happens to the network, it goes
25 bankrupt, can't make its payments, or whatever, and

1 I think it's important to distinguish between the
2 municipal networks in your terminology where the
3 municipality is involved financially and networks
4 where the municipality bears no liability
5 whatsoever.

6 Um, your VTA plan mentions that municipal
7 networks should not be encouraged when they compete
8 with existing commercial or otherwise not-for-profit
9 networks and, okay, that's fine, that's a point of
10 view which I might share; but where there is no
11 Internet presence and probably no possibility of
12 competition whatsoever in the near future, your plan
13 is silent. I believe that's an omission that needs
14 to be corrected. Let me put this in perspective. I
15 moved to Vermont six years ago, and I was heavily
16 involved in an Internet project at the time and
17 still am. I moved to -- I had no move to a place
18 where I had high-speed connectivity. I moved to
19 Woodstock and I -- but before that I soon discovered
20 that in Woodstock and actually in every other town I
21 visited in Vermont, the majority of the town was not
22 covered by high-speed connectivity and, in many
23 cases, by no connectivity whatsoever. Where there
24 was connectivity, it was either dial-up, which is
25 a -- I don't know, there's nothing to say about

1 dial-up -- or there's DSL; and DLS, of course, as
2 you know, according to the laws of physics, varies
3 according to how far you are away from -- where you
4 are from the box and, if you're at all away from the
5 box, you really don't have enough connectivity to do
6 very much at all. Yes, you can do it if you write
7 e-mail only but, if you're a serious Internet user,
8 it doesn't work, it's an interim technology and
9 unless it can be improved very substantially, which
10 I doubt.

11 So last year my colleague, Bruce Meunier,
12 and I decided to explore the Internet alternatives
13 available to residents in Woodstock. So we just
14 finished writing and distributing it. It's A
15 Woodstocker's Guide to the Internet, which we're
16 kind of happy with, except it contains some errors,
17 which I wish weren't in there, we'll come out with a
18 second edition next year. We explained various
19 technologies and business approaches involved, and
20 we also provided information about the Internet
21 service providers that offer service in Woodstock.

22 So, in talking with all the providers, and,
23 in fact, we also talked with you, Kiersten, when you
24 came down to visit us, Peter and I found that with a
25 high possibility no commercial service provider in

1 Woodstock would provide high band width service
2 beyond the narrow corridors of Route 4 and Route
3 106. The reason is simple; the customers density
4 simply wasn't there to allow them to recoup their
5 investment in and maintenance of the network, and I
6 think this is common knowledge, but the point is
7 that this is not likely to change in the future.
8 And that means that, if -- if some other group
9 doesn't step in to provide the connectivity to those
10 rural areas in a rural state, they're not going to
11 get beyond DSL, ever, and that is -- I think that's
12 unacceptable. I believe Woodstock's not unique;
13 there are large pockets of unserved premises in many
14 of the counties in Vermont.

15 So the municipal networks, with the caveats
16 that I've mentioned before, such as ECFiber, and
17 there may well be others, are trying to remunerate
18 the situation. ECFiber has as its goal provision of
19 high broadband Internet connectivity in every
20 premises in twenty-three towns, twenty-four towns,
21 twenty-three towns and Montpelier in Vermont,
22 including Woodstock, and it may be inadvertent in
23 competition with established commercial carriers
24 when it passes through town centers, it has to. But
25 its real goal, and goal I subscribe to fully as a

1 board member, is to make Internet available to
2 everyone throughout all these towns, so achieving
3 this goal levels the playing field so that those in
4 the more-sparsely-populated rural areas of our state
5 have the same opportunities to use the Internet for
6 all the services that it can provide, jobs,
7 businesses, education, health care, personal and
8 social interaction, as those of us who currently
9 have adequate connectivity.

10 So I urge you in finalizing your plan for
11 the state to recognize the value of municipal and
12 other not-for-profit networks that are willing to go
13 where no commercial Internet service provider is
14 willing to go and to consider encouraging and
15 supporting them in various ways. It's only with the
16 work of these organizations that all Vermonters,
17 regardless of where they live, will eventually have
18 the quality of Internet service that we all deserve.

19 Thank you.

20 THE MODERATOR: Thank you.

21 TIM ANGELL: My name's Tim Angell. I
22 operate and own White Rock Farm along with my wife,
23 Janet, and our two sons, Matt and Joe. We also have
24 a sawmill just down the road here on Route 14 that
25 we run. We don't have any Internet service; we have

1 dial up now. We have some part-time employee, we
2 have to file forms with the federal government.
3 It's very hard to do on dial-up, and it's hard to
4 buy a computer these days that will work on dial-up.
5 We have a lot of trouble. And our modem went a
6 month or two ago. I called up, I need a dial-up
7 modem. "A what?" they said. You know. But we have
8 a little bit of a unique situation because the farm,
9 itself, is on a dead-end road, and it's three
10 quarters of a mile from the next nearest residence,
11 and it's up Clay White Road, just down the road
12 here. And ECFiber, you know, might eventually run a
13 line up, but I talked to them and FairPoint and
14 everybody else, and I explained the situation. They
15 all say the same thing, it costs ten to fifteen
16 thousand dollars to run a line to our house, and
17 they won't do it. You know, it's -- we just built a
18 new dairy facility down the road. The boys might
19 want to put in robotic milkers. Can't do it without
20 high-speed Internet. Our son-in-law -- our -- my
21 daughter-in-law is a teacher down to Lebanon High
22 School. She has to stay down there 'til 5:30, six
23 o'clock every night to do her work because she can't
24 do it at home. Cell phone service is very spotty,
25 too. It would be nice to have high-speed Internet,

1 but I don't see it happening right off.

