

A company that has expanded cell phone service — and the ability to call 911 from a mobile phone — to at least 26 rural Vermont communities in recent years is on the brink of dissolving and likely will discontinue that service, state officials say.

A lawmaker expressed particular concern about people being unable to make emergency calls in those areas, and said she would take testimony on the situation next week.

The expected fate of Vanu CoverageCo, which could cease operations within days, is the latest setback in Vermont's long and often frustrating efforts to expand mobile phone coverage. Despite millions of dollars in state and federal spending for those efforts, many motorists traveling Vermont's numbered state highways and backroads are still unable to make calls.

Clay Purvis, director of telecommunications and connectivity for the state Department of Public Service, sent an email to lawmakers late Thursday warning about the likely cessation of Vanu Coverage Co.'s service in Vermont.

He listed 26 communities likely to be affected: Canaan, Norton, Brighton, Wolcott, Groton, Ryegate, Topsham, Washington, Roxbury, Granville, Ripton, Middlebury, Hancock, Chelsea, Vershire, Fairlee, Strafford, Thetford, Wilmington, Whitingham, Halifax, Readsboro, Woodstock, Townsend, Newfane, and Jamaica.

Among the locations CoverageCo served Grace Cottage Hospital in Townshend, where the executive officer said it previously "had the dubious distinction of being, to my knowledge, the only hospital in Vermont without any cell reception."

Despite the excitement from communities that for the first time had a cell phone signal, the company had been struggling financially for years.

A key revenue stream — customers of major cellular carriers connecting to cellular networks through CoverageCo's antennas, allowing the company to collect fees from those carriers — didn't bring in enough proceeds to make the business viable, simply because call volumes in many areas weren't high enough. The state's largest carrier, AT&T, chose not to be part of the network.

The company's CEO, Vanu Bose, is the son of the late famed sound engineer and founder of Bose Corporation Amar Bose. He rolled out the microcells in two places: Vermont and Rwanda.

"We picked these two locations because we knew they would be challenging in terrain and population density," Bose told Wired. "What we didn't expect was that many of the problems were the same in Rwanda and Vermont — and in fact the rollout has been much easier in Africa."

Bose traveled to Puerto Rico to provide equipment for 40 of the company's "microcell" sites to help restore telecommunications to the devastated island following Hurricane Maria.

In November, Bose died at 52 of a sudden pulmonary embolism.

According to that Wired article, which was published in June 2017, CoverageCo had deployed 145 micro-cell devices providing service to over 300 square miles. It said a thousand 911 calls have been completed over the network.

In his email to lawmakers Thursday, Purvis said the company's future in Vermont looked bleak.

"On March 13, 2018, company officials notified the Department of Public Service that CoverageCo would likely cease operations in Vermont due to financial difficulties," Purvis wrote.

"CoverageCo was under contract with the State of Vermont to deploy small cell antennas along specific travel corridors," he continued. "CoverageCo provides limited, wholesale coverage to Verizon Wireless, Sprint PCS, T-Mobile, and U.S. Cellular. Retail users of these services in CoverageCo's coverage areas may experience a loss in service.

Purvis said customers able to connect directly to the larger carriers' networks would not have to worry — unless they traveled to areas where only CoverageCo access has been available.

“Facilities owned and maintained by these retail providers and other providers will not be affected,” Purvis wrote. “The Department is exploring its options, but in the short-term, service from CoverageCo will likely cease.”

Purvis said in an interview that because wireless carriers are regulated by the federal government, the state has little leverage to put behind any effort to keep CoverageCo operating. He added that while a cessation of service was likely, it was not a certainty. At stake is more than \$4 million in public investment in the project to date, he said.

The goal of fully deploying cell phone networks in rural areas “has confounded states across the country,” he said.

Rep. Laura Sibilila, I-Dover and a member of the House Committee on Energy and Technology, said that panel would be taking testimony on the CoverageCo situation on Wednesday. She said one of her chief concerns was people in rural areas losing the ability to call 911 from a mobile phone.

Matt Dunne, a former lawmaker and gubernatorial candidate who represented CoverageCo in Vermont until last September, said Friday the company’s problem was simple: costs were outstripping revenues. He said the firm had gone to the Legislature last year for relief from fees for connecting to the state’s Enhanced 911 emergency calling system, but was rebuffed.