

Senator Cummings:

Okay, Committee, we have had one witness ask to talk to us, and then I've, uh, scheduled a vote on Kerrick Johnson. We try to get those out. These are Governor's appointments generally unless we find the person to be completely incompetent or a felon, we vote them through, the idea being that the governor has the right to choose his team.

We have not reappointed someone twice. And he has continued to serve so there is a lawsuit about something similar to that. But that is the longstanding practice.

So, Mr. Whitaker, you would like to testify. We put you down for ten minutes.

Stephen Whitaker:

Thank you, madam chair. Stephen Whitaker, Montpelier. I've been working on Telecommunications planning on and off for 30 something years in Vermont.

I first want to offer context. I listened – reviewed Kerrick Johnson's testimony and his claim that I had claimed he was intimate with the Commissioner because he wrote a letter support.

The context for that is this article, which I'll share with you from 1991 written by Dave Gram of the Associated Press. And I was quoting from Art Ristau or Governor Phil Hoff. it's unclear, which of them said that:

"the relationship of regulators to regulated is more than symbiotic. It is intimate."

And either Kerrick didn't read the attachment or he wanted to make some hay. That's for you to decide.

Senator Cummings:

What are you talking about the email that pretty much boarded on indecency.

Stephen Whitaker:

No, it referred to intimate with the with the Tierney Administration and that's where this comes from. Like I said, this was attached to that email. There was no context. There was no other text. This was all that was attached to the email. So there was no room for ambiguity.

But really the purpose of my testimony is, **Do we really want the fox guarding the hen house?**

Back in 1991 questions were raised about whether – and I have some more copies of that if y'all want it. I don't think most of you have it.

Questions were raised about whether Green Mountain Power was quote "wired into the state of Vermont through more than just its electric grid" as Dave Gram's AP article shows, dated August 31st 1991.

There was and is a evolving door between the utilities and the governor's office, whether the governor is a Republican or a Democrat.

History may be about to repeat itself. But you are now informed and in a position to begin the long overdue tasks of reforming the Department of Public Service on behalf of ratepayers, affordability, transparency and integrity.

You can begin by voting to not confirm the appointment as Commissioner.

Today Velco manages the reliable cost-effective transmission of electrical energy throughout Vermont and New England. Velco, is also a certificated telecommunications carrier regulated by the Public Utilities Commission, with massive fiber assets and data transmission capacity.

Velco's "executive adviser" was recently tapped by Governor Scott to serve, beginning January 6th, as the Commissioner of the Public Service Department.

In 2017, his title [at Velco] was "Vice-President of Strategy and Communication".

But because of his deep ties to Velco, I believe he's far from the ideal candidate to head up the Public Service Department charged with not only planning, but advocacy.

Several reasons are offered for this. Velco itself requires increased oversight. It's a company that is 51% owned by Vermont ratepayers. This is something most people don't understand.

And I just got an email clarifying that. "Yes, this is correct. The term dividends and the term stock is used. VLITE owns 83,592 shares of Common B stock. Green Mountain Power owns, 88,080 shares. If you combine VLITE's shares with the other Vermont owned utilities, they own more than 50%."

It was done that way by design, in this Committee, in order that Gaz Metro out of Canada. A foreign corporation would not control our transmission network. So we created this nonprofit and VLITE gets three seats on the Velco board.

So Velco requires increased oversight. It's 51% by ratepayers yet the state practically ignores both its obligation and opportunity to effectively harness that equity or management share for example, towards affordable and resilient fiber buildout.

Fiber. In this case means more than just Broadband to the last mile. Fiber is also Vermont's best bet for creating a resilient Public Safety Grade Network to support Public Safety Radio Communications, Commerce, Education, telemedicine, broadband, and cell service.

The salaries of Velco executives are astonishingly high.

We need a Public Service Department head who can commit to the examination and containment of those salaries paid by Vermont ratepayers to Velco executives and do so in an unbiased manner. Here is a former Department of Public Service engineer and your candidates' salaries over the last 6 years – 7 years.

To be billing, a three quarters of a million dollar salary for an individual, or several million dollars [over six years] to Mr. Johnson – Kerrick Johnson, definitely raises the question of loyalty.

And when he's done in the Public Service Department, he will probably be back at Velco.

So, Velco has a robust fiber network which is bringing in substantial revenue.

We need to know how much and where that revenue is going at fair rates as part of the Statewide resilient fiber design.

A Velco executive has also been appointed by the governor to the Vermont Community Broadband Board. He's a close colleague of Mr. Johnson and happens to be the fiber network engineer.

The Broadband Board also needing greater oversight, but that cannot come from anyone who's intimately involved in avoiding transparency and avoiding integrated planning for fiber so as to protect the electric ratepayers and the safety of all of all Vermonters,

Velco is charging customers to use its fiber Network and its radio towers.

They're claiming that all those contracts and all those rates are secret. Velco regulation is needed to determine if those charges are fair and equitable.

Again, an Insider should not be your preferred choice to measure the accountability of such a large and powerful corporation.

Minutes of the Operating Committee: The minutes related to the \$100M fiber network, the minutes from the Telecom subcommittee disappeared a few years ago from the Velco website. I had been relying on those to learn what I know about, how to advise you on what the opportunities and risks are. They just went dark.

Investigations into transparency and affordability must be initiated by someone less connected to Velco.

Long range planning and emergency response protocols are lacking. Velco's fiber network could, and should be a critical piece of the solution. But it'll take someone from outside to ask the, many tough questions, whose answers are necessary to ensure our resilient communications going forward.

Should the high capacity, Statewide fiber Network now, managed, now owned and managed by Velco as part of ISO New England.

Both transmission and increasingly distributed, electric generation and storage all relies on fiber connectivity.

Had that been allowed to be built haphazardly, built differently in each of the 15 or so Distribution Utilities, rather than be constructed according to a unified, resilient, engineered Velco plan, we would have something that kind of looks like the CUDs.

That's a topic that needs more time, and the Telecom plan.

Should Velco's resilient fiber design and management – Network Operations Center, be considered for Management of the new High Performance Network carrying mission critical, 911, Public Safety Radio, cellular other network traffic?

Should the electric distribution utilities be enlisted to or required to build Open Access fiber, which is a statutory requirement, the statute of 30 V.S.A. 202c, says "shall support open access for competitors and competitive choice for consumers."

The Broadband Board under the aegis of the Department and the Department's Ten Year Telecommunications Plan ignores that statute. Their justification is, they intend to change the statute.

So they wrote a plan to match what they hope the statute will be changed to say rather than what's the current law.

Anytime an industry leader becomes a regulator, we should do a double take and then a triple take even and then double down on our scrutiny.

As was mentioned, in that 1991 article "Because of the degree to which they are regulated, utilities have a relationship with the government like few other businesses. There should be an arms length relationship."

I ask that you not approve Governor's appointment of Kerrick Johnson as Commissioner.

And instead insist the governor find someone who has no direct connection to any of the regulated utilities and no obvious potential conflicts of interest.

Senator Cummings:

Committee here. For any vote.

Stephen Whitaker:

Would you allow time for the missing members to hear my testimony?

Senator Cummings:

No, you're not repeat testimony. Members have an obligation to be here to hear. Just a moment.

May I have the new written testimony?

Stephen Whitaker:

But might they have an opportunity to review the video before they vote?.

Senator Cummings:

No, if they want to see a video, they can see it after they vote. Whenever?

The same as they can, if they missed Mr. Johnson's. We do not repeat.

It is the obligation of the Senator. to get the information they feel they need to make a good vote.

