

**From:** Michael Rooney <mrooney@lamoillefiber.net>  
**Sent:** Wednesday, April 7, 2021 10:51 PM  
**To:** Faith Brown <FBrown@leg.state.vt.us>  
**Subject:** Re: [External] Re: Did you get this?

Hi Faith,

Thank you for all the help today.

I had a few comments I wanted to pass on to the committee today. Unfortunately there was not enough time left.

If you would, please pass on to the committee the following:

First, the following are my words, not a formal statement from the Lamoille FiberNet Communications Union District (LFCUD). It would take too long to get a meeting together and get a motion to be voted on to approve them. I believe I am saying nothing controversial but it is important to recognize these are my thoughts.

- In the discussion about partnerships, it seemed the only partnerships being thought about were between CUDs and large companies, e.g. CCI. While we are talking to CCI, we might have more interest from much smaller and preferably local ISPs. CCI already is over much of the State. A small ISP would be able to get much more publicity and value from working with LFCUD and the other CUDs and we should get a better deal from them.
- During the grant versus loan discussion I got the sense that the Committee was thinking only of the value of loans because the total outlay would be less. That is certainly a valid point. It is important to consider the effects of loans and any other CUD expense on customers' rates. Every dollar the CUD spends that does not come from a grant increases rates charged to customers, especially in the beginning. If it costs LFCUD \$50M to design and build the FTTP network and LFCUD has to borrow the \$50M, LFCUD will have to take \$50M plus interest off the top of LFCUD's revenues.

I heard a lot of conversation about ECFIBER's loans and that ECFIBER is paying them off. I also heard F.X. Flinn say borrowing the money was a very slow process.

Not only do we need to get FTTP as quickly as possible, but given that most of the CUDs have significant rural areas where income is much lower on the average than in the cities, we need to keep LFCUD's and the other CUD's rates as affordable as possible.

- I know how ECFIBER grew and what its rates are because my mother-in-law lives in Braintree and had no cell coverage and no Internet. My wife and I and other people who lived in central Vermont gave ECFIBER a loan to get ECFIBER to install Fiber for them. It was a revolution to my mother-in-law and her children that still live with her. They also got cell coverage wherever they had WiFi. It was a great thing for them. Unfortunately they could not afford the rates ECFIBER had to charge them because of ECFIBER's expenses to build that network. We had to help. Understand, ECFIBER had no choice, they had to pay back those loans and the interest.

- Today, the Federal monies plus the State monies offer a radically different outcome. When the CUDs are given grants to do the remaining work to build FTTP everywhere, the rates CUDs will charge their customers will be much lower than what ECFIBER is forced to charge. I keep hoping we can charge an entry rate of 25/25 for \$25. There is no way to know yet if that will be possible of course.

There are some other things that could be done to lower the customer rates. The legislature could mandate that the electric utilities could not charge the CUDs annual pole rental charges. The electric utilities could be instructed to lash the CUD cables to the electric lines that go to every house.

- There was some discussion about if the State gave grants to CUDs they should also give them to CCI, Comcast, etc. Why should the State do that? Those large companies from outside Vermont could have installed Fiber many years ago. They did not because their business goals prevented it. They also could have gotten RDOF and other Federal grants to do the work that CUDs cannot get. Whatever they could have done, it would not have changed their excessive and unaffordable rates. Many people in rural Vermont cannot afford \$100 a month for Internet.

- Questions were asked about whether the expensive pole study data the CUDs paid for should be made public? Most of the pole study data the CUDs have gathered were not paid for by State or public money. Most of the money came from private grants. The pole study data today, before the network is built, is valuable and in some cases might even be regarded as confidential. It may be the only asset most CUDs have at this point. Once the CUDs get their networks built the pole study data will be of much less value. At that point adding the updated pole study data from the buildout together with the data from the electric utilities into a real pole information database makes a lot of sense to me.

If any of the Committee members or anyone else want to talk about any of this please tell me. It is a very important topic and I am happy to both listen and talk about it.

Regards,

..michael..

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