2 THE MODERATOR: Thank you.

3 Anybody else?

4 STEWART SKRILL: Sorry, I came in a
5 little late. My name is Stewart Skrill; I live on
6 the South Randolph Road. I've been a resident here
7 for over twenty-five years; I've got a farm there.
8 And, basically, it is really unconscionable that
9 Vermont and rural Vermont have to be deprived of an
10 asset that is going on throughout this whole nation,
11 and it's about time that we came out of the dark
12 ages. It must be done. And I understand that
13 United States Senate had passed a resolution to go
14 ahead and move in this direction so, if it's going
15 to take fiber optics, then that's what it must be.
16 What you have to -- you have to do something,
17 because we -- we don't have the population density
18 that other states have. I mean, that's just
19 demographics, can't get away from it. No matter
20 what, to try to get a group of people together is so
21 difficult. This is really classical. At least
22 you've got some people here, at least you have some,
23 but I went to an event hearing upstate and it had a
24 full house, but it was in St. Albans and you have a
25 greater population density. You've got farmers;

1 they don't have any resource to get information.
2 Tim Angell at the end of the block, we've got the
3 Gasts over here, they don't have anything. Why
4 should they be deprived? They're willing to pay for
5 it, but they're not going to pay thousands and
6 thousands of dollars to put lines in.

7 So, when FairPoint had taken over from
8 Verizon, there was assurance, from what I
9 understand, that they were going to go ahead and
10 continue their lines and they were going to provide
11 that service, but I don't know if they got involved
12 with the Public Service Board, which I had
13 reservations about. A lot of nice people that work
14 there, but some of the things really bother me. But
15 I'm glad you brought this hearing here. I'm sorry
16 I'm late, I missed the beginning of it, but you
17 heard my piece.

18 IRV THOMAE: I want to make sure
19 anybody local has a chance to speak before I do.

20 THE MODERATOR: Anybody local?

21 JESSAMYN WEST: Local, I guess it
22 means I'm in fancy part, Randolph, where we have
23 broadband.

24 My name's Jessamyn West, and I live in
25 Randolph. Before I lived in Randolph I lived in

1 Bethel, and before I lived in Bethel I lived in
2 Topsham where we had and still have nothing, for the
3 most part, except for what Topsham Telephone's been
4 able to run down the main lines, which has been
5 awesome. I work at Randolph Technical Career
6 Center, and I teach people how to use computers for
7 a job and, in addition to that, I have one of those
8 Internet jobs that I do from my home, which I can
9 basically only do because I live in the middle of
10 Randolph where we have broadband. I wrote a book
11 about the digital divide a couple years ago, and I
12 spent a lot of time reading the 2004 Telecommuni-
13 cations Plan, and I'm excited about this new
14 Telecommunications Plan only 'cause having data is
15 really important for making a case not just for
16 government people but also library people, where I
17 work, and business people when you're trying to
18 encourage people to do stuff.

19 So I just had three things to mention in
20 terms of what affects me and what I was thinking
21 about when I read the Telecommunications Plan. No.
22 1, I'm really hoping that we'll be able to focus on
23 results and not just projections. We all know
24 there's a difference between saying 99 percent of
25 Vermonters have access and 99 percent of Vermonters

1 are using something, anything. I thought it was
2 sort of interesting listening to people talk about,
3 you know, people having to use dial-up. One of the
4 things about dial-up, which I used when I was in
5 Topsham, and it was okay, is that the Internet has
6 changed, and the Internet doesn't work on dial-up
7 the way it used to. And so people who may be
8 remembering with fond memory that wood stove and
9 their dial-up, they can't do that anymore, and I
10 think we need to be realistic about the fact that
11 that's not any option at all. The
12 Telecommunications Plan mentions that everyone with
13 a phone has dial-up, and it's embarrassing that we
14 even have to say that, I think.

15 And the other thing it doesn't mention,
16 moving on, is the extra cost that come for people
17 who are rural who use a lot of these services. So,
18 you know, Burlington, Vermont's got Internet service
19 provider choice. Awesome. That probably means most
20 Vermonters have Internet service provider choice.
21 That has nothing to do with us here. I mean, I'm
22 lucky, I have broadband and DLS options. I live in
23 the woods, so I can't use satellite. My cell phone
24 works from my home, though it doesn't work here.
25 And what happens, the farther and farther out you

1 go, is that not only does broadband become dicey,
2 but you wind up having fewer and fewer providers,
3 and in many cases, I have friends that live up on
4 Gage Hill, they have satellite. They're not super
5 stoked about it, but, whatever, it does work, it is
6 broadband, but one of the other things they have is
7 broadband caps. They can only use a certain amount
8 of broadband every month. That amount is not enough
9 to update the hardware and the software on their
10 computers, much less streaming and doing everything
11 else. They come over to my house to update their
12 software in Randolph; they drive 10 miles in their
13 automobile with their laptop so that they can update
14 their software because they can't do it at all, not
15 even if they wanted to pay, with that. So I think
16 we need to think about extra fees. When I was in
17 Topsham, my dial-up cost twenty bucks a month, but I
18 didn't have a local number, so I had to call a
19 longer-distance number, and that cost me an
20 additional twenty dollars. I want to make sure
21 we're seeing all the fees that are associated with
22 this, not just, Well, you can get a cell phone for
23 forty bucks. Yeah; but, if your band width goes
24 over it, suddenly you've got a hundred-dollar bill.
25 It's like being up in East Berkshire and winding up

1 in Canada by mistake, and all of a sudden your tax
2 cost fifty bucks.

