

Congress of the United States

Washington, DC 20515

April 6, 2016

Mr. Brandon McBride
Administrator
USDA Rural Development
Rural Utility Service
1400 Independence Ave., SW
Washington, DC 20250

Dear Administrator McBride:

Thank you for speaking last week with representatives from our offices and various state officials regarding the status of VTel's Wireless Open World project. As was mentioned on the call, we are increasingly concerned that six months after the end of the construction period, we continue to hear reports that VTel's wireless broadband project is only available in a few areas.

As a follow up to that call, we respectfully request that the Office of General Counsel (OGC) provide us a written response to the following questions:

- Has VTel provided a timeline for turning on the wireless system? Does RUS have any assurances from VTel about the operability of the system?
- Does VTel have a marketing plan in place as well as the capacity to connect potential customers once the system is operational? At a recent public meeting in Wardsboro, a VTel representative said it would take six weeks after initial contact before a technician would visit potential customers.
- Will RUS require VTel to build the three towers it did not complete by the construction deadline? If not, is RUS discussing with VTel any plan to provide broadband access to people living in those areas? How many households and business will not have broadband access because VTel did not build those three towers?
- Once the system is fully operational, how many previously unserved Vermont homes and businesses will – and how many will not – receive the wireless signal? On the call, you mentioned VTel says it will cover 97% of Vermont homes; can RUS share VTel's RF propagation studies to back-up that estimate? Without that information, we cannot assess the success of this federally-funded effort.
- Has RUS substantiated whether the wireless signal degrades more than VTel originally expected, based on distance from the tower, number of users, terrain, foliage, and inclement weather? Does RUS know of any VTel plans to boost the signal in the most affected areas? How many homes and businesses will likely need external antennas to receive the service, and at what cost to the consumer?
- You mentioned that VTel says it already has 1000 subscribers. Has RUS field checked that number, and the reliability of service and download speeds?

- Most importantly, what actions are RUS taking to ensure the grantee completes the project, and what corrective steps are RUS prepared to take if the grantee fails to deliver on its obligations to the federal government and the taxpayers?

As strong supporters of the American Recovery and Reinvestment Act, and the funds it included for broadband programs, we very much appreciate the investment that RUS made in Vermont. In particular, this project is the centerpiece for reaching unserved Vermonters and is of great importance to our local communities and constituents.

It has always been our understanding that VTel committed to provide wireless broadband access to "virtually 100 percent of Vermont's unserved population." While we understand some small areas may not receive service because of geographic or engineering limitations, we have long been concerned about statements made by the grantee to step back from that commitment.

An evaluation of the progress and ultimate success of this project relies on clarifying both whether the grantee must meet that commitment, and which addresses will actually receive service. RUS has previously withheld releasing the grant agreement and RF propagation studies because of information the grantee considers to be proprietary. Given the difficulties defining the grantee's obligations and assessing progress of the project, we renew our request for RUS to release the grant agreement and any subsequent modifications, after OGC redacts any proprietary information. We also request address-specific information regarding the availability of the wireless service.


It is important for the public to understand the terms of the agreement, and for policy makers at all levels to adequately assess whether the grantee is complying with all of its obligations. This information is also critically important for the state of Vermont, the FCC and other funding agencies that are considering future investments of public funds to expand broadband access in our state. In an era of scarce public resources, we cannot afford to duplicate efforts.


We would like to reiterate that it is our sincere hope that VTel builds what it promised, and we can all celebrate the successful completion of a very important project for our state. However, should VTel fail to comply with its obligations, it is prudent for us to understand what remedies RUS has at its disposal.

Thank you for RUS' efforts to expand broadband access in rural America. We very much appreciate your attention to this important matter, and we look forward to hearing from you. In the meantime, please do not hesitate to let us know if you need clarification regarding our concerns or the questions we have posed.

Sincerely,


PATRICK LEAHY
United States Senator


BERNARD SANDERS
United States Senator


PETER WELCH
United States Representative