

Transcript

July 16, 2024, 10:03PM

PG PSD - Giga 0:06

For.

Excellent.

Thanks everyone for joining us.

So it is July 16th, 2024 and this is a public hearing for any K broadband and CV fiber.

To discuss our proposed merger agreement and to give the opportunity for the public to provide comment and ask questions, we're going to give a brief overview of what CD is.

Umm, but and what?

S 199, the Merger Act is and then provide the reasons for the merger.

The timeline of the merger and then open it up to public comment.

Umm are there any comments on that agenda or any questions before we get started?

We are recording this meeting and there will also be a that transcript available.

And Janelle, would you mind keeping an eye on chat for me?

Umm, that sounds good.

I can do that.

Thanks.

OK, no alright. Yep.

No.

OK, so if you're attending virtually, please feel free to put comments in the teams chat.

I mean, there's only a few of us, so we don't have to be formal about this.

And if you're in person, easiest way is to to just raise your hand and let us know that you have a question.

But our goal is to simply get through the presentation and then provide the opportunity for questions at that time.

So the what you see on your screen is a map of the communications union districts.

There are 10 communications union districts in the state.

They are formed by the two or more towns that come together to form a district that

NK Broadband District has 51 towns in it, and the CV Fiber district has 20 towns in it.

So any case in the pink in the Northeast and CV fiber is in the green.

And I central Vermont portion of the state.

Uh, the.

Umm.

Yeah.

Could you like the person in the lobby or you did OK.

Yeah, it's, it's, it's a million, OK.

So this is our two territories and it the what you see on the screen in green or the areas that have been built by CV fiber and any OK broadband umm in the the bright green the areas in blue and orange are the areas that are currently under construction.

In any case, broadband, where we expect to build this year and the area in light green is the area of our reconnect for grant of 17.5 million plus the \$5.8 million match and that we have started.

But most of that build will occur at the very end of this year, but primarily in 2025 and 2026. Umm.

And so together, this is the the 71 town merged CD.

So that's 199 less legislation allows to.

CUD's to merge together if they follow a specific process and we'll cover that process in the timeline we are in.

Basically, the middle of that process.

So we, well, I'll cover that when I get to the timeline.

Yeah, I don't go back to.

Umm, so our APOLINARY merger vote occurred on May 30th, and so all of those timings come from here.

Come and the legislation allowed for both merging, but also some additional.

Modifications that can be made by CU's inside of their bylaws.

OK, go ahead.

Umm, so I think one of the most important things to to know is that any OK broadband and CV fiber have are aligned in our commitments and we have been really since the very beginning.

I mean, I've worked with both CD S in the beginning.

Umm.

And we have both have the same operators and we have the same construction companies, we have the same construction management, same design, we have the

same preconstruction.

So we have a lot of almost all of our vendors are in are the same and so that provides us with the opportunity for efficiencies.

We're all.

We're both committed to providing universal service to all of our underserved locations in our Member Communities, and we're committed to, you know, providing service efficiently and cost effectively to support and benefit our towns and residents.

So the next one is just a a sense of our current build status and where we're at.

So just gives an idea of the size of the organizations and the number of passings that have been accomplished to date.

So you can see that you know, CV fiber has half the miles, but they have nearly as many passings.

But less of those passings are unserved, and where, you know nearly identical and customer count.

That's.

So this is the timeline that we've been engaged in through this process.

It feels like a deceptively simple timeline, given all the work that has been put into this, so there's been a tremendous amount of due diligence and and review deep dive not only into like financials and documentation, but also into what does it take to get to universal service?

What does it mean to participate in upcoming grant opportunities and and doing a lot of business modeling?

Umm.

Surrounded around that, some so on May 30th, as I mentioned before, both boards took the preliminary merger vote.

The documentation for that is on our website and that includes the preliminary merger plan as well as a merger agreement and lays out the process for us to move forward.

Umm.

And then.

Umm we distributed notice per the statute, both to our towns and to local newspapers.

Umm, the ohhh governing boards of CB Fiber and any K broadband then met again umm on July 9th and 11th.

So just last week we did that because on May 30th some of the vote was umm, you

know, there was some understanding that we didn't have all of our business modeling done.

We needed to really get that dialed in and we wanted to give people another opportunity to vote and the second reason that we did that was because we really wanted to make sure that people understood that we needed to move forward. So technically there is another final merger vote on August 16th.

Umm.