3 I agree with what people were paying for,
4 we really want symmetric options; because, if you
5 want to be a maker, a content provider, somebody who
6 actually does a job here, you need to have access to
7 send your products, services, itself, and content
8 upload. I can't even get a picture up to Instagram
9 from this building, which is just Instagram, but
10 people are using social software and social tools
11 for business as much as they're using it for
12 personal things. The anecdote I wanted to make sure
13 I mentioned is, when hurricane Irene ripped through
14 our area and many, many people lost power but could
15 still use their cell phones, that wasn't the time
16 you wanted to learn how to use the Internet. That
17 was the time that, if you already knew how to use
18 the Internet and you had access to it, even through
19 a phone, you would have superior ability to deal
20 with your public service and health crisis
21 situation. And we saw FEMA using their Facebook
22 page to push content to people because their own
23 servers were under water. So it's important to
24 understand, Point No. 3, what we have is as much a
25 digital divide where if you don't have a computer,

1 most people have computers now, we saw it in the
2 plan, where you don't have access, we're getting
3 more people access, and almost everybody in Vermont
4 has access through their public library, which is
5 exciting but not a solution. But the thing that
6 we're really seeing is an empowerment and usability
7 divide, which isn't necessarily part of the plan,
8 but one of the things that I really want to see is
9 aggressive work to work with other departments to
10 make sure that, once people have this access, they
11 know what to do with this access. Listening to the
12 woman talk about her friend, the business woman who
13 wants a website, the Telecommunication Plan isn't
14 going to get her a website; she's going to have to
15 find a person or pay some money or find a friend and
16 that's going to be a thing, and dealing with our
17 public-facing content like we did with Vermont
18 Health Connect and like we did with Vermont
19 unemployment pages and that kind of thing. The more
20 we're expecting our citizens to be able to interact
21 with their government, they're going to need not
22 only access but empowerment to feel that those
23 on-line spaces are where they actually want to be,
24 which is sort of what I'm concerned about.

25 One of the things we wanted -- we know,

1 wrapping up, is the people who don't have broadband
2 now are the people who don't have a lot of other
3 things. They have low income, they have low
4 education, they don't speak English particularly
5 well, they're dealing with challenges, they're
6 disabled, they have our structural impediments that
7 are keeping them from being able to be fully active.
8 The extent to which them not having broadband is
9 continuing to disenfranchise them is a huge problem
10 and, if we know the system we have in place is
11 disenfranchising the same people who are already
12 being culturally disenfranchised, I think we need to
13 aggressively and affirmatively deal with that
14 results wise and not just say, Well, we tried,
15 because what we want is results. Thank you.

16 IRV THOMAE: Thank you. My name is
17 Irv Thomae. I'm a Norwich Resident, and I happen to
18 be chairman of ECFiber, and I think -- I'm going to
19 mention comments in most of which I'm speaking for
20 ECFiber, but I'm not -- I hope I'm not talking about
21 the parochial interests of one organization, I'm
22 looking at the state as a whole, and I really like
23 the closing comments of the person who just preceded
24 me, Ms. West. There is a issue of
25 disenfranchisement of lower-income people in rural

1 areas, and I don't -- I wouldn't say that it's the
2 DPS's exclusive responsibility to worry about rural
3 poverty, but I think the telecom plan is an
4 opportunity to help turn around rural poverty to
5 some limited degree by making more economic
6 opportunities available, and I think we should be
7 looking hard at whether the policy, the incremental
8 policies we talked about, will get us there or
9 whether they perpetuate a divide between densely-
10 populated areas and really deep-rural areas. So
11 that's Comment 1.

12 When CJ Stumpf was reporting a number of
13 comments from a variety of neighbors and
14 agricultural products that reminded me of a minor
15 success story for broadband in a rural area. Over
16 in Barnard there's a young couple who make jams and
17 jellies. Now, their particular thing is they make
18 jams and jellies from wines and beers as well as
19 from fruits, and they have a little business they
20 call "Pot Liquor." and they've got Internet now,
21 they've got ECFiber, and they are selling their jams
22 and jellies all over the United States; they get
23 regular orders from Arizona, from grocery stores
24 there. They could never have done that without a
25 fast Internet connection.

1 I want to point to one error in the factual
2 error in the plan. When I testified in August at
3 the State House, I think I pointed out several
4 things. I think this is one I didn't mention. On
5 page 1-27 of the draft plan, there's a statement,
6 quote, As discussed in the Broadband chapter of this
7 Plan, coaxial cable facilities currently provide the
8 fastest broadband Internet in the state."

9 That isn't true.

10 THE MODERATOR: Wait a while.

11 IRV THOMAE: Is that getting fixed?

12 CLAY PURVIS: Yeah.

13 IRV THOMAE: Good.

14 CLAY PURVIS: I don't know why that
15 wasn't said. People understand that fiber --

16 IRV THOMAE: Yeah. Just for the
17 record, we already offer speeds up to 400 megabits
18 per second, and that's symmetrical.

19 (unidentified speaker): Symmetrical.

20 IRV THOMAE: Yeah. So I want to -- I
21 want to second the motion, as it were. I want to
22 reinforce what several people have said. An
23 asymmetrical goal, whether you make it 4/1 or 10/1
24 or 50/1 is a focus on entertainment delivery, and
25 entertainment delivery treats residents as customers

1 and consumers of content; it doesn't recognize their
2 opportunity -- their capacity to contribute to the
3 economy, it doesn't empower anybody to contribute to
4 the economy. People who want to do serious work
5 through the Internet need upload capacity that
6 equals the download speed. People who simply want
7 to do video conferencing or chats with their distant
8 grandchildren need upload speed, but people doing
9 serious work need it even more.

10 I understand that, as the DPS looks at the
11 resources that seem likely to be available in the
12 very near future, that the picture is, well, let's
13 be honest, grim. I won't even say discouraging; I
14 think grim is closer to the fact. But -- now this
15 is a point I tried to lay out in August, and I don't
16 think I made it as well as I wanted to after I
17 listened to it, recording, and my friend and
18 colleague John Roy has brought this up, too. The
19 plan appropriately comments in a couple of different
20 places on the commercial -- on the practical
21 difficulty that traditional telephone companies have
22 faced and that other providers face in that, in
23 order to carry the cost of service way out in very
24 rural areas, you have to cross-subsidize those costs
25 with higher revenue from higher population density

1 areas. This is certainly true for the telephone
2 company. It is also true for a non-profit municipal
3 venture like ECFiber and like others that may choose
4 to follow the model where we've trail-blazed in this
5 part of the state. We have a balance point, too.
6 We have to cross-subsidize the cost of the most --
7 the thinnest density areas by getting higher density
8 in some places, but we're not going to get many
9 customers where the density is highest, because
10 those areas have already been cherry picked by the
11 telephone companies, DSL, and even more by big
12 cable, if big cable found it profitable to go into
13 that town at all. So we're going to pick up
14 customers in a doughnut around the central area,
15 going on out from there. Any policy that encourages
16 further -- that bribes big cable to extend its lines
17 a little further out into the doughnut further
18 jeopardizes the already -- I would say tenuous,
19 we're making it work, there is a good economic
20 model, we can make this work; but, when you push
21 cable farther out into the doughnut around the most
22 densely-populated area, you make the balance even
23 more difficult for the non-profit that is following
24 the traditions set by the rural electrification
25 administration back in the 1930's and '40's of

1 trying to reach everybody where we, too, have to
2 cross-subsidize but you've taken away some of --
3 there weren't any cherries left for us, we were
4 working on the prunes, but you've taken away the
5 prunes, and that's problematic.

