

Public Notice Submission

Provider Name: Vermont Telephone Company, Inc.

Summary: We have mapped the Vermont census blocks shown by BTOP as candidates for Comprehensive Community Infrastructure funding, and these occupy a very large proportion of the entire physical footprint of the state. Yet BroadbandUSA lists three Vermont BTOP applicants: (i) Vermont Telecommunications Authority (VTA); (ii) Vermont Electric Cooperative, Inc.; and (iii) Vermont Telephone Company, Inc., (VTel). The mapped picture of BTOP data is puzzling because, based on public data, neither VTA nor Vermont Electric Coop proposes to serve most of Vermont. To the contrary, both propose to serve relatively small segments of Vermont. Only VTel proposes to serve all of the 14 counties of Vermont, including all Vermont schools over 500 students, all Vermont hospitals, all Vermont community colleges, all Vermont police barracks, and the like. Consequently we are unsure how to correctly provide helpful feedback. It appears VTA is proposing a partial overbuild – with details not fully known -- of our existing \$12 million VTel first-in-Vermont DWDM optical fiber network. We feel further constrained in making any comments about VTA because Vermont is a small a state, and we have respected associates in all competing of Vermont's BIP and BTOP applications. Furthermore, as a public utility operating under a Certificate of Public Good, the good wishes of the Government of Vermont, and our state's legislature, and our governor, and our senior officials, are important to our survival. We want to get along with everyone and we work hard to do so. An example of how tasks overlap in our small state might help. The highly-regarded new Executive Director of VTA was, until days ago, the senior staff member for Vermont's Office for Economic Stimulus Funding, on loan from Vermont's Department of Public Service as senior regulator for all independent telephone companies in our state. For all of these reasons we will try to make our comments about VTA with some delicacy. VTel is a friend of VTA. We enthusiastically supported three previous VTA projects, yet we do not support this 4th. When VTA was formed in 2007 we alone offered 100 Meg of free Internet bandwidth, to help raise money for VTA operations. When VTA had the interesting idea in 2008 of experimenting with wind-powered mobile radio towers, we alone offered free use of our fiber and backhaul and FCC 'PCS' radio licenses. When VTel, with various electric utilities, began exploring wireless Smart Grid in 2009, we alone offered to Green Mountain Power, General Electric, and Motorola, free use of our Montpelier, VT, FCC 'WiMax' licenses. However in this current VTA BTOP proposal, we are concerned that VTA may undermine our company's ability to thrive as a successful Vermont broadband market participant. We have three concerns that we feel need to be here mentioned. First, Vermont's Office of Economic Stimulus Funding made correctly and formally clear – months ago – that it would only support VTA as Vermont's first choice for BTOP funding. This was long before the VTA proposal was final, and before competing applications were written. This was done for good reason, as a constructive attempt to motivate all the various local broadband parties in Vermont to work together, but it didn't work as planned. We sincerely and very much appreciate that the State of Vermont also recommended our VTel BTOP proposal, but we feel strongly our VTel BTOP proposal offers more jobs, more broadband, and

more benefits, to more Vermonters than the VTA proposal. The VTA's initial and well-intended Round Two concept was to divide Vermont into a number of regional sub-networks, to be coordinated by VTA. Sadly – at least in our opinion – this seemed to require VTel to abandon much of our prior broadband investments, and to drop back to smaller VTA-managed footprint. While we speak for no telephone company but our own, to our knowledge every other telephone company in Vermont independently also decided this VTA concept was unworkable. Based on public data, almost the only entity supporting the VTA is Sovernet, owned by Atlantic TeleNetwork, Inc., who we also know well. Sovernet is a very well-run company, and Atlantic TeleNetwork is very successful, but Sovernet's role as a Vermont and New Hampshire CLEC has historically been to lease network components from telephone companies, and to invest relatively little capital. Our approach has been to invest heavily, in state-of-the-art facilities, and our investment total today exceeds \$110 million. Not surprisingly our DWDM network uses GigE as a beginning, and we have customers today looking at 40 Gig and 100 Gig. It troubles us at VTel to see a State of Vermont entity using its name and authority to support a private company – regardless of how well-run the private company is – to overbuild existing broadband facilities, proposing services “up to GigE”, and for VTA to publicly state VTA plans to immediately turn over full control and ownership of these new facilities to the private company. Finally, a happy lesson we have learned from five years of operating a 1,000-mile \$12 million optical-fiber-based DWDM broadband network to Vermont's largest high schools, and hospitals, and government offices, and universities, is that network utility is all about applications. The ‘best’ network serves everyone, easily, freely, with massive bandwidth. We propose, as much as practical, to serve “everyone”. Cost dictates that some compromises have to be made. VTel's “compromise” here is to extend our 1,000-mile fiber optical fiber network to every one of the 43 high schools serving over 500 students in Vermont, and to make each of these a ‘hub’ serving its own clients of an estimated additional 89 optical fiber ‘spokes’, for a total of 132 schools. It isn't yet every primary school, and every nursery school, and the like, but it means getting closer to this goal. Meanwhile, we believe this critical mass, supported by statewide Distance Learning, a GigE WAN connected to Vermont's Department of Education, with a further statewide GigE of Internet2 access, statewide access to unlimited VTel data storage for schools, statewide access to 25 to 100 Meg of dedicated Internet per school hub, plus statewide use of Cisco-based HDTV teleconferencing for up to 52 sites, and statewide community outreach workers, will enable VTel's Vermont Broadband Enhanced Learning Link network to make a huge difference to quality of education in Vermont. The proposed VTA network – based on public data – appears to have sought a different compromise, and to fully serve hundreds of much smaller sites but in only two of Vermont's 15 counties – Windham County and Bennington County – overlapping into VTel's operating Windham County telephone territory to reach entities VTel has served for decades, and to connect these two counties to the Vermont cities of Montpelier, Rutland, and St. Johnsbury. While we can see the merit of a fiber build to St. Johnsbury, VT, we know that our own VTel fiber is heavily penetrated throughout Rutland and Montpelier. At VTel we support the initial concept VTA hoped to enable. We believe in ‘all boats rising’ and all entities working together; however we feel strongly that Vermont needs extensions of the existing optical-fiber-based broadband networks that have been placed today, by VTel, and other telephone and cable television and data companies, to enable outreach to the hardest-to-reach rural schools, hospitals, clinics, community colleges, and state and federal government offices. Overbuilding the networks that have

been dedicated, for years, to accomplish VTel's mission of "Broadband to Every Home and Office" less likely to accomplish the goals we all share.