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

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

I can also say, if you don't speak, if you have written comments or know someone who couldn't come today, you can mail them to the Department, you can e-mail them to us. We can give you those addresses before we leave. There's some copies of
the plan in the back if anyone would like to take
one, and I think our contact information is on that,
as well.

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

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

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

THE MODERATOR: Yes.

CJ STUMPF: All right, so let's see. So Veronica Knudson, she operates Veronica and Ernie Knudson's Garden in East Randolph on Route 14. And they produce produce along with absolutely fabulous pumpkins and hay, which helps a lot of us. And let's see, so Veronica's viewpoint is this. She really wants Internet, because she got to a friend's place where it had Internet this year and halved her
costs on sourcing product, and she wants to put up a website, and part of the savings within shipping, because shipping varies so much, depending upon your source. Speaking of which, if you have Internet you can use Amazon Prime, which is eating Amazon funds a little bit because their shipping costs are a little higher than anticipated, but it's a really great way to not have to drive on Route 15 and 66. I'm not in any way affiliate with Amazon but I hate driving on the roads. And so she said she's on -- she's a senior and she's on a fixed pension or a fixed-income situation, and so one of her requests is to really reinforce the thoughts you guys have had on using some kind of funding to help fixed-income seniors to be able to afford Internet. They are out there trying to do business things. I mean, Veronica and Ernie -- how old's Ernie, 70 something, right? Yeah. And he's still out there, I mean, he's growing a lot of stuff. And the Armstrongs I'm going to speak for next, they're in their seventies, they have four hundred acres of land in our area, they are dairy farmers for a long time, they're passing their farm along to the next generation. Are they a Dairy of Distinction? I'm trying to remember. Silloways are, and they couldn't be here
today, and so, anyways, I'll -- but so she said she'd like to get bundle if she could that includes TV, Internet, and phone that's affordable. And she wants her website so she can advertise, because right now her ability to reach her target market with her produce is pretty restricted to word of mouth, and she wants Internet so that she can reduce her -- now these are my words, not hers -- acquisition costs for business. I was getting one of the people car-pooling, Dowell family, Quick, write this down, because she suddenly can't come. She apologizes, she was right in the middle of canning a whole bunch of coleslaw, and the power went out. She's like (untranscribable sound) I was going to come and give comments and I can't.

Then there's Stanley and Larry Armstrong. They have the dairy, and this goes also for their next generation farmers that they're passing the farm on to because they don't have children, which is Jason, and, uh, help, I'm drawing a complete -- Hazel, thank you. And they have the same situation that Tim Angell had mentioned of needing to file reports on-line with the State, which they have trouble doing without the Internet, and they apologize, in addition to running their dairy
operation, they also acquired the local store and
kept it open when it was going to close, and so they
were, when I caught them, they were running over
there, just getting a generator set up to keep the
store open because the power was out there, too.
And so, from their standpoint, also, a lot of the
milking parlor equipment is set up, you can get onto
the Internet and tie into systems there. So -- and
then, lastly, their brother Marshall, who just moved
back up from Boston to live with them, is a complete
movie buff, and he wants to be able to stream, and
so he says, Please give me fast Internet so that I
can watch movies, which he loves and is -- if you
want to know anything about a movie, you go ask
Marshall Armstrong.

Then -- I'll start paraphrasing -- Liz
Leeds is also local area. She says, I've got a
second home. Quote, since I do a lot of work with
Brazilian colleagues, I Skype frequently and
download lengthy documents. I can't Skype from my
house from Vermont and the connection frequently
drops or is very slow, the connection she does have.
I would spend a lot more time in Vermont and, thus,
spend more dollars if I had a fast and reliable
connection.
Zach Hozid is a law student. He's unable to do his homework adequately and he's got no TV and he's just isolated up on the hill. So he's -- he needs -- and I'm hearing that from other people who would like to be able to rent to the law students and the VTC students is that it really restricts the growth of those colleges and our ability to leverage our assets by renting out, because all of those students can't function without Internet.

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

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

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

Victor and Lucille Boule, they run Bath & Boule on Route, which is a fairly -- you know guys
know the construction business Bath & Boulet? They can't get good Internet or cell services, and their kids can't do their homework at home, so they're in the need a website, need cell service for safety and communicating and coordinating their business.

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

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

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

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

CJ STUMPF: Oh.

TIMOTHY ANGELL: But he lives with them.

CJ STUMPF: All right.

TIMOTHY ANGELL: He does have a repair business.
CJ STUMPF: Okay. Cool. Well, apparently he wants it, and he wants to send you information.

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

And so he goes on to discuss the enormous savings and time and efficiencies that he gains from having that. However, he says, the largest benefit of cell service to their operation is safety. Timber harvesting has hazards, and they've done a lot of safety training, I know the operation, they
have, and he then cites an interesting comment that I'm going to mention because it actually has a perfect parallel to my operation training difficulty horses. He had a situation where he was out of his machine using a chain saw to make final cuts to some logs that had been partially processed. The logs rolled and slammed me to the ground and I had my leg pinched between two of the logs that had a combined weight of 2500 pounds. I opened my eyes to a chain saw idling by my chest, and I wrenched myself free of the logs, twisting my knee badly in the process. I lay on the ground for a good fifteen or twenty minutes with my leg throbbing along with the overwhelming fear of a much worse accident that I had just potentially avoided, but a larger fear was that I had no cell coverage to call for help. When this occurred I had on a hard hat, ear protection, high-visibility vest, chain saw safety pants, and steel-toed boots, along with several safety training certifications. Had I not been able to free myself, my iPhone wouldn't have done me much good because there was no cell service for a half mile one way or more than a mile in the other direction. I would likely have remained pinned until dark set in nine hours away and I didn't return home.
So what they've done, instead, since that incident is install 100-watt safety radios, at considerable expense to their business, and revised all their training methods. But, on their hilly terrain, with the limited size of antennas that a machine can handle, the normal 15-mile range for that type of radio is reduced to two to three miles, constraining their operation.