And at the end of that vote, we will be illegally merged entity with a notice sent to the Secretary of State, and sorry, the vote will be on August 15th and the notice will be sent to the Secretary of State on August 16th.

So the.

Key here is that on our votes, we really wanted people on our boards to come, you know, commit to this merger process given the level of due diligence that has occurred and we received on both sides of resounding support for the merger with really excellent turnouts, stuff from our board members.

Umm, so that was that was very encouraging.

And one of the main reasons that we're doing this work on next slide please is because of the importance of feeds.

So it's a, it is a grant program.

Bead stands for broadband equity.

Access and deployment?

Umm.

And it is a \$42.5 billion funding source nationwide and roughly 229 million has become available in Vermont.

And of that, roughly 219,000,000 is anticipated to be available for construction of unserved areas.

And so by coming together prior to the opening pre proposal period of the beat program, which is anticipated to be August 24th at this, that's the current date of proposed by the BCB, how we will be entering into the as one CD and proposing a joint application.

Next slide.

So just a quick overview of what we have.

Been working on we have.

Basically, six different groups that have been working since well since really February March time frame on a variety of things where there is a finance group composed of

our Treasurer, the chair of this, the NK Broadband Treasurer, the Chair of the CV Fiber Finance Committee, the finance manager, that's CV Fiber uses and myself.

And then we have a communications and branding group and that's composed of members of both CV fiber and any K boards as well as the community.

Communications manager community relations manager from CV Fiber and the director of of of Sales and marketing from any kid broadband construction and operations, again composed of employees from both legal is as one of would expect we did hire.

A law firm that was actually based out of DC because of their regulatory background as well as merger and municipal background that facilitated and wrote the agreement that you see on the links online.

And we've also been working on human resources.

All of those groups report into a governance team that governance team is built of both chairs, both vice chairs and both executive directors of each organization and sort of provides the the guidance as we move through the process and complete the due diligence.

So as we move forward to the final merger plan, we are completing the integration levels on each of these pieces that will be required to do that and in many cases, we have started some of the the soft integration work with the staff is working together and the roles that are anticipated as well as looking at how we, you know logistically bring all of the information over you know in a way that is least that least impactful to the operations that we have on ongoing.

So in terms of impact?

We are looking at the same build schedule for both entities and and we are both keeping our ARPA grants and our town ARPA grants.

So all of those obligations from the grant funding perspective, they remain in place and exactly the same as they are.

Had we not merged, so we will maintain separate grant agreements for now and into the foreseeable future.

We will not be merging those grant agreements unless we have a full vote of the board to, to and support to do so.

And of course, our partners all remain in place and we have been working on how we streamline and create efficiency and lower the costs of those partners by being together and that we are capitalizing on now maybe leave the changes in terms of the number of towns.

So we're moving from from an NK broadband perspective, we're moving from 51 to 71 or from a CD5 or perspective moving from 20 to 71 towns being participants. So that means that we will have a 71 member board of Directors or governing board rather and from that we will have and executive committee UMM that Executive committee is anticipated to be around 11 and it will start in the beginning with the full Executive Committee of both CUD.

So that means that we will have a 16 member executive committee to start, and then we will transition down to sort of a more reasonable and nimble Executive Committee meeting from there and that finalization of that timing will be included in our final merger plan.

Yes, the.

Most of the presentation will be available afternoon.

So we this will mean that.

So some of the changes are combining our inventory will use each other's inventory to be most effective with that invested funds and we will be going into be together. It gives us the ability to access the bond market together and clearly we can combine our administrative costs.

The other thing that's under review is the brands.

So we do have a long term intent to move to 1 brand, but for now we will maintain both the CV fiber brand and the NDK broadband brand in order to remain focused on what is really key for the next six months, which is that bead application and the potential to get the funding that we need to get to universal service.

So when we look at what the high level of benefit comparison is with and without the merger and this is a lot of this is based on the business model and and the numbers in that umm, with the merger we can get to lower prices to consumers at a faster pace than if we were apart.

And that sort of makes sense, right?

Because we both have.

Almost 400 customers.

So now that means together we have 800 customers and we have.

Again, that movement into, into, be together and increasing our competitiveness in that process increased take rate in increasing the take rate in served areas and.

That is the difference between the demographic output in CB fibers territory versus in the antique broadband there.

Yeah, it is going to align our expense and revenue ratio and you know clearly

improves the balance sheet of either organization given the asset liability ratio that both companies have.

That is definitely a benefit and we have a reconnect 5 loan application that is sitting with the US Department of Agriculture Rural utility service.