6 Now, I've been thinking about this a lot,
7 and I'd like to -- I'd like to point to something as
8 a possible alternative. I did -- we have, several
9 of us from ECFiber, have commented on the benefits
10 of the Orange County fiber connector, and we've also
11 commented on the fact that the VTA now is working on
12 a couple of extensions of the OCFC, a northeasterly
13 extension will go through Randolph, through
14 Brookfield, and Braintree, to reach some business
15 broadband districts, and another one that's going to
16 go down into Sharon and Pomfret to reach broadband
17 districts. This is a tremendous further step
18 forward, because this dark fiber trunk is a facility
19 that any entity can use, profit or non-profit, and
20 it gets through the low-density areas to these
21 pockets. It turns out, if you look across the
22 land -- the economic landscape of even rural
23 Vermont, that there are here and there pockets of
24 higher-population density, as I think, Kiersten, I
25 think you first thought of the broadband district,

1 or you were involved in the inception of the idea.
2 It turns out that there often are clusters of three,
3 four, five home-based businesses, way out in the
4 middle of what the rest of the world would call
5 nowhere -- we wouldn't, but they might -- and these
6 clusters desperately need broadband to contribute to
7 the economy, to succeed economically, even, even a
8 municipally-owned entity like ours which doesn't
9 have to satisfy shareholders, still we have to
10 borrow money, even for us it's difficult to get to
11 that cluster, but we can make a very good business
12 place once we get to that cluster of homes and
13 businesses.

14 So maybe it makes sense to direct some of
15 the limited resources to more of these trunks that
16 reach toward clusters of population. They're all
17 over the place. Since -- the business broadband
18 program was announced in August of 2013, the
19 deadline was in September of 2013, summertime was
20 not a good time to find a lot of people able to get
21 their act together, submit applications. You got
22 maybe ten, fifteen applications. Since that time,
23 without having -- without half trying, I've become
24 aware of numerous further clusters just near where I
25 live in Norwich and in surrounding towns. I would

1 be willing to bet there are many more of these all
2 over rural Vermont. Let's look harder at them.

3 And the last comment I wanted to make about
4 that, I know that your surveys suggest that rural --
5 that a lot of rural people don't know about
6 broadband and can't imagine they're ever going to
7 get it so they can't imagine they're ever going to
8 use it. Well, you heard a couple people say here
9 today, It's never going to happen. You know, it's
10 hard to get somebody to think about what he could do
11 with broadband if he doesn't believe he's going to
12 have it. It's not fair to get his hopes up. Nobody
13 wants to go there, until they think they can make it
14 happen. But don't conclude from the fact that your
15 telephone surveys said, Oh, no, I don't have it, I
16 don't know what I'd do with it. Don't conclude that
17 rural Vermonters -- you've seen plenty of testimony
18 here today, you'd see more if it weren't for the
19 hard frost tonight, that people understand why they
20 need it.

21 Thank you.

22 MARK MacDONALD: I commented at the
23 last hearing at the State House that, as broadband
24 was being built out back in 2009, we had the federal
25 stimulus package. Money was provided to companies

1 to build out their broadband, but there was no
2 requirement that, once that broadband was built out,
3 nothing prohibited the companies from behaving as
4 monopolies and getting all they could from their
5 rates. What's been interesting about the last hour
6 is that this -- this group is a mix of some very
7 liberal, very conservative Orange County residents,
8 and the message that I've heard from both sides of
9 the spectrum is that Internet provides a social and
10 public good and is going to need to be socialized to
11 reach areas like Orange County. A statement has
12 been made that entities can't recoup their
13 investments by building out to sparsely-populated
14 areas, and I -- I disagree. Capitalists choose not
15 to invest money where it takes a long time to recoup
16 their investments, so they cherry pick, as Irv has
17 suggested, and the -- when you run out of cherries,
18 you create more, and you declare that there is a
19 district of farmers somewhere over here that is
20 suddenly the new cherry to be picked. But we don't
21 seem to have taken the step to say everybody needs
22 to be serviced, or Vermonters will not participate
23 in these in Orange County in the world's economy.
24 And those who realize that and wish to participate
25 in the world economy leave and go to metropolitan

1 areas.

2 We will continue to be an area that is
3 unserved until our colleagues, my colleagues in the
4 legislature, and the advocates for these services
5 conclude that this is a -- a social issue that
6 requires socialist behavior. When electricity came
7 to Orange County, the companies provided electricity
8 where it was profitable; and, when they quit,
9 because all the cherries had been picked, the
10 government subsidized the interest rates and allowed
11 for entities to build out to the remaining areas.
12 That seems to me the role that ECFiber has taken on,
13 to be the group that builds out to people who are
14 not profitable to build out to. I am disappointed
15 when public tax money is used to subsidize private
16 interests who deliberately build using obsolete
17 technologies because those private companies realize
18 they can turn a profit more quickly. It just --
19 it's -- we're all capitalists here in this room, but
20 sometimes capitalism can run amuck, and this seems
21 to be one of those places where there's general
22 agreement that we have to rein it in a little bit,
23 and we'll get the benefits for this entire
24 citizenry.