And then -- I hope it's not going to be too confusing, but we are also in an area that has no cell coverage along with no Internet, and my business was and still to some extent is retraining difficult horses which I'm often doing alone, and my safety procedure that -- he goes on to talk about hourly call-ins that they've instituted since the incident. My safety procedure is I call somebody and I say "I'm getting on, and I'm going to call back in" -- and I give them a time that's no more than a half an hour; because, if I have a head injury and there's not a lot of time for me to get stabilized. At that point, if the person can't reach me -- if I don't call in right on time, they call in me. If they can't reach me, they call the police. My problem is, not only is our cell service marginal, it's flaky; sometimes I've got it and
sometimes I don't. So my operation now is, see if
the cell phone works, put it on top of a jump
standard, if it doesn't work go up to the house,
move the bay station so that I can reach down to
where I'm working, run back down, put the hand set
on top of the jump standard, and hope that if I have
an accident I can knock the jump standard over, get
the hand set, and it still works. So the safety
factor for this in an area like Vermont, I don't --
I didn't see it addressed, and it's a funny thing
because it's not normally something you would ever
consider, but it's come up again and again.

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

So I'm going to yield the floor and come
back a little bit later with my comments, but that's everybody else's, or that's two-thirds of them.

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

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

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

CJ STUMPF: Okay. Thank you.

THE MODERATOR: Who else?

JOHN ROY: Okay. My name is John Roy. I live in Vershire over on the other side of Orange County, and I'm here in my capacity as treasurer of ECFiber, and I gave testimony at the State House this year, and this is -- this is very focused and just on a few things within the plan, and I'm a speaking on behalf of ECFiber but I would imagine anything that would be helpful for us would be helpful for any other smaller, present or future ISP trying to get things going.
The first thing is there are regulations in place regarding pole make ready, and we would say that anything that the Department can do to review the processes and the procedures and the costs and, secondly, if there's anything that can be done on enforcing these; because, for a little, still-small, hand-to-mouth operation, time -- or for anybody time is money, but for us it is. And, when a pole license should take a maximum six months from application to license being granted and it goes nine months, ten months, this is -- this is money down the drain for us, and it's very, very difficult. And -- and as you well know, we may put in if we had a 2-mile stretch, we put in application for 52 poles, and 51 of the licenses come through and that's really great, that's 99 percent, but we can't run anything until we have the licenses for all of the poles. So that's one thing, if there's anything that the Department can do in that area. And the other thing that happens is we don't really understand all the tariffs on make-ready costs, and it seems like we'll get some estimates and they're just a lot higher than the previous ones, and we're not quite sure why, and, again, that's another issue. So that's Item 1 is make ready.
The second thing, and this is dealt with somewhat in the plan, and this is policy on line extension. I guess particularly this affects cable companies, and I don't want to speak on behalf of cable companies, I'm sure they're very capable of doing that, but the physical plant that they have in place and the customers most likely provides them with a good return on their investment and they're happy with that, and going beyond these, it's lower density, lower take rates, and is not as attractive to them. And I guess my point is that, to the extent that they are given incentives to extend, somewhat, their reach, what that does is it makes the remaining area that is not affected by them even less attractive and more difficult for people to reach, and we definitely -- our focus right now is on going to places where people don't have good alternatives. So, if that gets expanded, it makes it a little more difficult for us.

So those are the two comments I have about things that the Department might be able to work on. At the State House, Pam Mackenzie, the chairman of the current and soon-to-go-out-of-business VTA, gave testimony, and there were two things that she said, I noted. One was encouraging
people to think outside the box, which we all talk
about; and the other is to be willing to take some
risk. And, as I thought about that, was thinking,
this could mean thinking beyond regulatory meetings
as a way to reach our goal of chicken in every pot,
Internet in every home; and, also, a second way is
to think about financial support that can be given
other than grants, there are ways that that could be
done I'll talk about; and then, thirdly, is what can
be done across departments within the government to
make things happen and for the Department of Public
Service to achieve its goals of Internet coverage.

And so, as a result of those things, the
first is dark fiber being run with last-mile
accessibility. This is getting a little off but, as
you know, when the Town of Vershire found itself
excluded from even consideration for a grant from
the VTA, we, the citizens of our town, were quite
unhappy; but, ultimately, the Orange County fiber
connector was -- was developed and put in place. I
was guilty, as were a few others, of thinking of
this as a booby prize; but, nonetheless, as this has
been put into place and as other dark fiber license
are being considered and will be built over the next
twelve months or so, these are useful to an
enterprise like ECFiber, because what it does is, on those areas, it reduces -- doesn't take down to zero but it reduces the amount of investment we have to make to make it work; and, secondly, these -- these lines are able to go by places where there is just not an attractive density of housing, but it gets from one area to another and, if we are not required to spend the full ticket on that, it is very, very helpful. So we have the Orange County fiber connector, there are going to be a couple of extensions off of it, and then the VTA's approach in Orange or -- more in Orange County but in ECFiber's area of using dark fiber to fulfill their BBID, business broad band improvement districts, this will allow us to have a presence in 19 of our 24 towns and be very, very close to three other towns. So anything that can be done in the way, of that, from our point of view, it helpful.