It's a \$13.6 million loan that can serve as some match, and it has a 2% interest rate with no payments for the first three years and we are in the running for that loan.

So we are hopeful that that's possible.

50% of that loan is actually in CV fiber area, so as a preferred borrower.

Any OK broadband submitted this application.

And it's a, you know, the the rules of for it was that more than 90% of the area had to have less than 25 three and that's not a lot of areas in Vermont that qualify for that.

But there were three towns in any K and three adjoining towns in CB Fiber that did qualify, and so we submitted that loan for the areas in.

Cabot, Marshfield and Plainfield, as well as PGM, Groton and Reigate, and then lastly, as as has been mentioned before, there's both tactical and organizational efficiencies and flexibility.

And what do we mean by flexibility?

CV Fiber has roughly 200 miles of licensed.

Of licensed poll lines and that could give us the flexibility to move construction crews or keep construction crews ready because our goal is to build as much as we can before all of the bead funding hits.

Then we have.

If we don't do the merge, what would the benefits be?

And you know, this merger has taken some work and it is going to continue to take work to get that work done.

And so there is capacity that could perhaps spend been directed elsewhere and there are some identity things that we know that we're giving up a little bit of as a result.

We're both moving from into a larger board situation and there's work involved in maintaining people's involvement in that larger board concepts.

So that is our presentation and.

I'm happy to.

Ohh, mine doesn't say that.

Umm so.

Can you glasses?

And so the items that we're working on for completion prior to the final vote include

that executive committee pathway to smaller.

As we mentioned, the the business model integration has been done and will continue to work and iterate that with additional information.

We are.

Our HR policies are being integrated, made a lot of progress on that in terms of benefits and we're using from each other's material sort of taking the best from each of our stuff and combining that together, we're going into an accounting software transition.

This is an important part that would happen regardless of the merger.

But the merger?

Umm, but we are looking at a go live time frame on that software transition of October 1st.

Which lines up very well with merging the organizations accounting systems together at the same time.

So we have a plan to maintain our Treasurer, Denise Sullivan, who is a CPA and also has been a state umm but auditor and as well as Bonnie Batchelder, who's also a CPA that works for CD Fiber and she will work as a financial as a financial director with our accounting person working below her.

Both contracted CPA's are, Umm, part, part part, part time and part time contractors, and then that operational integration is ongoing.

The warehouse system has been integrated and we're capitalizing pretty significantly on some synergies there already.

So that continues to occur and of course the the big lift in the room is the is the grant planning that we are already underway in the branding working group, which we are going to most likely and this will be in the final merger plan.

But we will probably pause the brand development until.

Umm, until work on the until we get the heavy lift part of the under our belt.

So now I cannot take your questions.

Anybody like to to make a comment or to ask any questions?

You OK?

Somebody else is going to speak up.

I'm trying to everybody chance.

First, some Davis got answered right is that Tom Davis, former public safety. Hello.

Yep.

So we will provide the presentation after the meeting and I don't see any other

hands up, but I also can't see the participant list from here.

Can you see it on the other one?

And if you do have a question, just speak up.

And that's yeah, it's probably different view that you get on with the slides.

You can show more people.

Uh, yeah, that we got to get.

OK.

Of what? Very.

Just you mentioned bonds market, a benefit to being able to access the bond market.

As I understand it, with from EC fiber days, the bond market required three years of audited financials.

At what point will this merged unit have three years of audited financials, or will it be a new block?

It's been three years from the date of the merger will have to be accomplished before you can access the bond market.

Yeah.

So it's a great question, so.

One the the underlying legal entity will continue to be any OK broadband, even though we'll present ourselves under a merged doing business as name and any OK broadband has three years of audited financial statements today.

Yeah, already.

So we will be able to maintain that and then fold this in.

We do already have a contract for the ability to audit both entities, plus the merged entity as part of of next year's audit process.

OK, so that came up in the context of the 10 year telecom plan, which is currently in limbo and which left all of the CD nuts and bolts in nearly gritty out of the missing from within your telecom plan.

Yeah.

And to me it it's not anywhere near the requirements and we spent \$400,000 on.

So I think Matt done should go to jail, but that's a different story.

Uh utility grade or carrier grade?

FX Flynn should spoke at one of those here and he said we're in at 12 years and we have no intent going carry.

Great.

