

Nov. 18, 2015, Burlington Telecom Advisory Committee, Public Hearing on criteria for sale of Burlington Telecom.

Solveig Overby

My opinion may or may not be relevant to the decisions you will make concerning the criteria to use when selecting the next owner of Burlington Telecom. However, I want to remind you of facts relevant to your decision and which I hope you will consider carefully as you deliberate in this process.

You must require public ownership and local control as a mandatory criteria for the future ownership arrangements for Burlington Telecom.

- 1) In 1997, Burlington citizens voted for a municipal fiber network, which is what ultimately became Burlington Telecom. Burlington residents were frustrated with both their cable company which was Adelphia at the time, (later purchased by Comcast), and their phone company Verizon. In contrast, the municipally owned Burlington Electric Department was seen as well serving the needs of Burlington citizens. On March 7, 2000, Burlington voters supported a charter change and approved revenue bonds to build the fiber optic network, and the city administration pursued Vermont General Assembly approval of this charter change.

The public voted to create this municipal fiber-optic infrastructure and you should not reverse those public votes through your actions on this committee. You should respect these votes when defining the criteria for the future ownership of Burlington Telecom.

Consider the comparable history of the municipally owned Burlington Electric Department. In 1903, Burlington voters approved bonds to build a municipally owned electric generating plant. At the time, the city was paying the privately owned Burlington Light and Power Company \$80 per year for each street light, and the company was charging residential customers 14 cents per kilowatt-hour for electricity. On April 29, 1905, BED began providing electricity to the city. The cost per street light dropped to \$8 per year. Residential electric rates dropped to 10 cents per kilowatt-hour.

In setting the criteria for the future of Burlington Telecom, you must insure that you do not put in motion the reverse scenario: a return to costly private ownership after the public has made their significant investment in public ownership of this infrastructure. Only public ownership and local control can insure that the city will be able to maintain cost control, privacy and service support of this infrastructure for residents, businesses and institutions.

- 2) The VT Public Service Board, in response to the city's March 28, 2014 application for acceptance of the CitiCapital Settlement of Jan, 28, 2014, encouraged the city to consider alternatives that would be more favorable financially than the arrangement that was proposed. The PSB stated that the proposed sale of BT's Assets to Blue Water would have a significant effect in reducing the ability of the City and its taxpayers to recover a substantial portion of the City's unauthorized \$16.9 million investment in Burlington Telecom.

In order for the citizens of Burlington to realize a return on their investment in the fiber optic network, they need to insure that the future profitability of the infrastructure goes back to the citizens who had the foresight, and took the risks, to make the investment in this network.

- 3) Burlington citizens have made significant public investments to build the BT fiber optic network infrastructure. From the beginning, it's been an investment in a complex, fast developing technology. It has never been a \$17 million dollar rip-off of taxpayer dollars as characterized by some detractors.

Burlington voters voted for a municipally owned fiber optic network to meet four goals:

- a. Universal Access – at reasonable prices to every citizen, business and institution in the city
- b. Open Access – analogous to common carrier public roads. Anyone can purchase bandwidth or services.
- c. Future Proof – built for the long term to provide flexibility and upgrade capacity
- d. Financially Self-Sustaining – finance by users, not taxpayers

Public ownership and local control are the only way these goals can be met.

- 4) Future technologies are on the horizon that we can only imagine. As a community, we need to maintain control of these to avoid becoming victims of commercial exploitation.

BTVignite and USAignite are beginning to reveal to the general public just what an amazing asset Burlington has in its fiber optic network. We need to maintain control of our infrastructure in order to be leaders, and not followers or simply “consumers” in this future. One only needs to read the terms of service and privacy policies of websites and apps to know how one-sided the arrangements are with commercially, profit-motivated network service providers.

I suggest you listen to an audio program presented by Peter Day, in 2008., discussing the future of fiber optic networks and the use of bandwidth in the future. See “In Business: Bring on the Bandwidth,” originally broadcast on Sept. 4, 2008 at the link below. This will give you a glimpse of the future.

www.bbc.co.uk/programmes/b00d7b61

I will not be able to attend either meeting.
However you are welcome to take in a letter from me saying

I sincerely hope we can keep BT locally owned, run for the benefit of our community and that all jobs stay local. My business would not run so well without BT and its fast internet service and locally owned.

Carolyn L. Bates
20 Caroline ST
Burlington, VT

Nov 17, 2015