The next thing is, we have a business model, a financial model, where we don't get very many grants, we haven't been successful. We borrow money, and then we pay it back, and we are able to do that within the constraints of what we have and where we're working; and so, from our point of view, an awful lot more mileage can be got from state
money in the form of something that makes the loan pool available to us. Because we have two major constraints when we borrow money, well, many, but two major ones. The first is, because we are a startup, a risk, our rate of borrowing is maybe a little higher than it might be; and, secondly, we just don't have the pool to fish in to get funds, and so the acquisition of funds is big; the cost of them is another issue. And, if something could be done with the State's bonding power, with various authorities, and this goes well beyond outside of just the Department of Public Service, and it involves the state treasurer and others but, if something can be done in the area of either loan guarantees or a revolving loan fund or something to this effect, we are at the point now where we have, as of the end of June, we reached a cash positive EBITA, Earnings Before Interest, Taxes, Appreciation and Amortization, by the end of this year forward-looking statement, for anyone who's out there, we expect that we will also be able to handle our loan service obligations from our excess revenues. So we could borrow money -- if we can borrow money, we can pay it back. Anything to help to do that and support it and, again, primarily this is not the
Department of Public Service but, if in various conversations you can say, Yeah, if that's done, that'll help towards the goal that we've been given, I think would be very helpful.

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

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

THE MODERATOR: Thank you.

MR. ROY: Thank you.
THE MODERATOR: We'll get back for questions after the comments.

Who else would like to speak?

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

THE MODERATOR: Please state your name.

MR. SADOWSKY: Pardon me?

THE MODERATOR: Please state your name.

MR. SADOWSKY: Oh, George Sadowsky.

So I wasn't sure what the protocol was. I've written out my remarks, but I'll try to ad lib and deliver them with some feeling so you won't go to sleep as I proceed.

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

Okay, you've put together an important plan, an ambitious plan, a very large plan, of which I've read only parts; and the parts I've read are concerned with the Internet, because I think that's of particular importance to Vermont. It also is the
carrier that can carry video and voice so, in a sense, it's a universal communications area.

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

The first is the near-term goal, the asymmetric goal of 10 megabits down and 1 megabit up. I believe that this goal doesn't correspond to the Internet that Vermonter really need now and certainly in the future. It emphasizes that it's much more important to get information coming downstream than it is pushing information upstream. It's biased toward receiving entertainment. That may not have been the purpose of it; but, in fact, you can get a large flow of entertainment down with 10 megabits a second, there's no problem; but, if you're serious -- if you're in business and even if you're involved socially in a whole bunch of things, such as the comment about the Brazilian Skype partner that you made, you can't do it with 1 megabit up in any reliable way. And so I think that that was -- I don't think that was well thought out, and I think that it's -- it's important that
Vermonters be able to produce digital information and disseminate it in ways that do not put them at a competitive disadvantage to their counterparts who are doing the same thing in other places. So -- so I think, to meet the needs of Vermonters, it would really be more realistic to change the plan, to choose a goal that's more symmetric and recognizes that people who earn their livelihood on the Internet do require that high band in both directions.

The second issue concerns areas of Vermont that are rural, sparsely populated, and unserved. Your plan mentioned municipal networks; and when I think of municipal networks, by the way, I don't think of -- when I think of municipalities, I think of Boston or New York, I don't think of Woodstock and Bridgewater, maybe I'll think about Burlington. So -- so I think that, in some sense, the implication that a network is municipal and, therefore, one can make statements about it carries with it, again, it's implicit, maybe you didn't think of it but I immediately did, that there's liability on the part of the municipality in the event that something happens to the network, it goes bankrupt, can't make its payments, or whatever, and
I think it's important to distinguish between the municipal networks in your terminology where the municipality is involved financially and networks where the municipality bears no liability whatsoever.

Um, your VTA plan mentions that municipal networks should not be encouraged when they compete with existing commercial or otherwise not-for-profit networks and, okay, that's fine, that's a point of view which I might share; but where there is no Internet presence and probably no possibility of competition whatsoever in the near future, your plan is silent. I believe that's an omission that needs to be corrected. Let me put this in perspective. I moved to Vermont six years ago, and I was heavily involved in an Internet project at the time and still am. I moved to -- I had no move to a place where I had high-speed connectivity. I moved to Woodstock and I -- but before that I soon discovered that in Woodstock and actually in every other town I visited in Vermont, the majority of the town was not covered by high-speed connectivity and, in many cases, by no connectivity whatsoever. Where there was connectivity, it was either dial-up, which is a -- I don't know, there's nothing to say about
dial-up -- or there's DSL; and DLS, of course, as you know, according to the laws of physics, varies according to how far you are away from -- where you are from the box and, if you're at all away from the box, you really don't have enough connectivity to do very much at all. Yes, you can do it if you write e-mail only but, if you're a serious Internet user, it doesn't work, it's an interim technology and unless it can be improved very substantially, which I doubt.

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

So, in talking with all the providers, and, in fact, we also talked with you, Kiersten, when you came down to visit us, Peter and I found that with a high possibility no commercial service provider in
Woodstock would provide high band width service beyond the narrow corridors of Route 4 and Route 106. The reason is simple; the customers density simply wasn't there to allow them to recoup their investment in and maintenance of the network, and I think this is common knowledge, but the point is that this is not likely to change in the future. And that means that, if — if some other group doesn't step in to provide the connectivity to those rural areas in a rural state, they're not going to get beyond DSL, ever, and that is — I think that's unacceptable. I believe Woodstock's not unique; there are large pockets of unserved premises in many of the counties in Vermont.