25 Thank you.

1 CHARLES LARKIN My name is Charles
2 Larkin. I'm speaking as a public citizen, but as a
3 retired employee of the Vermont Department of Public
4 Service. For a little over thirty years I was the
5 telecommunications for that department.

6 I think the comparisons I've heard in other
7 places that we had no real communication so we had a
8 government who created the Post Office, and our
9 economy blossomed; and then our country created
10 public roads, and our economy blossomed; and then
11 they went to the telephone, and it blossomed. Now
12 we're starting to think about the Internet. It is
13 perhaps the Internet that's been suggested time to
14 be broken into two parts, the very lucrative holes
15 in the doughnut, as I used to call the old cable
16 companies, and the doughnut, itself, was the cable
17 companies didn't want to build and now I see that
18 the Internet companies don't want to build. So the
19 way to build it is, I think, again using a
20 comparison, the REA, the Rural Electrification
21 Administration, and there's two approaches to this.

22 Already accomplished by the VTA, who builds
23 connectors, I believe they have one up in the
24 northeast, up in Newport down to Hardwick, I believe
25 it is, and they have another year of existence, and

1 I believe they're going to build a few more in that
2 year. So the ECFiberist, this plan should have been
3 not knocking municipals. All the problems with
4 municipals was one, Burlington, it used member
5 money, that is the people of Burlington, and now
6 they're in trouble and the Burlington citizens have
7 to pay for it. So the ECFiber, is it twenty-four
8 towns, I believe? That's municipal, contract, or
9 agreement, or whatever they call themselves, and
10 they don't borrow any money from the town, from the
11 citizens of the town; they get it from the local
12 people who want the service, and they're willing to
13 pay at least 2500 to get the minimum investment.
14 Well, this plan should have encouraged other inter-
15 municipal contracts to be built and to use the
16 existing connectors.

17 I don't know the exact details, the
18 information isn't available publicly, but this
19 Department could have required the information under
20 statute, and it could have found out that perhaps
21 smart grid, never mind what it does from the house
22 to the substation, but I understand from the
23 substation to the control points is fiber. That's
24 72-data fiber up there? 72 fiber in the sheet? Who
25 knows. Some of that could have been used; that's an

1 awful big network, every substation in this state?
2 That's a big number. There are little groups of
3 towns around that critical from the contract hooked
4 on to it at different points. How about the
5 connection for the 43 library? That's smaller, but
6 it is still a network. So, when that went into the
7 library, with a connection down there, and the rest
8 of it they use where they want to, that's a point
9 that could be borrowed. There must be other
10 networks, not only public but a lot of them --
11 pardon me, not only private, owned by investors, the
12 IOU's, as we call them, but also by the State. It
13 must be more than just those two state networks
14 already in existence, already capable of carrying
15 the kinds of speeds we need, not in 2024. We need a
16 hundred now, today, and I think it could have been
17 done. This plan could have found those networks, it
18 could have encouraged the intermunicipal contracts,
19 and we would have a lot of progress on this
20 situation, particularly if we can block that
21 forty-five-million-dollar, fifty-million-dollar
22 throw-away corporate welfare to FairPoint, the only
23 qualified person in the state, unless they give it
24 up, to build some more obsolete, archaic DSL copper
25 up there. We've got to stop that, and not only

1 should the State, Public Service Board, Department,
2 ask the FCC to not continue to call information a
3 non-telecommunication service so that the Board
4 would then regain regulatory authority over it, but
5 to ask the FCC, to demand the FCC, to get that money
6 into the pool, to be rotated, revolved, so that you
7 get more than forty-five, fifty million dollars of
8 construction, at thirty thousand dollars a mile
9 rather than sixty thousand dollars a mile, whatever,
10 but you get it repeated and repeated more than one
11 time, and I believe that your group should also join
12 the two departments, Senator, and ask that the FCC
13 not give that money to FairPoint but to give it to a
14 pool.

15 I think that's all I have to say. Thank
16 you.

17 THE MODERATOR: Anyone else?

18 CJ STUMPF: Now I'll speak for me.

19 I'm CJ Stumpf, and this time I'm giving my
20 comments. So I'm from East Randolph and Orange
21 County, and I thank you so much for holding these
22 hearings in our county, and I just want to
23 acknowledge, I went to Barre, I said, Hey, I'm from
24 Orange County, we don't have a lot of service here,
25 and so could we please have Orange County hearings?

1 And, you know what, we've got two of them here in
2 one day, and they're done at unusual hours for
3 people who -- hopefully for people who are parents
4 or farming. We had some unexpected power outages
5 and freaking hard frost, the first one tonight, but
6 I just want to thank you for holding these hearings
7 and responding to us.

8 So since we had a power outage as I was
9 trying to print everything, this is going to be a
10 two-part preso with paper and cell phone. But now
11 I'm speaking for me, and I'm also the ECFiber
12 Randolph rep; because, when I was trying to get
13 something for our area of Route 14, I got involved
14 with the VTA, found ECFiber, they found me, and they
15 said, We don't have anybody from your area. So I'm
16 speaking -- and I'll try to be clear when I'm
17 speaking on behalf of things that I think about
18 ECFiber. But the first thing is I have a secret
19 background; I don't just pick up poop and try not to
20 fall off horses and teach people to train. I was at
21 what's now Verizon, was then GTE, when the
22 Telecommunications Act of 1996 was passed, and we
23 confidently predicted the end of the world if that
24 was passed, because a creation of SILEC's, local
25 exchange carriers that are referred to in the

1 beginning of this plan, were going to create a
2 situation that had different economics for those new
3 companies than the incumbents that were offering
4 cell ser-- that were offering land-line service, and
5 that the Universal Service Fund was providing.

