

From: F. X. Flinn <fxflinn@gmail.com>

Sent: Tuesday, September 15, 2020 4:35 PM

To: Faith Brown <FBrown@leg.state.vt.us>

Cc: Tierney, June <June.Tierney@vermont.gov>; Purvis, Clay <Clay.Purvis@vermont.gov>; Maria Royle <MROYLE@leg.state.vt.us>; Catherine Benham <CBenham@leg.state.vt.us>; Conor Casey <conor@lastmilecc.com>

Subject: [External] Re: Senate Finance Wednesday Sept 15

[External]

I'm going to pass on this opportunity. Peter Welch has scheduled a meeting with the CUD chairs at 11 tomorrow morning.

Aside from ECFiber, none of the CUDs have much money in the bank and to the extent they have funds, the claims on them far exceed the amount. For example, a CUD with, say, \$250,000 in the bank wanting to build maybe 100 miles of FTTH next year knows they will wind up spending over 3 million to accomplish it. Multiply by 6 -- we shouldn't have 9 CUDs, 7 would be plenty -- and you get \$18 million minimum. Yet the state has only made \$8 million available so far in VEDA loan guarantees. It proposes to add 1.5 million out of its own monies to provide the VEDA 10% match to unlock the 8 million, so now we are at 9.5 million. Lets say the 1.5 million in CRF can be spend in the next 90 days by CUDs, OK, we are at 11 million.

I don't have any easy answers, and I hope there's a federal infrastructure bill coming that does all the heavy lifting -- but we aren't even prepared to file for those grants yet. Bottom line -- appropriate as much as you can out of CRF for CUDs, and find some way to up the VEDA loans over the next 2 years to 80 - 150 million. Remember, once the CUDs have been up and running for 3 years they will be able to replace all this financing with municipal bonds backed by customer revenue. We just need to have them make in one or two years the leap ECFiber took 10 years to make.

F. X. Flinn

FXFlinn@gmail

.com

| c:802-369-0069