So the municipal networks, with the caveats that I've mentioned before, such as ECFiber, and there may well be others, are trying to remunerate the situation. ECFiber has as its goal provision of high broadband Internet connectivity in every premises in twenty-three towns, twenty-four towns, twenty-three towns and Montpelier in Vermont, including Woodstock, and it may be inadvertent in competition with established commercial carriers when it passes through town centers, it has to. But its real goal, and goal I subscribe to fully as a
board member, is to make Internet available to
everyone throughout all these towns, so achieving
this goal levels the playing field so that those in
the more-sparsely-populated rural areas of our state
have the same opportunities to use the Internet for
all the services that it can provide, jobs,
businesses, education, health care, personal and
social interaction, as those of us who currently
have adequate connectivity.

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

Thank you.

THE MODERATOR: Thank you.

TIM ANGELL: My name's Tim Angell. I
operate and own White Rock Farm along with my wife,
Janet, and our two sons, Matt and Joe. We also have
a sawmill just down the road here on Route 14 that
we run. We don't have any Internet service; we have
dial up now. We have some part-time employee, we have to file forms with the federal government. It's very hard to do on dial-up, and it's hard to buy a computer these days that will work on dial-up. We have a lot of trouble. And our modem went a month or two ago. I called up, I need a dial-up modem. "A what?" they said. You know. But we have a little bit of a unique situation because the farm, itself, is on a dead-end road, and it's three quarters of a mile from the next nearest residence, and it's up Clay White Road, just down the road here. And ECFiber, you know, might eventually run a line up, but I talked to them and FairPoint and everybody else, and I explained the situation. They all say the same thing, it costs ten to fifteen thousand dollars to run a line to our house, and they won't do it. You know, it's -- we just built a new dairy facility down the road. The boys might want to put in robotic milkers. Can't do it without high-speed Internet. Our son-in-law -- our -- my daughter-in-law is a teacher down to Lebanon High School. She has to stay down there 'til 5:30, six o'clock every night to do her work because she can't do it at home. Cell phone service is very spotty, too. It would be nice to have high-speed Internet,
but I don't see it happening right off.

THE MODERATOR: Thank you.

Anybody else?

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

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

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

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

THE MODERATOR: Anybody local?

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

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

So I just had three things to mention in terms of what affects me and what I was thinking about when I read the Telecommunications Plan. No. 1, I'm really hoping that we'll be able to focus on results and not just projections. We all know there's a difference between saying 99 percent of Vermonters have access and 99 percent of Vermonters
are using something, anything. I thought it was sort of interesting listening to people talk about, you know, people having to use dial-up. One of the things about dial-up, which I used when I was in Topsham, and it was okay, is that the Internet has changed, and the Internet doesn't work on dial-up the way it used to. And so people who may be remembering with fond memory that wood stove and their dial-up, they can't do that anymore, and I think we need to be realistic about the fact that that's not any option at all. The Telecommunications Plan mentions that everyone with a phone has dial-up, and it's embarrassing that we even have to say that, I think.

And the other thing it doesn't mention, moving on, is the extra cost that come for people who are rural who use a lot of these services. So, you know, Burlington, Vermont's got Internet service provider choice. Awesome. That probably means most Vermonters have Internet service provider choice. That has nothing to do with us here. I mean, I'm lucky, I have broadband and DLS options. I live in the woods, so I can't use satellite. My cell phone works from my home, though it doesn't work here. And what happens, the farther and farther out you
go, is that not only does broadband become dicey,
but you wind up having fewer and fewer providers,
and in many cases, I have friends that live up on
Gage Hill, they have satellite. They're not super
stoked about it, but, whatever, it does work, it is
broadband, but one of the other things they have is
broadband caps. They can only use a certain amount
of broadband every month. That amount is not enough
to update the hardware and the software on their
computers, much less streaming and doing everything
else. They come over to my house to update their
software in Randolph; they drive 10 miles in their
automobile with their laptop so that they can update
their software because they can't do it at all, not
even if they wanted to pay, with that. So I think
we need to think about extra fees. When I was in
Topsham, my dial-up cost twenty bucks a month, but I
didn't have a local number, so I had to call a
longer-distance number, and that cost me an
additional twenty dollars. I want to make sure
we're seeing all the fees that are associated with
this, not just, Well, you can get a cell phone for
forty bucks. Yeah; but, if your band width goes
over it, suddenly you've got a hundred-dollar bill.
It's like being up in East Berkshire and winding up
in Canada by mistake, and all of a sudden your tax cost fifty bucks.