But yet I think y'all having inherited the state fiber with service level agreements and revenue from those, I believe y'all would be better prepared to speak to how we are not going to leave the money on the table for small cells and public safety radio and a lot of point to point circuits, care, great public safety grade, utility grade, any grid and microgrid failure mode is gonna require protected resilient visibility to distributed storage and generation.

Otherwise, the whole concept that microgrid falls apart.

So I don't have any.

I'm not Privy to these designs that have in any way convinced me that we're designing for utility and that call so public safety radio.

Yep, also think that that's a great question and it's something that we work on regularly.

So for a couple couple of different ways.

One is we work to integrate as much regarding our system as we can so that we have loops and like you know reverse direction type of thing.

We also have two entities that provide backhaul to WCT in multiple locations in our existing network and we did that to have the.

So we work with both Velco and first light and that's so that we have redundancy and that's paid off already.

We've had many outages of power that have not resulted in outages then that and that I think has to do with part of how we designed it.

One of the things that any OK broadband has done is focused on building our using that state fiber as a portion of our backbone and then building the rest of the backbone from the network.

And we did that for two reasons.

One, we have a lot of power outages up there, right?

And there's a lot of municipals and cooperative work and there's just a lot of areas with low populations that don't necessarily have the management, the vegetation management that one might hope in a storm.

And so by connecting our.

Like connecting our backbone first that we've made it really difficult for our communications teams because they're dealing with partial partial deployments in every town.

But we have created one equity more equity across the the the the area but but to provided the ability to create that redundancy as quickly as possible.

So with the, we're down here in central Vermont because that's what I would. Yeah. Yeah.

So I was just getting there.

So with that, with the merger to CV Fiber, there's a couple things that have come into play.

One is we're taking our backbone route in Walden and bringing it down to Marshfield and callous so that we create redundancy there.

We've also prioritized in our the deployment plan the ability to connect umm, the what's existing today in CB Fiber Lam 2 W CBT in another direction.

So that creates another loop that wasn't there, and then the third piece that we are doing and in the process of is a is an additional by Luke with Velco that provides another connection into a different part of any K broadband and a different part of CV fiber bump.

Again, just to provide another pathway to make sure we can get through all this is zero.

It's all so it's not all Ariel, but it's like 95% aerial and you know, frankly, we've looked at whether or not we can do underground and we've looked at the comparison of like, OK well, what is the long term cost if we're not paying pole attachment fees and we don't have to do repairs and we, you know, can do these things and a lot of it comes down to are you going to run into ledge and you've got a bore and that's there's just a lot of areas of that.

So really not the reason I raised that aerial question is because Green Mountain power has engaged with bellavance and is planning to bury Green Mountain power in all the areas where they have frequent outages and it's slow to restore.

And yet we have no integrated plan.

That's probably applies more to see me because we've got more Green Mountain power down here, but Bellavance is available to the Northeast Kingdom too, you know, for cooperation with back could probably add more resilience to their network too, but I I think we dodged a bullet with barrel and we could fully expect a full on hurricane here this year.

And if we have 205 or breaks, what is that going to mean and how much public safety radio is going to go around?

How many S?

Cell towers are going to be down and do we have any grasp at all of contingency plans?

Should we be putting very fiber to fix wireless sites that at least people will have some connectivity to know where to go for help, you know?

Yeah, the the lack of integration with disaster preparedness is is calling to me.

So I think two things on that.

There is an MOU between GMP and the CD's.

All of the CU's under the CUDA.

So and part of that MU is working together on GM people at the underground.

So that is being put together in order to, you know, streamline those costs.

We also have agreements with all of our utilities.

If you're putting in any underground, it doesn't mean if it doesn't, it doesn't matter if it's a driveway that's going to a personal persons house.

If you're putting it underground, we are told about it and then we go and put in a conduit with pull string in it and that's good that you see on its way to a critical mountain.

Exactly.

So we also we also have ongoing relationships and discussions with uh velco on a number of of topics that relate to the questions that you raised well.

Without that, I know I'm gonna get nowhere raising the transparency issues because y'all now have a presumption of confidentiality around everything, but that too will change.

These are municipality spending public money and we deserve to see the economics, the financials and the risk you're taking on our behalf, because if this fails, if we, what happens if we lose the beat competition?

Well, that's part of why we're merging.

So that one, what if we lose it still that that's my point.

That's part of why we're merging.

When we're together, we have a a better opportunity.

We have the ability to maintain the network in a way that is more comprehensive than if we either of us were apart, but is there a risk that we could go on?

My piece shows that we can diet, we can use the grant stuff.

