

Burlington Telecom Advisory Board

Conference Room 12, City Hall

June 28, 2017

5:30 p.m.

1. Agenda
2. Approval of minutes from 6/21 BTAB meetings
3. Public Session
4. Public Update on the sale of BT
5. Executive Session

DRAFT

June 30, 2017

Dear BTAB Members,

We are writing in support of the bid of the Keep BT Local Cooperative to purchase Burlington Telecom.

According to the survey of City residents by The Burlington Telecom Advisory Board (BTAB), Local Ownership is of primary importance to the next owner of Burlington Telecom. The community views itself as the original investors in this project with a very real claim on the returns in terms of “community equity.”

Local ownership not only guarantees that repayment of their initial investment, but a cooperative approach could yield additional dividends to members (businesses, non-profits, and individuals) who have all contributed to making Burlington Telecom possible, and indeed could receive **deserved patronage refunds** such as the ones offered by City Market, **fewer increases in base pricing over time**, and a **more responsive, local ownership that answers to the needs of the community**.

Burlington has a long history of launching and supporting businesses who take into account community, as well as commerce, and express a set of distinct values embedded in how they view the world, as well as their customers. This unique business environment has created a vibrant business community that continues to grow, remains more stable than other regions, and keeps its environmental footprint lower, while raising standards for local residents. This accomplishment can be taken to the next level via ensuring the local ownership and equity stake of the community in our telecom, arguably the most important investment our community has in remaining competitive in the next 30-50 years.

We urge you to look deeply at the long-term value that Keep BT Local Coop will provide to the community. There is great potential here to harness the creativity of residents and businesses to create a forward-thinking utility, similar to Burlington Electric Department, which will provide a key cornerstone to the economy of the 21<sup>st</sup> century and ensure that everyone has access to this powerful tool.

In closing, Keep BT Local will keep alive the original mission of Burlington Telecom to provide long term returns for the community—including access, affordability, and equity.

Sincerely,

Jerry Greenfield, co-founder, Ben & Jerry's  
Will Raap, founder, Gardeners Supply  
Beth Sachs, founder, Vermont Energy Investment Corporation  
Doug Hoffer, Vermont State Auditor  
Phil Fiermonte, state director, Office of US Sen. Bernie Sanders  
Michael Wood-Lewis, Co-Founder and CEO, Front Porch Forum  
Jan Schultz, CTO, Front Porch Forum  
Melinda Moulton, CEO, Main Street Landing  
Christine Hallquist, CEO, Vermont Electric Cooperative  
Avram Patt, former General Manager, Washington Electric Cooperative  
Don Jamison, Executive Director, Vermont Employee Ownership Center  
Peter Clavelle, former Mayor, City of Burlington

Bruce Seifer, former Assistant Director, Community & Economic Development Office  
Dean Corren, former Vermont State Representative, Renewable Energy CTO  
James Lockridge, founder, Big Heavy World  
David Driscoll, co-founder, The Sanders Institute  
Patrick Brown, Community Organizer  
Amir, Jusufagic, Owner, Junior's Downtown  
Syd Eren, Vermont Sky Network  
Chris Pearson, Vermont State Senator

**From:** Matthew Cropp  
**Sent:** Tuesday, June 27, 2017 9:04 PM  
**Subject:** Please Support the Co-op Bid for BT

Greetings,

I've come to testify to BTAB meetings in person in the past, but, as the process is now moving forward, I wanted to reach out by email to reiterate my opinion that the subscriber co-op buyout is the best path for the City.

In addition to the direct financial benefit of a successful sale, a co-op BT would serve as an engine of community wealth generation, leading to a more financially secure and prosperous citizenry overall. Just as City Market has accumulated over \$4 million in equity for its members over and above the cash patronage refunds it has paid to its 11,000+ members over the past decade, a co-op BT would, instead of shipping profits in perpetuity to outside investors, build long-term patronage balances that would benefit residents of modest means for decades to come.

