

From: Spaulding, Jeb
Sent: Wednesday, June 27, 2012 7:48 PM
To: Marshall, Karen
CC: Trombley, Shana; Kunin, Lisa; MacLean, Alex; Lofy, Bill
Subject: Re: GPS vershire petition meeting talk points

Thanks. Will make sure this gets through.

Jeb Spaulding, via mobile
Secretary of Administration
State of Vermont

On Jun 27, 2012, at 5:54 PM, "Marshall, Karen" <Karen.Marshall@state.vt.us> wrote:

GPS- please see background to bring you up to speed on actions this week, and talking points to follow for the petitioner meeting.

Also- three press releases from VTA:

- Orange County connector (\$800K investment in 36 miles of fiber)
- Topsham Telephone VTA grant (\$378K, matched by their \$345K)- Bradford and Topsham unserved locations
- Comcast (\$247K -- Shaftsbury and Pownal)

Background info:

- Jim Porter and Karen M attended the Vershire “protest”, listening to citizens concerns regarding their preference for EC Fiber and dislike of FairPoint
- At the event, we stated that we were working on a solution to the overlap situation between FP Docket commitment to 19/40 communities and grant applications before the VTA
- Last week, we reached consensus with FP that a VTA investment in a dark fiber run (meaning, no electronics on it- providers who have rights to the dark fibers “light it up” for service) was acceptable and could potentially save their docket commitment some funding that could be deployed to other unserved locations outside of orange county
- The administration is wholly supporting the FP docket commitment, as it brings bband to 100% of locations within these Target communities
- VTA board approved 800K investment in 36 mile fiber run between Chelsea to Thetford, Thetford to Sharon down routes 113 and 132; Tuesday meeting.
- VTA will build, own, maintain the fiber with it available to multiple providers, for multiple purposes, on an open access basis for:
 1. Last mile connections along the route by companies like EC Fiber
 2. Middle mile transport for broadband companies, helping eC Fiber by saving project costs

- Providing backhaul capacity for wireless towers or installations that support cellular, smart grid and even public safety needs
- EC Fiber chair (Loreda Sola) used the words “ delighted”, “ see how it can be valuable to us” (can also be not of value if it doesn’t take all of their design considerations into account), “supported it”
- John Roy (Treasurer, EC Fiber and Kathy Hooke’s father) stated that they would still want more money; they have no other means than operational profit and local investors to raise funds
- They will likely keep pressing you to SOMEHOW reverse the Public Service Board docket and deploy FP docket \$\$\$ in other communities – EVEN THOUGH THE FP PENALTY DOLLARS ARE NOT STATE DOLLARS WE CAN SIMPLY REDEPLOY

TALKING POINTS

- Thanks for demonstrating your passion and commitment to broadband. I share your mission to get everyone connected- it’s the backbone for a thriving economy, better educational outcomes and transforming health care among other initiatives
- We recognized that Vershire has the most unserved locations in the state, with close to 70% without broadband (322 by our count)
- **Jim Porter and Karen Marshall took your input and concerns seriously after attending the community protest**
- **My team was committed to finding a solution to the overlap of efforts, that could best meet the needs of citizens throughout the orange county region, and best utilize all resources available (6.6m docket, private (EC Fiber) and public (VTA grant funds)**
- **We recognized that a strategic section of fiber, the 36 miles down route 113 and 132 (Chelsea, Thetford, Sharon) would benefit multiple providers, for many uses- broadband connections, cellular, even smart grid and public safety can benefit from our infusion of \$800,000 to build these fibers.**
- We know that EC Fiber’s mission is fiber to the premise and this investment helps your private investor funds go further, making more connections instead of building miles of backhaul.
- We are supporting your efforts as a company by making this investment
- We have to assure that we are meeting the needs of all unserved locations throughout Vermont before we will consider funding a second solution
- We know that your company will play an important role in providing service in this region and hope that you will continually reinvest net profits to extend your fiber solution to your neighbors who may not have the means to invest in the company
- I WILL ASK MY FOLKS TO KEEP AN OPEN MIND AND CONTINUE TO WORK WITH YOU ON OTHER SOLUTIONS, SUCH AS IF YOU ARE ABLE TO RAISE ADDITIONAL CAPITAL AND NEED VTA TO CONSIDER ADDITIONAL DARK FIBER RUN. NO PROMISES SINCE WE HAVE MULTIPLE GOALS AND the WHOLE STATE TO THINK ABOUT BUT I WILL MAKE SURE WE CONTINUE TO WORK TOGETHER ON SOLUTIONS
- I DON’T VIEW FAIRPOINT AS SOMEHOW PENALIZING VERSHIRE – IDEALLY WE WANT MULTIPLE SOLUTIONS IN MULTIPLE PLACES, like we will have because of

this investment. BUT WE HAVE A MISSION TO MAKE SURE THE WHOLE STATE IS SERVED FIRST, AND THAT IS MY RESPONSIBILITY. I'M HOPING THAT YOU SEE THE VTA'S RECENT DECISION AS BRINGING YOU VALUE EVEN THOUGH IT ISN'T EVERYTHING YOU'D ASKED FOR.

ON SPEED and Fiber to the Premise:

- EC F supporters believe that this is the ONLY solution, that FairPoint fiber + copper will never achieve speeds necessary
- We hold the position that fiber deep into communities and throughout a network is critical. Where financially achievable to the premise, we work to build it. (announced Topsham Telephone VTA grant for \$378K which they matched with \$345K)
- Our estimates show that to build FTTP for all vermonters would reach a cost over 1 billion
- My(GPS) understanding is that fiber + copper will deliver 7 mbps to more than 70% of locations in your area, that wireless can deliver 5 – 10 mbps, both comparable to your first step offering of 5 mbps.

KM

Karen L. Marshall , Chief
Connect Vermont, Broadband and Mobile

Agency Of Administration | Pavillion Building
109 State Street | Montpelier, VT 05609
phone: 802.828.6452 mobile: 802.371.9885
karen.marshall@state.vt.us