6 The thing that was so fascinating to me,
7 because I came out of high tech my; dad did
8 computers, I did computers out of college, I went to
9 Dartmouth on a fellowship and I got some lucky
10 breaks. And I got to a teleco and all of a sudden I
11 got with a company that was a regulated
12 semi-monopoly, and it was very interesting because
13 there were two sets of books. And one set of books
14 is the one that the government requires, because
15 that is the set of books that you use to set your
16 rates, and that's true for telecom, it's true for
17 health care, if anybody looked at how the rates are
18 getting set for next year's Blue Cross/Blue Shield
19 stuff, you'll note that part of their budget's
20 coming from, How much did we spend this year? Okay,
21 we can anticipate health care's going to increase
22 this much next year so let us increase our rates.
23 The second set of books is the real set of books;
24 that's the actual cost of doing the business.

25 So back to the lobbying effort of the

1 Telecommunications Act of 1996, where GTE said --
2 and AT&T said, we all went to the government and
3 said, If you do this, life will end as we know it.
4 Because it was going to be expensive and
5 inconvenient, and we were capitalists, you know,
6 we're -- our responsibility is -- we were
7 publicly-traded companies, our job is to do our
8 business and make sure that our margins are as high
9 as possible without either breaking too many laws or
10 getting fined too much for the laws we did break.
11 Okay, that is the game of the game in the U.S. for
12 most businesses.

13 So guess what? It got passed, the world
14 didn't end, all of a sudden over in engineering we
15 got, Okay, we lost that battle, make it so. So we
16 dug down at GT Laboratories where I was consulting
17 at the time, and we got local affordability done
18 without too many horrible problems, and for those of
19 you who suffered, I apologize, but it got done, and
20 so I'm just saying that because I want to just say
21 that capitalism is our country, but the government
22 has a role; and that is, when you are a publicly-
23 traded company, one of your obligations is to your
24 shareholders, and it's a legal obligation. If you
25 do not meet it, you are responsible, you can have

1 big legal problems, and so you have -- and that
2 means you've got to do quarterly reports, your stock
3 price can respond to your reports and, so you're
4 thinking short term if you're publicly-traded
5 company, you have to, it is the way our economy
6 works, it's the way the stock market works. Okay,
7 it's like there's a three-legged stool that
8 companies rest on, and that's a big, strong,
9 important leg. So we need you to keep -- to take
10 the long-term view and do it strongly, because
11 companies' jobs are to maximize your holder values,
12 maximize profits, maximize margins, and one of my
13 concerns when I read the plan was, it very rightly
14 says, Boy, this is a crappy economic situation for a
15 provider, it is, Vermont is a nightmare, it's just
16 the density's all wrong, the terrain is horrible,
17 you have snow, you have trees that fall down on
18 things, I mean, it's just it's a really expensive
19 place to build and operate networks. And so, um,
20 but that brings me to my second point. I recognize
21 the plan is trying to do this, but this, to get
22 telecom services throughout Vermont, which I think
23 is going to be critical for our economy, because we
24 are a boutique economy, we're going to have a couple
25 big companies, but, really, what's -- and I'm going

1 to get to why I'm saying this, and I'm so happy
2 you're here, because now you're with Chamber of
3 Commerce, did you say, or with the --

4 KIERSTEN BOURGEOIS: No, I'm with the
5 Agency of Commerce.

6 CJ STUMPF: With the Agency of
7 Commerce?

8 KIERSTEN BOURGEOIS: Within state
9 government.

10 CJ STUMPF: Okay, perfect. I'm
11 guessing that you probably want Vermont to make lots
12 of money?

13 KIERSTEN BOURGEOIS: We do.

14 CJ STUMPF: Great. Cool. So
15 Vermont -- so in order for this to happen,
16 somebody's going to have to take a strong long view
17 and work strongly with the federal government,
18 because they're going to be a critical funding and
19 also regulatory source for things I know Vermont
20 can't change but, if it goes to the government
21 strongly enough, I'm hoping that between our state
22 legislature and our federal government that we may
23 be -- that we should be able to raise the problem
24 here that we have in Vermont, which is quite unique.
25 I mean -- so let me back up.

1 I told you I had a secret past. I got out
2 of college, I started this software business. One
3 of my contracts ended up being GT Laboratories at
4 the time when we were switching from analog to
5 cellular phone service. Remember, there was like
6 analog phone service at 900 and everybody had box
7 phones and then we had CDPD, which is how you did
8 data over the cell phone service, which didn't
9 really work very well. I got there, as you're
10 figuring out, CDMA GSM. I had just enough
11 information on that that they foolishly hired me as
12 a consultant at GT Laboratories. I think I was one
13 of the like three people without a Ph.D. And so --
14 and eventually, because of some personality
15 conflicts, I ended up running the program that
16 developed the systems to unify, and this is going to
17 have a strong parallel to Vermont, the something
18 like 35 different companies that GTE put together,
19 all little teeny different cell companies, 35
20 different sets of systems, and I think there's an
21 opportunity for DPS or the State, I'm not sure our
22 government works yet, I've only been here nine years
23 and I only recently started to look at it, but to
24 help get this stuff rolled out cost effectively.

25 So, anyways -- I'll go back to that in a

1 second, but I started out in the cellular side, and
2 then my real strength, which was data network, I had
3 written like the drivers for some of the optical
4 blades back in the early days of, you know, optical,
5 for Bay Networks, which is a little east coast
6 network company. So then we started to roll out
7 data. Now we get into GTE, which had an actual
8 footprint, bought rights of way along all of the
9 railroads, and started rolling out huge fiber rings
10 all across the United States and in some cases to
11 the rest of the world. And I got involved when that
12 project broke down and engineering and operations
13 and the systems people wouldn't talk to each other,
14 and they were investing two billion dollars a year
15 and they weren't going to be able to roll out
16 service, and they were like, Well, you kinda got the
17 systems going for the cell stuff and you've got a
18 data background. I became the CIO for GT and then
19 Verizon's global optical network and was responsible
20 for those systems and for getting that project dug
21 out of a very deep hole four months into something
22 that had to be deployed at the end of the year. And
23 then I went over to business development and helped
24 launch a business and then went back over to
25 International, and then cable miles hired me to be

1 their CCO, and they were doing -- it wasn't really
2 cable miles, it was digital miles they acquired, but
3 they did hosting and they became one of the two
4 biggest hosting companies in the world, that's data
5 centers and servers, and then we also had special
6 technology, content distribution, streaming very
7 early on, so I ended up patenting a lot of that
8 stuff.

