

BAMO | BURLINGTON ACCESS MANAGEMENT ORGANIZATIONS

4 June 2014

TO: Burlington Telecom Advisory Board

FROM: Lauren-Glenn Davitian, Channel 17/ Town Meeting Television on behalf of the Burlington Access Management Organizations (BAMO)

RE: Request for Public Process to Accompany Sale of Burlington Telecom

Thank you for the opportunity to provide testimony to the Burlington Telecom Advisory Board regarding the planned sale of Burlington Telecom. Burlington's access management organizations (BAMO) have concerns about the Settlement Agreement with Citibank, namely, the decision to sell Burlington Telecom in an "eventual arms length sale of the system of the private entity".

As long standing observers of Vermont's cable industry, and Burlington Telecom in particular, we understand the financial realities facing BT. We also believe that it is necessary for the City to determine whether it considers BT to be merely a fungible asset, or a community and economic development driver that provides important benefits to the community, worth preserving, even in the face of an eventual sale.

Credentials: Burlington's access management organizations (BAMO) include VCAM, RETN and Channel 17/ Town Meeting Television. In operation since 1984, our AMOs are nationally recognized as innovative and effective centers for community media. We are noted for our work as community organizers, media trainers, programmers of five cable channels, and internet hubs – serving nearly 36,000 cabled households and 200,000 unique internet viewers each year. The Burlington AMOs open the door to local government, advance community education, and provide a free speech platform for anyone in the community with a story to tell. In this capacity, we collectively serve hundreds of volunteer community producers and air at least 2000 hours of new programming each year.

PEG Relationship with BT: The Burlington AMOs have enjoyed a fruitful relationship with Burlington Telecom since its inception in 2005. Each generation of BT leadership has complied with the terms of our MOU, which is a condition of the Certificate of Public Good issued as a result of Docket 7044.

BT has always considered community programming to be an asset—a positive addition to its channel line up and service offerings. As a result, BT's management has always been willing to explore new ways to provide public access to commercial features of the network. Evidence of this: Channel 317 (dedicated to the airing of Burlington municipal programming), community drops as needed in various public locations, a new HD channel to be managed by VCAM, and ongoing discussions destined to activate "on demand" local programming.

We believe that BT's responsiveness and willingness to explore and activate community uses of its network is due principally to its corporate structure as a locally and publicly owned telecommunications enterprise.

BT's current and enthusiastic involvement with the US Ignite initiative further indicates that it considers its network to be more than a profit center. BT's management and Burlington's City leadership has explicitly stated that the network provides opportunities for community growth and economic development. They are clear that this potential can be further leveraged by BT's involvement with US Ignite.

A Way Forward: The Burlington AMOs have serious concerns about the City's decision to sell Burlington Telecom as a condition of its settlement agreement with Citibank and Pecor/Merchants Bank. We believe that this decision could limit the ability of the network to serve meaningful community and economic development purposes in the future and curb community media innovation.

We think that the City must be honest with the public about its expectations for BT's future. Is BT a fungible asset (i.e., that is, a replaceable network)? Or is BT a future-proof lifeline to a prosperous and resilient economy? If the City believes that BT can provide present and future services critical to our community and economic well-being, then we must establish a process for selecting a new ownership that will engage as a true partner and that shares values with the City of Burlington.

Over the past 25 years, Burlington has faced comparable decisions about the disposition of its assets. These have included the Burlington Waterfront, the downtown supermarket, and, most recently, the Moran Plant—a legacy from an earlier economic era. In each case, the City has crafted an open, public process to determine the terms and conditions for the next chapter of each of these community resources.

In the case of Burlington Telecom, we join with other active community members to propose an open, rigorous, transparent, and efficient process for choosing a partner or purchaser for BT. Using the Waterfront and Downtown Public Investment Action Plan (PIAP) as a model for moving forward with BT, we recommend a fully articulated process that will:

- Identify the criteria necessary for a partner that will cooperate with the City to realize the community and economic development potential of BT. These criteria will weigh both the financial and the value of the network to the community and the regional economy.
- Designate a qualified team to evaluate proposals that includes financial, telecom, community and economic development experience, along with an understanding of the impact of next generation networks.
- Deliberations open to the public, with ample and clear opportunities for citizen participation—including on-line access to proposals, and briefings of relevant groups and stakeholders at regular intervals as the process unfolds.

In Conclusion: The Burlington AMOs have always been encouraged by the wisdom of the City's voters to pursue a publicly and locally owned telecommunications network. Our experience and research convinces us that BT's value will only increase as the years go on. It is shortsighted to lose complete local control of this most valuable asset. From the point of view of community access—and the larger interests of community and economic development – it is necessary for us to forge a new partnership that will truly serve the interests of our city, now and in the future.