I agree with what people were paying for, we really want symmetric options; because, if you want to be a maker, a content provider, somebody who actually does a job here, you need to have access to send your products, services, itself, and content upload. I can't even get a picture up to Instagram from this building, which is just Instagram, but people are using social software and social tools for business as much as they're using it for personal things. The anecdote I wanted to make sure I mentioned is, when hurricane Irene ripped through our area and many, many people lost power but could still use their cell phones, that wasn't the time you wanted to learn how to use the Internet. That was the time that, if you already knew how to use the Internet and you had access to it, even through a phone, you would have superior ability to deal with your public service and health crisis situation. And we saw FEMA using their Facebook page to push content to people because their own servers were under water. So it's important to understand, Point No. 3, what we have is as much a digital divide where if you don't have a computer,
most people have computers now, we saw it in the plan, where you don't have access, we're getting more people access, and almost everybody in Vermont has access through their public library, which is exciting but not a solution. But the thing that we're really seeing is an empowerment and usability divide, which isn't necessarily part of the plan, but one of the things that I really want to see is aggressive work to work with other departments to make sure that, once people have this access, they know what to do with this access. Listening to the woman talk about her friend, the business woman who wants a website, the Telecommunication Plan isn't going to get her a website; she's going to have to find a person or pay some money or find a friend and that's going to be a thing, and dealing with our public-facing content like we did with Vermont Health Connect and like we did with Vermont unemployment pages and that kind of thing. The more we're expecting our citizens to be able to interact with their government, they're going to need not only access but empowerment to feel that those on-line spaces are where they actually want to be, which is sort of what I'm concerned about.

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

IRV THOMAE: Thank you. My name is
Irv Thomae. I'm a Norwich Resident, and I happen to
be chairman of ECFiber, and I think -- I'm going to
mention comments in most of which I'm speaking for
ECFiber, but I'm not -- I hope I'm not talking about
the parochial interests of one organization, I'm
looking at the state as a whole, and I really like
the closing comments of the person who just preceded
me, Ms. West. There is a issue of
disenfranchisement of lower-income people in rural
areas, and I don't -- I wouldn't say that it's the DPS's exclusive responsibility to worry about rural poverty, but I think the telecom plan is an opportunity to help turn around rural poverty to some limited degree by making more economic opportunities available, and I think we should be looking hard at whether the policy, the incremental policies we talked about, will get us there or whether they perpetuate a divide between densely-populated areas and really deep-rural areas. So that's Comment 1.

When CJ Stumpf was reporting a number of comments from a variety of neighbors and agricultural products that reminded me of a minor success story for broadband in a rural area. Over in Barnard there's a young couple who make jams and jellies. Now, their particular thing is they make jams and jellies from wines and beers as well as from fruits, and they have a little business they call "Pot Liquor." and they've got Internet now, they've got ECFiber, and they are selling their jams and jellies all over the United States; they get regular orders from Arizona, from grocery stores there. They could never have done that without a fast Internet connection.
I want to point to one error in the factual error in the plan. When I testified in August at the State House, I think I pointed out several things. I think this is one I didn't mention. On page 1-27 of the draft plan, there's a statement, quote, As discussed in the Broadband chapter of this Plan, coaxial cable facilities currently provide the fastest broadband Internet in the state." That isn't true.

THE MODERATOR: Wait a while.

IRV THOMAE: Is that getting fixed?

CLAY PURVIS: Yeah.

IRV THOMAE: Good.

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

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

(unidentified speaker): Symmetrical.

IRV THOMAE: Yeah. So I want to -- I want to second the motion, as it were. I want to reinforce what several people have said. An asymmetrical goal, whether you make it 4/1 or 10/1 or 50/1 is a focus on entertainment delivery, and entertainment delivery treats residents as customers
and consumers of content; it doesn't recognize their
opportunity -- their capacity to contribute to the
economy, it doesn't empower anybody to contribute to
the economy. People who want to do serious work
through the Internet need upload capacity that
equals the download speed. People who simply want
to do video conferencing or chats with their distant
grandchildren need upload speed, but people doing
serious work need it even more.

I understand that, as the DPS looks at the
resources that seem likely to be available in the
very near future, that the picture is, well, let's
be honest, grim. I won't even say discouraging; I
think grim is closer to the fact. But -- now this
is a point I tried to lay out in August, and I don't
think I made it as well as I wanted to after I
listened to it, recording, and my friend and
colleague John Roy has brought this up, too. The
plan appropriately comments in a couple of different
places on the commercial -- on the practical
difficulty that traditional telephone companies have
faced and that other providers face in that, in
order to carry the cost of service way out in very
rural areas, you have to cross-subsidize those costs
with higher revenue from higher population density
This is certainly true for the telephone company. It is also true for a non-profit municipal venture like ECFiber and like others that may choose to follow the model where we've trail-blazed in this part of the state. We have a balance point, too. We have to cross-subsidize the cost of the most -- the thinnest density areas by getting higher density in some places, but we're not going to get many customers where the density is highest, because those areas have already been cherry picked by the telephone companies, DSL, and even more by big cable, if big cable found it profitable to go into that town at all. So we're going to pick up customers in a doughnut around the central area, going on out from there. Any policy that encourages further -- that bribes big cable to extend its lines a little further out into the doughnut further jeopardizes the already -- I would say tenuous, we're making it work, there is a good economic model, we can make this work; but, when you push cable farther out into the doughnut around the most densely-populated area, you make the balance even more difficult for the non-profit that is following the traditions set by the rural electrification administration back in the 1930's and '40's of
trying to reach everybody where we, too, have to
cross-subsidize but you've taken away some of --
there weren't any cherries left for us, we were
working on the prunes, but you've taken away the
prunes, and that's problematic.

