

## CVFiber update to the Vermont House Committee on Energy and Technology for Local Government Day (13 February 2020)

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### **H. 692 digression first:**

As a Selectboard member, the chair of a communications union district (which would presumably be subject to this), and as a computer security professor, I applaud this effort.

I think it's a reasonable first step to getting our Cities, Towns, and other municipalities up to speed with even basic information security practices. I'm glad to see the Vermont League of Cities and Towns stepping up in this arena, too, by providing some information security resources to their members.

Lots of references to municipalities having to complete training, when I believe you mean that municipal employees with access to data in State-owned systems need to complete the training. In this bill, it seems like the entire municipality's access will be blocked if even one employee does not complete the training. As an information security educator and as a recovering IT security professional, my experience with this sort of training has not been uniformly positive. People don't want to do this.

This may put municipalities in a bad spot with even one recalcitrant employee or elected official who doesn't see the importance of the training.

### **CVFiber:**

Thanks again to the committee for its work on H.513 last year, of which CVFiber is taking full advantage. We applied for the Broadband Innovation Grant and received the full \$60,000 to complete our feasibility study and business plan. We have also been in regular communication with VEDA in preparation for applying for a Broadband Expansion Loan of the maximum size of \$4 million. Should the feasibility study and business planning show us a path to being cash-flow positive in 3 years, we're hoping to start engineering this year, with the hope of turning on the first few subscribers in Q2 of 2021. It's not certain that we can make that case, but all signs that I've seen so far point to it being doable. I truly appreciate the Legislature (and this committee particularly) taking the lead on providing a big boost towards fiscal stability that could have taken us 7 or 8 years, like it did for ECFiber.

We are concluding a survey of residents in our 18 member communities here in Central Vermont, and the public support for our efforts has been inspiring. We had nearly 1800 responses to the survey, and here are some of the interesting top-line results of that survey:

1. *If CV Fiber brought competitively-priced broadband services to your community, how likely would you be to subscribe?*

49% replied "Definitely would"

37% replied "Probably would"

**Takeaway:** We will probably see a high enough "take rate" to justify our business plan.

2. *What would you most like to see improved from your current broadband services? (choose three)*

78% replied "Higher speeds"

65% replied "Lower prices"

64% replied "Reliability"

Local ownership, customer service, bundling of services, and channel selection followed in that order.

**Takeaway:** There's a clear demand for faster speeds.

3. *What is the cell phone strength at your home?*

9% reported no signal at their home

21% reported one bar

30% reported two bars

27% reported three bars

**Takeaway:** Cell coverage here may not be good enough to provide an alternative to broadband.

4. *Would you be willing to invest in the planning, construction, and/or operation of this network for the first 24 months?*

45% expressed an interest in pre-subscribing

10% expressed an interest in making a loan to CVFiber

6% expressed an interest in making a gift to CVFiber

**Takeaway:** We have a lot of phone calls to make to track down our VEDA loan matching funds!