That strobe so that we can strobing and buzzing, we can.

So the short answer is that together we have a pathway forward without being that is successful based on risk of losing even the state owned fiber that what you are all are granted and it's revenue with that trial.

So there's.

Always risk in any scenario, you can't say that there's no risk of losing.

The trust assets that are I am not as assets, I am not concerned at all that that is going to happen based on we've any broadband has raised \$100 million in funds.

We have about \$4 million grant application outstanding and the 13.7 loan application Outstanding plus 5.8 and financing from beta.

So between that and the funding, the CV fiber has, we have a critical mass of areas that we have been able to put together together, which is right, what's important, right, but that it's a lot of there, you know EC Fibers, 70 million in debt and no, there's no doubt there's currently no debt, but but you're going to be 13 million + 5.8 both loans, the 13 million is a is a choice.

It builds out six towns and it's a 2% rate, so that's it's let me get to the top one.

Uh, how are we going to make provision to get back into compliance with statute, which says every address in the state will have fiber speed 100 to 100 connectivity and we conveniently because of this conditions on the money have been able to ignore the cabled areas, the 25 three, so to speak.

NA Nick Anzalone 37:58

Krista, can we make sure there are some space for somebody else?

PG PSD - Giga 37:58

And yet we have an obligation.

NA Nick Anzalone 38:01

Ask a question if they have one too, please.

PG PSD - Giga 38:06

Yep, I'm gonna finish this question.

So we not, do you have any other?

I'm not going to.

I don't see.

Yeah, I think you would have noticed that.

So.

NA Nick Anzalone 38:23

Also, there was a note in the chat asking for the gentleman to identify himself, if you wouldn't mind.

PG **PSD - Giga** 38:32

So Steven Whittaker is the person that's speaking.

What does it mean?

Transmission is frozen.

Ohh marty's frozen.

Marie, can you wiggle your finger?

R **Red Barn Road, NEK BB (Guest)** 38:50

I think Eileen might have.

Yeah, I think I lean might have meant that she was frozen and I think she dropped it storming here.

PG **PSD - Giga** 39:03

Give your money to move her fingers.

That's ohh so competitive choice for consumers and Open Access for competitors is statute now and the folks writing the telecom plan are hoping to change.

They wrote a charade of a plan saying, oh, we'll, we'll repeal that statute next year.

But y'all no it like it or not, our bound by current statute.

And what provisions are you making in this plan in this merger to provide Open Access to competitors and competitive choice for consumers?

So two pieces.

One, we are bound to our universal Service plan to service to unserved and underserved addresses.

So we can set aside the 120 question for another time.

Time that's not relevant to this, because that's our, that's our legal obligation.

Uh, no, but that was there long.

Not that that, just like like that's, that's where you don't want to talk about it.

It's not relevant to where we are here.

And the second question, building that into your plan, that's a big omission.

That's a very a weakness of this plan.

If your plan is not consistent with current law, that's not something you could wish away.

Yeah.

We'll just have to agree to disagree.

Our plan is consistent with current law.

It's just a disagreement of the interpretation of the law.

The law says 5 or speed every address.

It does not.

Every time I wanna address yes, it does 2026.

Do you have any other questions?

Ohh this is getting.

No, if you're not.

If you're gonna dodge the hardest ones, that's doesn't bode well.

So be worth bringing up other questions.

And any other questions?

Does Tom have questions?

Danielle.

OK.

R

Red Barn Road, NEK BB (Guest) 41:26

Well, wait. Sorry.

Yes, I'm.

I didn't know which Tom you met.

Christa, we're here.

What is mine?

This is Tom's Nebraska from Danville.

What?

What is the current statute?

What are we talking about?

PG

PSD - Giga 41:38

Do you wanna speak to that Alexi?

No.

OK, no.

Alright, so umm, so there the current, umm, a statute under Act 71 calls for a universal which is the umm proponent of where the VCB funding comes from and the construction grants and that statute under X71 calls for service to underserved

and unserved addresses where unserved is defined as less than 4 megabytes per second down and one MB per second up and underserved is defined as less than 25 megabytes per second down and three megabytes per second up and the.

The.

Reason for that was to focus the money of the grant funds on the areas that did not have service that did not have what was defined by Vermont as broadband service, which was 25 down and three of and not to invest those grant funding those grant funds in the cables areas.

I think that the section that you're referring to, Steve, yes and aspiration and goal of the state to bring every address to 101 hundred, but it is not a legal requirement of the CD's either under the CD statue or under the statute that would create a a legal requirement to us via our grant contracts, which is the the the statute surrounding the BCB.