Now, I've been thinking about this a lot,
and I'd like to -- I'd like to point to something as
a possible alternative. I did -- we have, several
of us from ECFiber, have commented on the benefits
of the Orange County fiber connector, and we've also
commented on the fact that the VTA now is working on
a couple of extensions of the OCFC, a northeasterly
extension will go through Randolph, through
Brookfield, and Braintree, to reach some business
broadband districts, and another one that's going to
go down into Sharon and Pomfret to reach broadband
districts. This is a tremendous further step
forward, because this dark fiber trunk is a facility
that any entity can use, profit or non-profit, and
it gets through the low-density areas to these
pockets. It turns out, if you look across the
land -- the economic landscape of even rural
Vermont, that there are here and there pockets of
higher-population density, as I think, Kiersten, I
think you first thought of the broadband district,
or you were involved in the inception of the idea.
It turns out that there often are clusters of three,
four, five home-based businesses, way out in the
center of what the rest of the world would call
nowhere -- we wouldn't, but they might -- and these
clusters desperately need broadband to contribute to
the economy, to succeed economically, even, even a
municipally-owned entity like ours which doesn't
have to satisfy shareholders, still we have to
borrow money, even for us it's difficult to get to
that cluster, but we can make a very good business
place once we get to that cluster of homes and
businesses.

So maybe it makes sense to direct some of
the limited resources to more of these trunks that
reach toward clusters of population. They're all
over the place. Since -- the business broadband
program was announced in August of 2013, the
deadline was in September of 2013, summertime was
not a good time to find a lot of people able to get
their act together, submit applications. You got
maybe ten, fifteen applications. Since that time,
without having -- without half trying, I've become
aware of numerous further clusters just near where I
live in Norwich and in surrounding towns. I would
be willing to bet there are many more of these all over rural Vermont. Let's look harder at them.

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

Thank you.

MARK MacDONALD: I commented at the last hearing at the State House that, as broadband was being built out back in 2009, we had the federal stimulus package. Money was provided to companies
to build out their broadband, but there was no requirement that, once that broadband was built out, nothing prohibited the companies from behaving as monopolies and getting all they could from their rates. What's been interesting about the last hour is that this -- this group is a mix of some very liberal, very conservative Orange County residents, and the message that I've heard from both sides of the spectrum is that Internet provides a social and public good and is going to need to be socialized to reach areas like Orange County. A statement has been made that entities can't recoup their investments by building out to sparsely-populated areas, and I -- I disagree. Capitalists choose not to invest money where it takes a long time to recoup their investments, so they cherry pick, as Irv has suggested, and the -- when you run out of cherries, you create more, and you declare that there is a district of farmers somewhere over here that is suddenly the new cherry to be picked. But we don't seem to have taken the step to say everybody needs to be serviced, or Vermonters will not participate in these in Orange County in the world's economy. And those who realize that and wish to participate in the world economy leave and go to metropolitan
areas.

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

Thank you.
My name is Charles Larkin. I'm speaking as a public citizen, but as a retired employee of the Vermont Department of Public Service. For a little over thirty years I was the telecommunications for that department.

I think the comparisons I've heard in other places that we had no real communication so we had a government who created the Post Office, and our economy blossomed; and then our country created public roads, and our economy blossomed; and then they went to the telephone, and it blossomed. Now we're starting to think about the Internet. It is perhaps the Internet that's been suggested time to be broken into two parts, the very lucrative holes in the doughnut, as I used to call the old cable companies, and the doughnut, itself, was the cable companies didn't want to build and now I see that the Internet companies don't want to build. So the way to build it is, I think, again using a comparison, the REA, the Rural Electrification Administration, and there's two approaches to this. Already accomplished by the VTA, who builds connectors, I believe they have one up in the northeast, up in Newport down to Hardwick, I believe it is, and they have another year of existence, and
I believe they're going to build a few more in that year. So the ECFiberist, this plan should have been not knocking municipals. All the problems with municipals was one, Burlington, it used member money, that is the people of Burlington, and now they're in trouble and the Burlington citizens have to pay for it. So the ECFiber, is it twenty-four towns, I believe? That's municipal, contract, or agreement, or whatever they call themselves, and they don't borrow any money from the town, from the citizens of the town; they get it from the local people who want the service, and they're willing to pay at least 2500 to get the minimum investment. Well, this plan should have encouraged other inter-municipal contracts to be built and to use the existing connectors.

I don't know the exact details, the information isn't available publicly, but this Department could have required the information under statute, and it could have found out that perhaps smart grid, never mind what it does from the house to the substation, but I understand from the substation to the control points is fiber. That's 72-data fiber up there? 72 fiber in the sheet? Who knows. Some of that could have been used; that's an
awful big network, every substation in this state?
That's a big number. There are little groups of
towns around that critical from the contract hooked
on to it at different points. How about the
connection for the 43 library? That's smaller, but
it is still a network. So, when that went into the
library, with a connection down there, and the rest
of it they use where they want to, that's a point
that could be borrowed. There must be other
networks, not only public but a lot of them --
pardon me, not only private, owned by investors, the
IOU's, as we call them, but also by the State. It
must be more than just those two state networks
already in existence, already capable of carrying
the kinds of speeds we need, not in 2024. We need a
hundred now, today, and I think it could have been
done. This plan could have found those networks, it
could have encouraged the intermunicipal contracts,
and we would have a lot of progress on this
situation, particularly if we can block that
forty-five-million-dollar, fifty-million-dollar
throw-away corporate welfare to FairPoint, the only
qualified person in the state, unless they give it
up, to build some more obsolete, archaic DSL copper
up there. We've got to stop that, and not only
should the State, Public Service Board, Department, 
ask the FCC to not continue to call information a 
non-telecommunication service so that the Board 
would then regain regulatory authority over it, but 
to ask the FCC, to demand the FCC, to get that money 
into the pool, to be rotated, revolved, so that you 
get more than forty-five, fifty million dollars of 
construction, at thirty thousand dollars a mile 
rather than sixty thousand dollars a mile, whatever, 
but you get it repeated and repeated more than one 
time, and I believe that your group should also join 
the two departments, Senator, and ask that the FCC 
not give that money to FairPoint but to give it to a 
pool.