9 The reason I'm saying this is my secret
10 background is I've been setting here for two weeks
11 thinking, gosh, this is a terrible business. How do
12 you do it? If you live in Vermont and what you
13 really want is you're on 14 and you can't get
14 anything, and all of your friends are laughing that
15 you somehow ended up in a fourth world country, and
16 you're trying to laugh with them, but, really,
17 you're kind of feeling like it's true, and it's
18 embarrassing.

19 So these are not great earth-shaking ideas;
20 they're just a couple of requests. Vermont seemed
21 to have like four or five companies that are
22 building fiber. ECFiber is one of them. And I
23 wrote them down on my cell phone and I won't take
24 everybody's time in listing them; but there's
25 Burlington, and you've heard from a couple of them.

1 And I'm not speaking; in fact, I hope I'm not going
2 to create too many problems, I haven't run this by
3 them, speaking strictly for me, but there are going
4 to be things that could be coordinated all across
5 those initiatives that could reduce the costs, and
6 I'm not sure about this, but I wonder if you could
7 create, as part of the plan, something that people
8 could go to to help see if coordinating either
9 systems or -- and here I am going to -- is it all
10 right to talk about the possibility of you guys are
11 trying to leverage a cable --

12 (unidentified speaker): You're
13 speaking for yourself. You can say anything you
14 want to say.

15 CJ STUMPF: I happen to know that EC
16 is trying to leverage development of local
17 television channels, like local current sports
18 channels, so that there is a possibility of offering
19 a bundled service that a bunch of my neighbors are
20 saying they would really like to have. That's a
21 huge cost savings, it's a good efficiency, and it
22 creates a better standardization throughout the
23 state, which is a good thing. And so I know from
24 talking with you guys off line that's something you
25 considered, and I'm wondering if it could be

1 somewhat formalized.

2 The second thing is back to Vermont being a
3 boutique business state. I also want to also
4 acknowledge and thank the VTA, because we're on 14,
5 and that -- and actually that was you, that
6 broadband the BBPI program. We came late to the
7 table, but we said, Gee, we have the requisite
8 number of small businesses in a cluster, and we --
9 and one of the people, Carol Thompson that I
10 contacted, came back, and she said, You know, you're
11 too late for the program so we can make no
12 guarantees at all that there's going to be any
13 additional funding or anything left over, but could
14 you please go find out what other businesses are in
15 your area, and I, thinking it's got to be nothing,
16 went to like our rails-and-trails guy and went to
17 the Post Office and found all the public businesses
18 that were like LLC's, inc.'s, corps., and came back
19 with 52 businesses along like a 3-mile stretch of
20 14, and I was like, holy cow, we are a boutique
21 business state. So, if you stop and look at the
22 demographics, Vermont is a hugely aging population.
23 And I dragged along two of my neighbors who happen
24 to be under twenty, because they actually have an
25 interest, we talked about this privately, they don't

1 really plan on standing up in front of you all, but
2 we have some pretty strong opinions. We are aware
3 that growth is happening, and Katie's got a
4 business, her brother -- I mean, there are people
5 starting businesses who are incredibly young
6 because, if you're in rural Vermont, what are you
7 going to do? It's not like you can go across the
8 street and get a job at I.B.M. So a huge amount of
9 innovation, I've discovered, was happening right on
10 the ends of these dirt roads. So you think, Oh,
11 ha-ha, we're going to bring fiber to a cow, which,
12 actually, you should do because of what Tim Angell
13 said and I forgot to mention the Silloways and the
14 Armstrongs; but, in addition, it's what the young
15 Silloways and the young Angells and the young
16 Parolines are doing. They're not necessarily all
17 going to stay doing the exact same thing; they're
18 innovating. And they need web sites and they need
19 internet access. And, in addition, if you are under
20 the age of twenty-five, one of your primary
21 modalities for communicating with the rest of the
22 world is texting, Skyping, Instagram is -- where did
23 she go, pointed out? I guess she's -- and so the
24 other thing that's happening, and this is going to
25 be an unexpected connection, we're working on

1 starting a very small mentoring program because --
2 because of the lack of infrastructure, Internet, and
3 jobs, we -- and it's not the only reason but it's
4 contributing to a drug possible and a loss of
5 talent. And so one of the things that came to light
6 as -- you know, initially I thought, Oh, well, if we
7 can just get a group of adults who have great
8 backgrounds available so that, when people are
9 trying to figure out what they're going to do, they
10 can talk to them, what became clear is that the lack
11 of broadband, not just Internet but broadband, was a
12 real problem for our young people and for their
13 hopes for the future and for their feelings that
14 they can actually find what they want to do,
15 communicate with people who might be able to tell
16 them about things they could do.

17 Robert, I'm going to put you on the spot a
18 little bit. What happened when they gave you an
19 iPad and said to you, Go do your homework?

20 ROBERT WEILER: Basically, where I was
21 living wasn't serviced with Internet, and so,
22 basically, you couldn't do your homework. The
23 nearest you could go was 5 miles north or 10 miles
24 south to get Internet for that.

25 CJ STUMPF: So the iPads were cool?

1 ROBERT WEILER: They were; but,
2 without Internet, the iPad's basically useless.

3 CJ STUMPF: Yeah. So, and anyway,
4 this is Robert Weiler, and he lives in East Randolph
5 at the moment. Katie's here because she's operating
6 a goat dairy, some of the very, very best goat's
7 milk that you could get. Dr. Berry, our vet, would
8 come all the way over from across town to get your
9 goat's milk because he said it was the best in the
10 area and so -- but, again, only word of mouth, and
11 it's a lot of work, summer, winter, you name it. So
12 that's -- and, lastly, I was talking to a judge part
13 of the mentoring I mentioned, and he is a probate
14 judge, so he's seeing money moving back and forth,
15 and he said, I am concerned because money is moving
16 out of state and not into state, and this is part of
17 the issue. It's affecting property values, the
18 ability -- I talked to a realtor, and I said, What's
19 going to happen to us when we get Internet running
20 by? And she said, Your values are going to increase
21 somewhat; your ability to sell your property in X
22 time is going to double. In other words, land
23 becomes -- the asset becomes liquid and more
24 valuable.