R

Red Barn Road, NEK BB (Guest) 43:08

Yep.

PG

PSD - Giga 43:32

Preconstruction and construction funding under which we operate.

So we do have a legal obligation to bring universal service.

And what that means is uh, service to every unserved and underserved as the definitions that I defined before in our entire district.

And so looking at the universal Service plan has been a big part of the due diligence that's been conducted whether or not either or both of our areas is, is, is areas where we choose to go in and build cable is not the question that we are answering today as it is something that we will determine one once we've finished, you know, pretty substantial build with a lot of funding, but it takes time.

Once that has been completed or you know in some period of time before that's been completed, the analysis will certainly be done because at that point in time, we will have a very good idea of how well we are competing in the cabled areas and we will be able to either demonstrate that we can indeed get.

Revenue bond funding because we can demonstrate a particular number of customers per mile and if that's the case and it does not pose the risk to the organizations, then we are more than likely to continue to do that in the same way that you see Viber has.

But the first thing we have to do is meet our grant deadlines, build out all the fiber that's required under that, and then have it enough uh proposition to the bond market to justify further bills.

It to complete the answer to that question, the statute IS30BSA202C, which sets the statutory, the state policy and telecommunications goals, and the Broadband Board sledges.

Enabling legislation did not include a notwithstanding clause, therefore they it it did pass before these hundreds of 1,000,000 in federal money became available.

The ARPA and the the B or the Infrastructure Act, but that is still law and that goal was set 10 years ago to have fiber speed to every address in Vermont by the end of this year and this entire operation has ignored that.

And now it's trimmed it to Don Cable.

There is of expediency to stretch the money pre federal money.

That was becoming available, so the whole game changed when this federal money came about, accept the people running the show and that's when we should have rethought the whole thing and figured out how to get fiber to every address in the state.

But there is no notwithstanding clause in the broadband board and it's subsidiary grantees are not exempt from the statute and the statutory goals, they're not aspirational, that is, that statute.

R **Red Barn Road, NEK BB (Guest)** 46:36

What?

PG **PSD - Giga** 46:49

That story policy doesn't definition of a of a goal, right?

Steve referring to the following to support.

I'm gonna read the original piece. Umm.

Read competitively competitive choice and Open Access too.

Those are relevant here because you're not exempt from those either.

Or I do this?

Does anybody what is that that the section?

Yep.

Yeah, somebody pasted the.

That's gold 10.

CB **Chuck Burt** 47:35

Krista, would you like?

Would you like me to read it?

PG **PSD - Giga** 47:39

Is that support measures designed to ensure that by the end of the year 2024 every 911 business and residential location in Vermont has infrastructure capable of delivering Internet access to service that has minimum download speed of 100 megabytes per second and symmetrical and that was in 1987 and amended in 2000 and three 2004 and 2000.

CB **Chuck Burt** 47:42

Yes.

PG **PSD - Giga** 48:05

And not nine, 2011 and 2013 and 2014.

So the latest amendment being 2014, so 10 years ago, but I think it's important to recognize that that this is under Chapter 5, which is state policy plans, jurisdiction and regulatory authority of the Commission and the department.

So this is umm 88 portion that says therefore to direct the benefits of improved technology, telecommunications technology to all Vermonters.

So again, this is not a legal obligation of the CUD, it is an issue to be taken up with the state legislature and how other things are done.

But it is not.

It is not for us to go beyond what we're required to under our grant contracts or under our statutory obligations.

Well, then you can't really call it universal service then can universal services defined in a different section of the statute and is defined specifically as service to addresses that have electric or on the grid and have less than 25 three.

So it is a statutorily defined section.

So what parts parts of this should be regulated by the PUC for resilience, cost effectiveness, etcetera?

But it should we be regulating the infrastructure, you're engage in a discussion about what we should or shouldn't do.

That's what we're here for.

You know, it's not.

We're here to to discuss whether or not there are any questions or concerns regarding regarding the merger of the two organizations.

I've just been very much higher.

I can just we can just call it.

It's more than 3 minutes, right?

So let's run three the amount of time that I've given you, the four I think it's been generous, and I think we have and there's nobody else questions.

You haven't answered my question.

You're cutting them off.

I think we need to be regulating the resiliency of this network and separating the unregulated broadband Internet service from the underlying point to point carrier grade and public safety grade services.