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

THE MODERATOR: Anyone else?

CJ STUMPF: Now I'll speak for me.

I'm CJ Stumpf, and this time I'm giving my 
comments. So I'm from East Randolph and Orange 
County, and I thank you so much for holding these 
hearings in our county, and I just want to 
acknowledge, I went to Barre, I said, Hey, I'm from 
Orange County, we don't have a lot of service here, 
and so could we please have Orange County hearings?
And, you know what, we've got two of them here in one day, and they're done at unusual hours for people who -- hopefully for people who are parents or farming. We had some unexpected power outages and freaking hard frost, the first one tonight, but I just want to thank you for holding these hearings and responding to us.

So since we had a power outage as I was trying to print everything, this is going to be a two-part preso with paper and cell phone. But now I'm speaking for me, and I'm also the ECFiber Randolph rep; because, when I was trying to get something for our area of Route 14, I got involved with the VTA, found ECFiber, they found me, and they said, We don't have anybody from your area. So I'm speaking -- and I'll try to be clear when I'm speaking on behalf of things that I think about ECFiber. But the first thing is I have a secret background; I don't just pick up poop and try not to fall off horses and teach people to train. I was at what's now Verizon, was then GTE, when the Telecommunications Act of 1996 was passed, and we confidently predicted the end of the world if that was passed, because a creation of SILEC's, local exchange carriers that are referred to in the
beginning of this plan, were going to create a situation that had different economics for those new companies than the incumbents that were offering cell ser-- that were offering land-line service, and that the Universal Service Fund was providing.

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

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

So guess what? It got passed, the world didn't end, all of a sudden over in engineering we got, Okay, we lost that battle, make it so. So we dug down at GT Laboratories where I was consulting at the time, and we got local affordability done without too many horrible problems, and for those of you who suffered, I apologize, but it got done, and so I'm just saying that because I want to just say that capitalism is our country, but the government has a role; and that is, when you are a publicly-traded company, one of your obligations is to your shareholders, and it's a legal obligation. If you do not meet it, you are responsible, you can have
big legal problems, and so you have -- and that means you've got to do quarterly reports, your stock price can respond to your reports and, so you're thinking short term if you're publicly-traded company, you have to, it is the way our economy works, it's the way the stock market works. Okay, it's like there's a three-legged stool that companies rest on, and that's a big, strong, important leg. So we need you to keep -- to take the long-term view and do it strongly, because companies' jobs are to maximize your holder values, maximize profits, maximize margins, and one of my concerns when I read the plan was, it very rightly says, Boy, this is a crappy economic situation for a provider, it is, Vermont is a nightmare, it's just the density's all wrong, the terrain is horrible, you have snow, you have trees that fall down on things, I mean, it's just it's a really expensive place to build and operate networks. And so, um, but that brings me to my second point. I recognize the plan is trying to do this, but this, to get telecom services throughout Vermont, which I think is going to be critical for our economy, because we are a boutique economy, we're going to have a couple big companies, but, really, what's -- and I'm going
to get to why I'm saying this, and I'm so happy
you're here, because now you're with Chamber of
Commerce, did you say, or with the --

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

CJ STUMPF: With the Agency of
Commerce?

KIERSTEN BOURGEOIS: Within state
government.

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

KIERSTEN BOURGEOIS: We do.

CJ STUMPF: Great. Cool. So
Vermont -- so in order for this to happen,
somebody's going to have to take a strong long view
and work strongly with the federal government,
because they're going to be a critical funding and
also regulatory source for things I know Vermont
can't change but, if it goes to the government
strongly enough, I'm hoping that between our state
legislature and our federal government that we may
be -- that we should be able to raise the problem
here that we have in Vermont, which is quite unique.
I mean -- so let me back up.
I told you I had a secret past. I got out of college, I started this software business. One of my contracts ended up being GT Laboratories at the time when we were switching from analog to cellular phone service. Remember, there was like analog phone service at 900 and everybody had box phones and then we had CDPD, which is how you did data over the cell phone service, which didn't really work very well. I got there, as you're figuring out, CDMA GSM. I had just enough information on that that they foolishly hired me as a consultant at GT Laboratories. I think I was one of the like three people without a Ph.D. And so -- and eventually, because of some personality conflicts, I ended up running the program that developed the systems to unify, and this is going to have a strong parallel to Vermont, the something like 35 different companies that GTE put together, all little teeny different cell companies, 35 different sets of systems, and I think there's an opportunity for DPS or the State, I'm not sure our government works yet, I've only been here nine years and I only recently started to look at it, but to help get this stuff rolled out cost effectively. So, anyways -- I'll go back to that in a
second, but I started out in the cellular side, and
then my real strength, which was data network, I had
written like the drivers for some of the optical
blades back in the early days of, you know, optical,
for Bay Networks, which is a little east coast
network company. So then we started to roll out
data. Now we get into GTE, which had an actual
footprint, bought rights of way along all of the
railroads, and started rolling out huge fiber rings
all across the United States and in some cases to
the rest of the world. And I got involved when that
project broke down and engineering and operations
and the systems people wouldn't talk to each other,
and they were investing two billion dollars a year
and they weren't going to be able to roll out
service, and they were like, Well, you kinda got the
systems going for the cell stuff and you've got a
data background. I became the CIO for GT and then
Verizon's global optical network and was responsible
for those systems and for getting that project dug
out of a very deep hole four months into something
that had to be deployed at the end of the year. And
then I went over to business development and helped
launch a business and then went back over to
International, and then cable miles hired me to be
their CCO, and they were doing -- it wasn't really
cable miles, it was digital miles they acquired, but
they did hosting and they became one of the two
biggest hosting companies in the world, that's data
centers and servers, and then we also had special
technology, content distribution, streaming very
early on, so I ended up patenting a lot of that
stuff.