In my experience with the Vermont Employee Ownership Center, I have assisted with the conversion of a number of businesses from for-profit to co-op ownership. While it is certainly easier to recruit capital for a business plan built around the extraction of capital from a community, it is possible to build support for models structured to build wealth *\*for\** communities, and I would happily lend what expertise and connections I have to recruiting non-extractive capital for the mutualization of BT (as well as personally investing a chunk of my retirement savings in the initiative, and encouraging the co-op investment club of which I'm a member to financially support the endeavor).

Thank you for taking the time to read my note, and for your service on BTAB, and I sincerely hope that, a year from now, many of you will be fellow co-owners with me of our own co-op telecom!

Sincerely,

Matt Cropp  
BT Subscriber, Keep BT Local Co-op Member  
Ward 4, Green Acres Drive, Burlington

Burlington Telecom Advisory Board  
Burlington City Hall  
149 Church Street  
Burlington, Vermont 05401

I write in support of the bid from the Keep BT Local Cooperative to purchase Burlington Telecom.

Approving a utility co-op to own BT would preserve the valuable benefits we had from municipal ownership and increase the odds of extending them to our whole region.

Having worked with cooperatives for the past decade, I can say that this business model brings strengths that are of special value in relation to BT. The ownership structure, where each shareholder has an equal vote, promotes local ownership and control. This encourages a culture where operating well is the means to the end of meeting the members' economic and informational goals, rather than a culture that treats customers as inputs to the end of creating shareholder value.

From BT's inception I was excited by its economic development potential, which in fact was limited by municipal ownership. It's important that BT helps us retain Dealer.com; it would be wonderful to extend it to MyWebGrocer and/or other important employers in adjacent towns.

Will the new BT invest in regional growth now that it can, or just try to maximize profits? The answer depends on who owns it, of course. Local owners will care about our long-term economic strength and creating more good jobs.

Uniquely among utilities, our telecom can build citizens as well as the economy, if it chooses to do either. In the context of our national politics, media access has never been more urgent than it is now. BT's media access has been unparalleled in its breadth and affordability. The Keep BT Local Co-op is the only structure designed to continue BT's high level of responsiveness to our community's media needs.

Utility cooperatives are a time-tested business model, and the best one to take over running BT.

Thank you for your work to steward this crucial resource and your consideration of these points.

Sincerely,

Julia Curry  
Board Chair, City Market/Onion River Co-op  
Advisor to housing cooperatives at Champlain Housing Trust  
(affiliations listed for identification purposes only)

From: **Syd Eren**

Date: Wed, Jun 28, 2017 at 11:42 AM

Forward thinking. When Burlington Telecom was first conceived it was forward thinking. The problem was poor execution. While the proposal that KeepBT local may not be the highest bid, it is the most forward thinking. Until the 3 weeks ago no one else but the people involved thought so until Maine fiber. It is important to let this group to the next round. I am confident that they will show how they will execute. Dark fiber is the way of the future. If Burlington is to become part of the smart city revolution it will need the infrastructure to be flexible and provide innovative services. Citizen involved in the operation of BT will ensure that that it occurs. Otherwise we will be a spoke on the hub of someone else's operation, just an after thought.

There are many examples in Vermont of doing things differently. Look at the success of Cabot farms, BED, Credit unions, Food Co-ops and B-Corps. Each of these points to Vermont's ability to innovate and adapt. The best way to pay back the citizens of Burlington is to give them the opportunity to start, operate and grow their businesses and lives. I am confident that if you give the Keep BT group an opportunity they will make a valid business case why they will succeed and thrive. There many smart people involved in this effort whose goal is to make Burlington a better place. Now that they have funding more people will want to get involved.

I was involved with the Together networks when it first started. Imagine what Burlington would be like if it stayed local. Since then I have been a part of and worked with many startups. The forward thinkers are the ones that succeed. Look forward and let the citizens of Burlington do the same.