And that's something that is probably not in your secret budget.

Here, you know, lawyers to litigate this before the PC, but we can't have our 901 system as we move 91 further onto fiber and and and cellular, we can't have the people unable to call for help because they all didn't design a system to for that with that level of reliability.

It's fine and we can we can take your comments under advisement with our attorneys as we develop our final merger.

NR **Nishi, Roger** 51:19

Krista, this is Roger Nishi.

May I add that everything that you do as an entity does go through the the BCB and your plans are approved by the BCB or universal service plans.

So everything that you're doing in building your networks has to meet their requirements or you don't get the funding.

So you you are being watched and you are following the rules that the the CBB is is is making sure you're following so.

Ohh, these things can be debated, but so long as you're meeting the goals and and that that they're putting out for you.

I I think that answers the question.

That's that, that Steve bringing up.

Exactly.

It's easy to say it's from the beneficiary of it expanded Monopoly Temple or 20 pole.

Your question.

Wesley Matthews asks I guess my question is quite naive because I have 0 expertise, but my concern is the prohibitive costs people are experiencing in my neighborhood in order to bring the fiber from the last pole to their home.

I'm wondering if there are any plans in the works to consider this major limitation to people actually accessing the service folks on my Rd simply can't afford to bring the fiber to their homes since the distance is too great.

Any comments you might have?

Thanks.

Thank you very much for your question.

It's a super important issue and that we continue to work on some.

There's a recently that was public, right, today's board meeting.

Which would then what do you mean?

Yes.

Yeah.

So the the VCB is I'm proposing to use funding umm from the connectivity initiative to help with long drop situations.

They're still working on the details of the qualifications for that and what it would look like.

Umm, any favorite band continues to look for a funding sources to assist with long drops, but currently the policy of both organizations is to provide drops at no cost up to 400 feet of Ariel.

And so though we're currently running a pilot program to assist people with underground and to assist with long drops.

Uh, we continue to recognize that it's an issue.

The policy of the NK Broadband Board, and I'm not actually sure FCV fibers taking this policy up or non native.

Right.

But just so the so the policy of our board has been to prioritize the completion of the distribution network to make sure that all areas, all towns have access.

And then to uh.

And then to continue to address the drop question, as the distribution network has been put into place.

So my hope is that we can continue to find solutions both through state funded pieces as part of our bid applications.

For instance, we did include this in our reconnect grants.

So in our reconnect grants all drops, which is primarily Essex County and Eastern Orleans and Aldonia all drops are paid for under that reconnect grant and we will continue to fight to find the funding to decrease those costs.

So thank you for that.

And I would urge you and ask you to reach out to send an email to tonyatony.a@nkbroadband.org with your specific situation because the other.

The other piece that we're working on is, uh, she's our digital equity champion.

SP **Siobhan Perricone (she/her)** 55:44

There.

PG **PSD - Giga** 55:46

She's also our sales and marketing director, but she we call our digital equity champion in and we continue to work on programs to help address this, particularly for people and income sensitive situations.

And that doesn't mean those that simply just those that qualify for benefits goods.

But looking at looking at the areas around that benefit Cliff as well.

So I do not have an answer for you today and it is a very valid concern that we continue to work on.

Thank you.

SP **Siobhan Perricone (she/her)** 56:22

For Krista, can I add something?

PG **PSD - Giga** 56:24

You back.

Thanks Shavon and just introduce yourself.

SP **Siobhan Perricone (she/her)** 56:28

Yeah, this is shavonne, Carrico, and I'm chair for CB fiber for the board of CV Fiber.

Hi Leslie.

So I just wanted to let you know that one of the one of the things that I've kind of been concerned about is people have the concerns, but they don't keep coming back to us and poking us about this or like they give up, they get one answer and this is an evolving situation.

LM **Leslie J. Matthews** 56:36

But you.

SP **Siobhan Perricone (she/her)** 56:51

This is changing regularly because we're digging into everything that we can and we're trying to overturn rocks and things like that.

So it's it's not that we're not gonna address this, it's that we're working on addressing it.

And so if people could share their situations and let people let us know, as Krista said, through Tonya, let us know they're specifics and we can see if we can find ways to address that because we really do want to get them service and I got.

LM **Leslie J. Matthews** 57:07

It's.

Yeah.

Thanks.

I mean we have we have a situation where.

One family is gonna have to spend like \$8000 to bring the line to their home, which would then bring it closer to like three other homes.

But those three homes still can't afford to bring it to themselves.

