

The Vermont Congressional Delegation -- U.S. Senator Patrick Leahy (D), Senator Bernie Sanders (I) and Congressman Peter Welch (D) -- called Wednesday's U.S. Department of Agriculture (USDA) announcement of a more than \$81 million broadband stimulus grant and a \$35 million government backed loan to Springfield-based Vermont Telephone Company (VTel) a "game changer" for Vermonters who so far have been left behind on access to high-speed Internet.

VTel President Michel Guite said the federal funds will enable the company to build VTel's Wireless Open World (WOW) -- a wireless Internet system to nearly all of Vermont's unserved homes, businesses and anchor institutions; a one gigabit fiber network to VTel's existing customers; and a community visit program aimed at helping Vermonters identify ways broadband access can improve social and economic opportunities. VTel is contributing \$30 million in equity to the project. Guite estimates the work will create as many as 1800 jobs and build a platform that will offer thousands more Vermonters new economic opportunities for years to come.

Leahy said, "VTel and USDA's Rural Utilities Service (RUS) have partnered to build a game-changing network here in Vermont. This stimulus grant ranks among the most promising breakthroughs in rural economic development since rural electrification. This grant will directly impact the lives of Vermonters today -- whether they are hanging fiber, designing the network or getting access to broadband for the first time. This is an investment in Vermont's economy today that will also help shape Vermont's economic future. It will give Vermont a critical piece of the infrastructure that we need to prosper." Leahy is the most senior member of the Senate Agriculture Committee, which has jurisdiction over USDA and its Rural Utilities Service.

Sanders said, "In the year 2010, every community in Vermont and America should have access to high-quality broadband service. This very large USDA grant from the stimulus package will not only put Vermont in a position of achieving that goal, it also will create hundreds of new jobs in our state. While much work remains to be done in sorting out the details and making sure that broadband access reaches and is affordable for all Vermonters, this is an important step toward achieving universal broadband access in our state."

Welch, a member of the House Energy and Commerce Subcommittee on Communications, Technology and the Internet, said, "Today's announcement launches a broadband revolution in Vermont. Together with last month's broadband grants, this award to VTel will help Vermont leapfrog from one of the least connected states to one of the most. By building out our state's

communications infrastructure, we will create jobs today. And by providing broadband access to businesses, community institutions and families, we will lay the groundwork for economic growth for decades to come."

Leahy, Sanders and Welch wrote to USDA RUS Administrator Jonathan Adelstein in May highlighting the VTel proposal and other Vermont proposals.

Guite said the grant will allow VTel to offer high-speed Internet access over its wireless system to customers across the state – including the Northeast Kingdom -- for between \$10 a month for light users, and \$35 a month for regular users. The grant will also accelerate VTel's fiber build-out to its existing customers, throughout 14 towns across Southern Vermont, which will enable those customers to receive as much as one gigabit of service. Guite says the funded project will also integrate Smart Grid improvements and will continue building VTel's statewide fiber network.

"This is an almost breath-taking example of Senator Leahy, Senator Sanders, Congressman Welch, Governor Douglas, and Lieutenant Governor Dubie coordinating superbly, in a way that effectively brought more per capita ARRA job-creation funds to Vermont than came to almost any other state," said Guite. "At VTel we are deeply grateful, and humbled by the scope of the challenge ahead of us. WOW brings next-generation mobile broadband wireless to every one of Vermont's 114,000 unserved residents, making Vermont the first state in America with universal Internet to everyone. In addition, WOW brings to every existing VTel customer the first Google-envisioned GigE-over-fiber-to-every-home network in the western world. Singapore is building the same, to be completed in 2014, and we hope to be done in 2012 or 2013."

Springfield Regional Development Corporation Executive Director Bob Flint, who assisted VTel in developing the original proposal to reflect the needs of area residents and businesses, said the grant will have an immediate impact on the area economy: bringing new jobs to Springfield – where VTel is headquartered – and creating a long-term infrastructure that will help area businesses grow and will attract new businesses. "We're very excited to show how cutting-edge fiber capacity will stimulate economic activity and property redevelopment in our region," said Flint. "VTel has been a leader for years, and we greatly appreciate our economic development partnership."

U.S. Secretary of Agriculture Tom Vilsack announced the \$116 million Vermont project as part of \$1.2 billion in American Recovery and Reinvestment Act broadband grants awarded

Wednesday that will invest in 126 broadband infrastructure projects across the country. An additional \$117 million in private investments nationwide will be leveraged by these Recovery Act funds, bringing the total nationwide investment to \$1.31 billion. The VTel grant and loan package account for nearly 10 percent of the national allocation announced Wednesday and is the second largest award announced today by Vilsack.

The award is part of a \$7.2 billion broadband investment that was included in the American Recovery and Reinvestment Act. The USDA Rural Utilities Service was charged with awarding \$2.5 billion of those funds to expand broadband access in rural America. Last month, the U.S. Department of Commerce National Telecommunications Information Administration (NTIA) – which also administered a portion of the Recovery Act broadband funds -- awarded VTel a \$13.7 million grant to expand the company's mid-mile fiber backbone and connect anchor institutions. The NTIA also announced a \$33.4 million grant to the Vermont Telecommunications Authority (VTA)

Leahy, Sanders and Welch noted that with the announcement of these funds, the American Recovery and Reinvestment Act has invested more than \$235 million in Vermont's utilities, including \$69 million for Smart Grid improvements, \$47 million in mid-mile fiber improvements, and \$2.5 million in broadband adoption efforts.