



East Central Vermont Telecommunications District

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Remarks before the House Committee on Environment and Energy

Communications Union Districts Day, January 31, 2023

F. X. Flinn, Chair, Governing Board, East Central Vermont
Telecommunications District

Madam Chair, esteemed members of the committee, thank you for the opportunity to share perspective on the history of the Internet in Vermont. It's always been a story of Vermont having to find its own path the top of the mountain. I'm here today to say that the mountaintop is finally in reach.

Vermont's first Internet crisis was the lack of local phone numbers for dialup users. Local solutions developed, for example, ValleyNet and SoVerNet.

A decade later, the issue was that DSL was only available within 3 miles of a switch, limiting it to the biggest towns. Cable Internet began to come along, but only to the same places as DSL.

Vermonters either lived in a competitive oasis or an Internet desert.

By 2004 everyone looking at the issue realized this disparity would grow into a crisis, and several local efforts kicked off. Burlington Telecom was the most notable. BT gained traction and the folks at ValleyNet, a non-profit that had spun out of Dartmouth, suggested Vermont towns in its service area could use the BT approach to build a network.

The grassroots organizers in these east central towns decided to call it ECFiberNet. In 2008, the towns all voted to make a contract together, and, as financing was arranged, the economy tanked.

BT went down. The state forbade towns from bonding for Internet. The federal government put \$110 million on the table, and Vermont awarded it to VTel, to transform the Springfield telephone network to fiber-optic and to put up 200 LTE towers to get fast Internet out into the rest of the state. ECFiber was dismissed as an unworkable idea and got nothing. In 2011, ECFiber began building its network based on hundreds of loans in \$2500 units from local citizens. By 2014, it had 3 years of audited

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financials showing it was a going concern, but needed a different legal structure to issue municipal revenue bonds.

Members of its governing board, ably assisted by the legendary and much-mourned Paul Giuliani, drafted the CUD law, which passed in 2015. The member towns of ECFiber got off the interlocal contract bus they'd been traveling in and got on the communications union district bus. A few months later, the District borrowed the first \$8 million of what has grown to be \$64 million in municipal revenue bonds. Meanwhile, the broadband crisis had become visible.

While DSL could reach further, it was no longer fast enough, and cable still wasn't coming to 25% of locations, and the LTE towers weren't delivering in the way everyone had hoped.

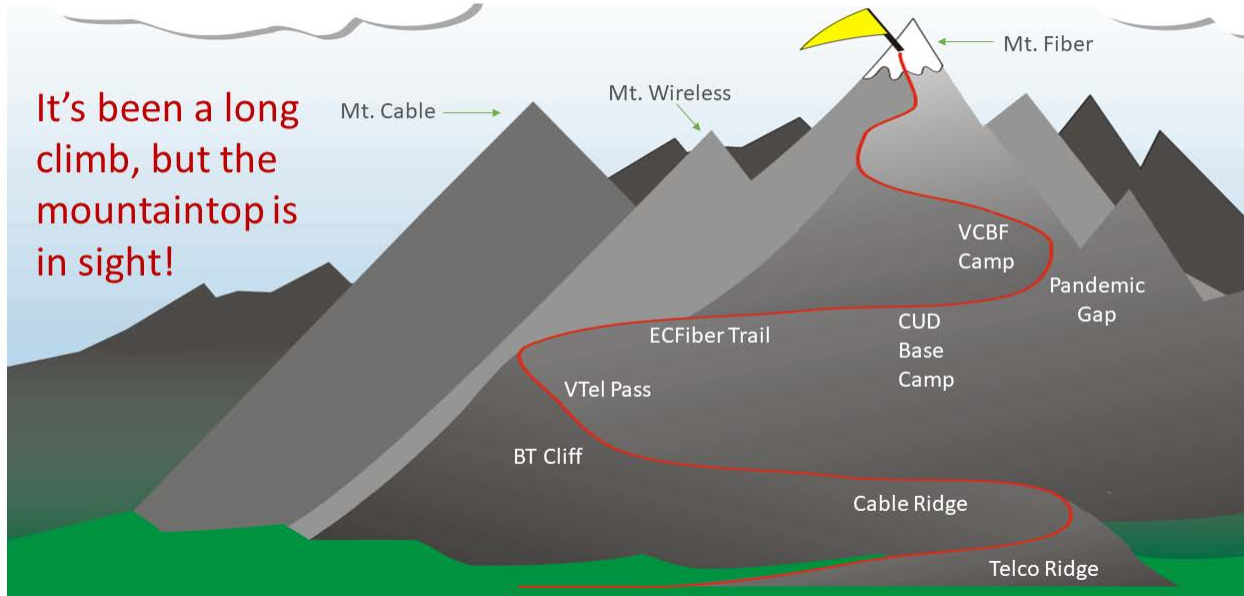
In 2019, the state put some money into spurring the development of additional CUDs, seeing that ECFiber was actually working out and bringing fiber to towns that were otherwise in the desert.

It was a grassroots Vermont effort that suited the situation in Vermont. Nine months later, the pandemic hit, and there was no longer any debate about the crisis, about whether or not DSL was good enough, about whether the Internet was a luxury or a necessity.