And then there's the question of if those if the first family spends \$8000 to bring it to their home.

But that also ends up helping the other three families.

Is there some reciprocity so that those three families help support the first?

You know, there's some equity if you're there.

PG **PSD - Giga** 58:00

Yeah, absolutely.

LM **Leslie J. Matthews** 58:01
I know it's really complicated and I don't want.

SP **Siobhan Perricone (she/her)** 58:01
Yeah, yeah.

LM **Leslie J. Matthews** 58:03
I know you don't want to get into specifics, but that's the kind of situation that is developing that is limiting people from subscribing, which in the end might hurt the financials.

PG **PSD - Giga** 58:05
Yeah, no.

LM **Leslie J. Matthews** 58:15
If you can't sign up enough people so.

PG **PSD - Giga** 58:19
Yeah.
No, I appreciate it and would love to, umm.
Make sure that we get the details for your situation.

NR **Nishi, Roger** 58:28
Krista, may I add to the discussion, this is Roger.

PG **PSD - Giga** 58:31
Absolutely.

NR **Nishi, Roger** 58:34
This is Roger Nishi again.

PG **PSD - Giga** 58:34
Thanks.

NR **Nishi, Roger** 58:36

Umm, what's been discussed here?

It's it's, it's it's a nationwide problem.

The cost from getting to the mainline to many customers homes is is a cost prohibitive situation and I would encourage you to talk to your legislators too to encourage the the committees of jurisdiction that deal with the VCB to to discuss this and look at ways to possibly come up with line extension policies to where people in in neighborhoods such as yours can share the cost and get money to to help bring down the overall cost of of coming to your area.

Like I like most situations, there's a limited amount of money, so you may not be able to get the full amount paid for.

But but if there's like a policy that just developed, it could pay for uh as a substantial, or at least a partial amount of the funding, thereby making it more affordable for you to to get service.

PG **PSD - Giga** 59:31

Having the details around, thank you very much, Roger.

Having the details around specific situations enables us to tell tell the story, and when we are in.

You know, in positions to do so, whether that's with potential grand tours or with when we're speaking with legislators, it's always or even sometimes we do with the press, right?

It's always useful for us to be able to do.

To be able to have those, the those those details.

Thanks Leslie.

LM **Leslie J. Matthews** 1:00:04

Thank you.

PG **PSD - Giga** 1:00:09

So we are at 7:00 o'clock.

Umm.

We don't have one question.

Umm.

And read them first to see whether you allow.

How many unrepresented towns are there right now?

I saw something from the end of the year.

Montpelier doesn't have a primary delegate.

Callus doesn't have a primary delegate.

Right now, that wasn't from end of the year.

Yeah, I don't have that data.

I mean, you can see it's could squirt.

It could skew a vote you're working with trying to get super majorities here, and we've got empty seats on towns that are going to be impacted by this.

Well, I'm gonna tell you it's not really gonna be impacted, right, but in, in any event, we have the real world, we would be getting the fiber service soap access for our our share of the money that we do.

We do have the majority of people are, yeah.

Carlos has a primary, but we we have two towns in the CB Fabric territory that don't have a delegated very town.

We have we do not have a delegate for barrytown.

We did not have a delegate for Washington.

My father doesn't have a primary delegate.

Yeah, we have.

We have voting delegates for every town except the two I mentioned.

And then printed merger plans?

I asked a month ago to for printed merger plans of people that are no longer on this, but I think every town needs a printed plan that visible for people or every town library where people they're doing this thing.

It's very.

Self self contained.

People are unaware of it.

Every person I've talked to today about this meeting is absolutely unaware of it, and they're going to be impacted and and.

Montpelier has been part of C fibers fundraising and we got didn't leave the show for it.

So it it shouldn't have been hard to get.

Copies out there.

You know, people aren't going to read a 60 page document on a.

Yeah.

And we have, we've had press releases, we've had articles, we've had several articles, every single entity, every single town has gotten the material as well as posted it electronically.

And that's not so electronically would cut it for people who are good that we could read a 60 page detailed legal plan on on a phone or a tablet.

So there are there any other?

Rush that one aside too.

I mean, honestly, if if.

So I am going to bring this meeting to a conclusion and I appreciate everybody that has provided information and we will.

Look forward to a posting our final merger plan and we will take it from there.

Thanks everybody.

Their own friends come and see.

TO **Tonya Ozone** 1:03:40

Hi.

□ **Monsarrat, Alexei** stopped transcription