

TESTIMONY OF MANSFIELD COMMUNITY FIBER INC.  
VERMONT SENATE FINANCE COMMITTEE  
APRIL 8,2021  
BROADBAND LEGISLATION

Mansfield Community Fiber, Inc. is a developer and provider of Fiber-optic broadband to the premises, building and operating in under-served areas of northwestern Vermont. Tim and Leslie Nulty and a group of local investors founded the company in 2016. We connected our first customers in 2017 and are continuing to expand our network using our own equity, loans and a very small amount of grants. Tim and Leslie Nulty have over 60 years combined experience building and operating telecom companies, most recently Burlington Telecom and ECFiber/ValleyNet.

We are civic-minded people who share the goal of bringing universal *real* broadband to our rural communities. We have direct experience of the hard work required to make that a reality.

Vermont is now contemplating possibly \$1 billion in federal financing becoming available for this purpose. We all have stars in our eyes, but the sharks smell blood in the water. We need to proceed with extreme prudence and caution if we are to avoid some of the missteps, if not outright scandals, that have plagued Vermont in the past.

We think some simple improvements to both H.360 and S.118 can avoid that danger.

#### 1. USE THE MONEY FOR LOANS NOT GRANTS

- Loans enforce a discipline on borrower and lender to choose the best, future-proof technologies
- Loans enforce a discipline to control costs
- Loans enforce a discipline to deploy infrastructure and connect customers as quickly as possible.
- Grants absolve both the grantor and the grantee from due care

- Grants impose a huge burden of oversight on over-worked state employees who may also lack the technical expertise to evaluate bidders and proposals

## 2. DELIVERY OF 100/100 Mbps SERVICE MUST BE THE MINIMUM QUALIFICATION FOR PUBLIC FUNDING

By definition, infrastructure should not be a stop-gap. 25/3 Mbps service is obsolete today for the functions that Vermonter need: remote working, remote schooling or telemedicine. If Vermont wants to attract new residents to where housing is affordable in the state, it must assure access to modern standards of connectivity.

## 3. BROADBAND EXPANSION REQUIRES ALL HANDS ON DECK

Why put all our eggs in one basket – the CUDs? The new CUDs are very different in history, stage of development, industry knowledge than ECFiber was at the same point in its history. The new CUDs are young, inexperienced, and still in formation. They are very vulnerable and lack independent capacity to evaluate the consultants and others that will swarm around them if all fund access is restricted to them. By all means lets help them build themselves up. But simply handing them large sums of grant money will have the opposite effect and risk dragging them into an EB5/Jay Peak situation. DRAGGING THEM INTO AN EB5-JAY PEAK SITUATION.

## 4. WHY PUT MONEY INTO RE-CREATING THE FAILED VTA?

Unlike 2010 we now have Vermont entities that have experience administering funds for real broadband development: VEDA, MASCOMA Bank, NORTHFIELD Savings Bank and possibly other banks as well have the know-how and capacity to administer loan funds properly. We should build up the resources we have and not try to recreate an agency that a) failed once and b) will not have the wherewithal to hire people with the requisite skills and experience.