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

So these are not great earth-shaking ideas;
they're just a couple of requests. Vermont seemed
to have like four or five companies that are
building fiber. ECFiber is one of them. And I
wrote them down on my cell phone and I won't take
everybody's time in listing them; but there's
Burlington, and you've heard from a couple of them.
And I'm not speaking; in fact, I hope I'm not going
to create too many problems, I haven't run this by
them, speaking strictly for me, but there are going
to be things that could be coordinated all across
those initiatives that could reduce the costs, and
I'm not sure about this, but I wonder if you could
create, as part of the plan, something that people
could go to to help see if coordinating either
systems or -- and here I am going to -- is it all
right to talk about the possibility of you guys are
trying to leverage a cable --

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

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

The second thing is back to Vermont being a boutique business state. I also want to also acknowledge and thank the VTA, because we're on 14, and that -- and actually that was you, that broadband the BBPI program. We came late to the table, but we said, Gee, we have the requisite number of small businesses in a cluster, and we -- and one of the people, Carol Thompson that I contacted, came back, and she said, You know, you're too late for the program so we can make no guarantees at all that there's going to be any additional funding or anything left over, but could you please go find out what other businesses are in your area, and I, thinking it's got to be nothing, went to like our rails-and-trails guy and went to the Post Office and found all the public businesses that were like LLC's, inc.'s, corps., and came back with 52 businesses along like a 3-mile stretch of 14, and I was like, holy cow, we are a boutique business state. So, if you stop and look at the demographics, Vermont is a hugely aging population. And I dragged along two of my neighbors who happen to be under twenty, because they actually have an interest, we talked about this privately, they don't
really plan on standing up in front of you all, but we have some pretty strong opinions. We are aware that growth is happening, and Katie's got a business, her brother -- I mean, there are people starting businesses who are incredibly young because, if you're in rural Vermont, what are you going to do? It's not like you can go across the street and get a job at I.B.M. So a huge amount of innovation, I've discovered, was happening right on the ends of these dirt roads. So you think, Oh, ha-ha, we're going to bring fiber to a cow, which, actually, you should do because of what Tim Angell said and I forgot to mention the Silloways and the Armstrongs; but, in addition, it's what the young Silloways and the young Angells and the young Parolines are doing. They're not necessarily all going to stay doing the exact same thing; they're innovating. And they need web sites and they need internet access. And, in addition, if you are under the age of twenty-five, one of your primary modalities for communicating with the rest of the world is texting, Skyping, Instagram is -- where did she go, pointed out? I guess she's -- and so the other thing that's happening, and this is going to be an unexpected connection, we're working on
starting a very small mentoring program because --
because of the lack of infrastructure, Internet, and
jobs, we -- and it's not the only reason but it's
contributing to a drug possible and a loss of
talent. And so one of the things that came to light
as -- you know, initially I thought, Oh, well, if we
can just get a group of adults who have great
backgrounds available so that, when people are
trying to figure out what they're going to do, they
can talk to them, what became clear is that the lack
of broadband, not just Internet but broadband, was a
real problem for our young people and for their
hopes for the future and for their feelings that
they can actually find what they want to do,
communicate with people who might be able to tell
them about things they could do.

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

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

CJ STUMPF: So the iPads were cool?
They were; but, without Internet, the iPad's basically useless.

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

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

So now, before I actually --

THE MODERATOR: I just wanted to say,
I wanted to give people time for questions, too, and we're about out of time, so --

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

They are the leanest optical fiber and employment operation I have come across in my experience. Every company has sales, marketing, engineering, operations, human resources, IT, and HR; and, basically, you guys are pretty much nothing but engineering and operations. There's no marketing, there's not really any sales, there's no,
you know -- you've got customer support, that's great. So the model is interesting, and so then I went and said, Well, how do you make it even leaner? Since we have an impossible business situation, how do you make it even leaner? And so I spoke with Stan, who said some coordination, Stan Williams is the guy that runs Valley.net which ECFiber contracts, and he said some coordination might actually be able to reduce costs even more. I don't know exactly what he meant by that, but I would encourage you to go talk to Irv and John to connect to Stan Williams, because they're all executive committee. The governing board is just grouped through different towns, so we're not involved in the actual thing.

The second thing is, as somebody who's going to benefit from -- so what happened is, whoever did that, as part of the grants, when you figure out how to connect your BBIDs together, you ramp fiber up 14 to complete a loop, and that's going to help close to 52 businesses. And so then I started looking at the make-ready process, and the Bull licensing stuff. Is there anything you can do to create transparency and accountability in case things get slowed down?
THE MODERATOR: Yup, and I'll talk about that. I'm guessing that's going to be one of the questions.

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

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

Thank you very much for recommending a daytime hearing. I have to say that coming to hearings like this is one of the best parts of my job, but I want it to be said to Senator Mark
MacDonald that I did two hearings in one day in the
same county. He did call me and said, Don't do it
during the Tunbridge World's Fair. So this was a
good turnout, and I hope you'll also come or send
your friends at six o'clock tonight.

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

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

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
mjy