In 2021, with ARPA funding on the way, the Vermont Community Broadband Fund was established and 8 additional CUDs were positioned to emulate ECFiber.

It's been a long climb, and now we can see the summit.

Internet in Vermont: Finding Our Own Way



The mountain we are climbing, and the trail we are on, has been laid out by the state in Act 190 of 2014 (identifying the mountaintop), Act 41 of 2015 (enabling the creation of CUDs), Act 79 of 2019 (providing funding to assist in the creation of CUDs), and Act 71 of 2021 (creating the Vermont Community Broadband Fund and making CUDs the linchpin of the drive to the summit).

The summit is making fiber to the home or business available everywhere in Vermont.

Getting all the lines on the map on the next page blue:

PDF here

In denser areas, telcos will have to do this to compete with cable. In Vermont's Internet desert, the CUDs will do the rest (sometimes by partnering with the local phone company).

This is nothing new; it's been the stated goal of the state since 2014, when 30 VSA 202c (10) told the DPS to support measures designed to ensure that by the end of the year 2024 every E-911 business and residential location in Vermont would have infrastructure capable of delivering Internet access with service that has a minimum download speed of 100 Mbps and is symmetrical.

We aren't all going to get to the top in 2024, but a lot will, and more every year afterward. We've established the route to the top, and we can see it is in reach.

With this historical background, I would suggest that the main takeaway is that because of our geography and population, it's very difficult for phone and cable companies to build a business case for investing in the entire state. And the state doesn't have the resources to just go and do it.

Vermont's Own Way: Key Takeaways

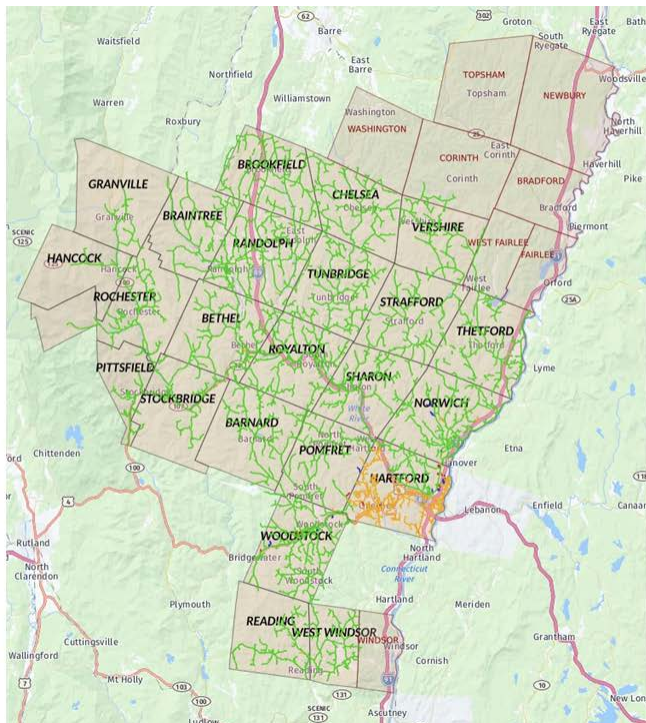
- Vermont's combination of low population and difficult topography created an Internet desert
- Vermont's grassroots developed solution: CUDs
- ECFiber is the successful feasibility study, the proven business plan, and the legislature's chosen the model for delivering broadband services to every premises on the grid in Vermont.
- This is not about serving 60,000 addresses – it is about bringing world-class broadband to the state as a whole.
- The 60,000 number would be 75,000 without ECFiber's work over the past 15 years
- ECFiber's success in the bond market means new CUDs have ready access

But Vermonters figured out a way to get it done. And the state took notice 8 years later and decided that was the way forward.

We are poised to leap because of all the pandemic related funding. We are well ahead of most states. We like to talk about the Vermont way –

this is our way of climbing the mountain of making world-class broadband available to all of Vermont.

I chair the governing board of the East Central Vermont Telecommunications District, which owns the business you know by the tradename ECFiber. The green lines show where unserved and underserved Vermonters have been able to get community owned world-class broadband at least since 2022, and some since 2011. The much thrown around 60,000 number would be closer to 80,000 without our work.



Vermont's First
Communications
Union District

*Bringing World-Class Broadband
to Rural Vermont*

When we've finished building out, we will pass over 31,000 locations with 2000 miles of network. We've pulled this out of the ground more or less on our own and are thrilled that the federal monies available now mean our younger sibling CUDs will be able to do in 3 to 5 years what has taken us 15 years to accomplish.

F. X. Flinn
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he/him; (initials are for Francis Xavier)

*Delegate to ECFiber since 2012; Vice-Chair 2016-2020; Chair 2020-present
Hartford Selectboard member 2012-2014; JP 2003-2012, 2015-2023
Full time resident of Quechee VT since 1997; retired IT professional
Founding Director of Equal Access to Broadband, Inc.
Formed Vermont Communications District Association 2020 and served as first Chair & President
2020-2022; now Secretary/Treasurer*