25 So the -- and now I'm going to get into my

1 comments for ECFiber, because my main points were
2 the fact that we are a boutique state, that there's
3 a ton of innovation happening in rural areas. I
4 love the example of the jelly jam -- sorry the
5 alcohol-based jellies and jams business, that was
6 you, Irv, and like Blythedale Farms is in Corinth,
7 right, they have Internet because, when I go over
8 there, we don't have cell service but I can get
9 Internet at Blythedale, their cheeses, their
10 boutique cheeses, were served at the White House,
11 they're that good. But, also, you can find them on
12 the Internet. So, anyways, so it is -- if we're
13 going to be a boutique state, let's advertise our
14 awesome boutiqueness, and I think that -- who is it
15 that was saying it's kind of like -- oh, that was
16 you -- roads were a basic investment. I know we're
17 waiting for the FCC to make the decision that this
18 is a fundamental service. If there is anything we
19 can do to either push that decision forward or act
20 independently of it, based on my business analysis,
21 which is admittedly is one person relatively new to
22 the state, it's the only way we're going to get
23 through and be successful economically.

24 So now, before I actually --

25 THE MODERATOR: I just wanted to say,

1 I wanted to give people time for questions, too, and
2 we're about out of time, so --

3 CJ STUMPF: I will do that. ECFiber,
4 because I have a background in telecoms, the thing
5 that was interesting to me initially about ECFiber,
6 and then I'm going to speak two requests, speaking
7 from ECFiber directly, I sat down with the mechanic
8 who happened to be running -- who happened to have
9 ECFiber, and I sat down in the waiting room, which
10 is not at all fancy, and I pulled out my laptop
11 because he said he had Internet, and I was like, I'm
12 back in the real world. It was really fast,
13 compared to anything I had had in Burlington or
14 Montpelier, anyplace else in the state, it was the
15 fastest service I had had. I said, What is it? He
16 said, I've got ECFiber. So, when you guys contacted
17 me, that's why I was like, Oh, hello. The -- sorry,
18 that was Jerry.

19 They are the leanest optical fiber and
20 employment operation I have come across in my
21 experience. Every company has sales, marketing,
22 engineering, operations, human resources, IT, and
23 HR; and, basically, you guys are pretty much nothing
24 but engineering and operations. There's no
25 marketing, there's not really any sales, there's no,

1 you know -- you've got customer support, that's
2 great. So the model is interesting, and so then I
3 went and said, Well, how do you make it even leaner?
4 Since we have an impossible business situation, how
5 do you make it even leaner? And so I spoke with
6 Stan, who said some coordination, Stan Williams is
7 the guy that runs Valley.net which ECFiber
8 contracts, and he said some coordination might
9 actually be able to reduce costs even more. I don't
10 know exactly what he meant by that, but I would
11 encourage you to go talk to Irv and John to connect
12 to Stan Williams, because they're all executive
13 committee. The governing board is just grouped
14 through different towns, so we're not involved in
15 the actual thing.

16 The second thing is, as somebody who's
17 going to benefit from -- so what happened is,
18 whoever did that, as part of the grants, when you
19 figure out how to connect your BBIDs together, you
20 ramp fiber up 14 to complete a loop, and that's
21 going to help close to 52 businesses. And so then I
22 started looking at the make-ready process, and the
23 Bull licensing stuff. Is there anything you can do
24 to create transparency and accountability in case
25 things get slowed down?

1 THE MODERATOR: Yup, and I'll talk
2 about that. I'm guessing that's going to be one of
3 the questions.

4 A. Good. And, lastly, I just wanted to
5 support the comments on the state lawn by John Roy,
6 hear, hear, and ask you, could you establish a grant
7 or position or something to have somebody go look at
8 military technology, because their business is doing
9 what we have here, and make that R&D available to
10 all of these optical companies. Because there are
11 cases where I think we're going to be able to --
12 like this is a straight fiber operation right now,
13 but I know they would look at technology solutions
14 that would handle that last couple hundred feet
15 faster and cheaper, even if eventually it was fiber,
16 so that would give you kind of a quick explosion.
17 And that's it. Oh, and, last thing, you said you
18 were going to submit statements on that neutrality?
19 Thank you, thank you, thank you.

20 THE MODERATOR: Yes. And it's also
21 put it on our website.

22 Thank you very much for recommending a
23 daytime hearing. I have to say that coming to
24 hearings like this is one of the best parts of my
25 job, but I want it to be said to Senator Mark

1 MacDonalld that I did two hearings in one day in the
2 same county. He did call me and said, Don't do it
3 during the Tunbridge World's Fair. So this was a
4 good turnout, and I hope you'll also come or send
5 your friends at six o'clock tonight.

6 At this point we'll conclude the public
7 hearing, and thank you for coming.

8 (The comments portion of the hearing
9 was adjourned at 3:45 p.m.)

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C E R T I F I C A T E

I, Marilee J. Young, Court Reporter and Notary Public, hereby certify that the foregoing pages numbered 2 through 67, inclusive, are a true and accurate transcription of my stenographic notes of the Comments heard regarding: THE 2014 VERMONT TELECOMMUNICATIONS PLAN pursuant to 30 V.S.A. §202d held on Thursday, September 18, 2014 2:00 p.m., at Middle Branch Grange Hall, Store Farm Road, East Bethel, Vermont, Before: Jim Porter, DPS, Moderator; Clay Purvis, DPS; and Kiersten Bourgeois, ACCD, and transcribed by me with use of computer-aided transcription and produced under my supervision for use.

My commission expires February 10, 2015

October 1, 2014
m jy