

June 1, 2015

Ms. Susan M Hudson
Vermont Public Service Board
Clerk of the Board
112 State St
4th Floor
Montpelier, VT 05620-2701



VERMONT PUBLIC
SERVICE BOARD

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Response to BO
memo of 5/22/15

Dear Ms. Hudson

Thank you for the memorandum dated May 22, 2015.

You ask if VTel has a CPG to operate a cable television system. This CPG was completed on an accelerated time frame, with substantial cooperation from all parties at the PSB and DPS, during (Docket 7746), was approved by the PSB on September 20, 2011, and is attached.

We may appear in your records in a slightly less visible form because our cable TV revenues remain below \$2 million per year, and consequently we fit the PSB rule 8.410 exception for small cable systems: (See 8.410 Exception for Small Cable Systems *The operator of a cable television system with annual gross receipts from 'cable services' of two million dollars or less may be excused from the provisions of Rule 8.400 if said company can demonstrate that is meeting the cable related community needs and interests of its service territory. For the purpose of this subsection, 'cable services' has the definition stated in 47 U.S.C. § 522.*).

We filed in a timely way our first PEG report in April, 2015, for 2014, which we submitted to the PSB, DPS and the four AMOs who are currently designated in VTel's service territory. To the best of our knowledge this is a public document.

Your May 22, 2015 note kindly explains you have not yet decided "whether and how to proceed" with a request from Springfield Area Public Access Television (SAPA) to arbitrate a "contract negotiation dispute" with VTel, regarding SAPA becoming VTel's Access Management Organization (AMO). Our partial reply is "What contract dispute?" Please note that there are no negotiations with SAPA, and none are contemplated. It might help to further explain that in February, 2015, VTel's CEO Michel Guite expressed personal concern by email to Mr. Tom Lauritsen, who signed the April 22, 2015, request to you, saying that three years of discussions between VTel and SAPA had resulted in no shared vision, no agreement, and no meaningful cooperation, while VTel had concurrently concluded signed agreements with four other AMO's serving VTel's region, with 13 AMO stations today being broadcast to every VTel home. VTel had offered to place equipment at SAPA and had been refused entry.

Nonetheless in February, 2015, Mr. Guite invited Mr Lauritsen to resume conversations with VTel in March, 2015, but no efforts to resume talks were made. VTel then moved on, concluding regretfully but irrevocably that the absence of a shared technology vision was a fatal difference that could not, and would not, be overcome.

VTel's view is that it serves one small technology community, of some rural 12,000 homes, with much larger 'urban' cable franchises on all sides. Families in our 12,000 homes – which we have been serving for over 100 years – feel as interested and curious and concerned about events in Rutland, Bellows Falls, Hanover, Woodstock, White River Junction, and Claremont as in SAPA's hometown of Springfield. Mr. Guite has frequently said he feels strongly that VTel cannot fall into the trap of Balcanizing our 12,000 homes, and dividing these homes into sub-communities defined 50 years ago by traditional cable TV footprints. So we moved on, and initiated an alternate plan that should be underway and producing excellent results by the time of our April, 2016, AMO compliance update. We meanwhile broadcast more AMO channels than any cable TV system in Vermont, with more High Definition TV, more speed, and more cooperate relationships. We are proud to be working with the four AMO's who agreed to work with us.

If you have any questions, please feel free to call.

Thanks



Shannon Butler
Director of Revenue Assurance & Industry Relations

CC: James Porter, Vermont DPS
Tom Lauritsen, SAPA-TV



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June 12, 2015

Mrs. Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street, Floor 4
Montpelier, Vermont 05620

#8609
(4)*
Response to Bd.
memo of 5/22/15

Re: Request for Arbitration by Springfield Area Public Access Television

Dear Mrs. Hudson,

On May 22, 2015, the Public Service Board (the "Board") issued a memorandum requesting that the Department of Public Service (the "Department") and the Vermont Telephone Company ("VTel") provide comments in response to a request for arbitration that was filed by Springfield Area Public Access Television ("SAPA-TV"). The Board subsequently issued a revised memorandum on May 27, 2015, noting that its initial memorandum contained an error regarding the issue of whether VTel had a Certificate of Public Good ("CPG") to own and operate a cable television system, but that it still requested that the Department and VTel to file comments in response to SAPA-TV's request for arbitration. The Department received comments in response to the Board's memoranda from VTel on June 10, 2015.

SAPA-TV has alleged that it has been attempting to negotiate with VTel to serve as the access management organization ("AMO") for public, governmental, and educational ("PEG") programming within the Springfield and Chester portions of VTel's cable television service territory. SAPA-TV further alleges that its negotiations with VTel have broken down and that VTel refuses to further negotiate or otherwise designate SAPA-TV as an AMO for the Springfield/Chester areas of VTel's service territory. SAPA-TV has request that the Board, pursuant to Board Rule 8.435(C), arbitrate the contract dispute between SAPA-TV and VTel.

In its June 10, 2015 letter, VTel responded that it has no intention of completing any further negotiations with SAPA-TV. VTel further asserted that it already provides more AMO channels than any other cable provider in Vermont and that it cannot "fall into the trap of Balkanizing [its] 12,000 homes, and dividing these homes into sub-communities defined 50 years ago by traditional cable TV footprints." VTel's letter also contained a reference to Board Rule 8.410, which contains an exception for small cable operators with gross receipts from cable services of two million dollars or less from Board Rule 8.400 and its various PEG/AMO requirements. It is unclear, however, if VTel is claiming that it is entitled to an exception under Rule 8.410.



Mrs. Susan M. Hudson

June 12, 2015

Page 2 of 2

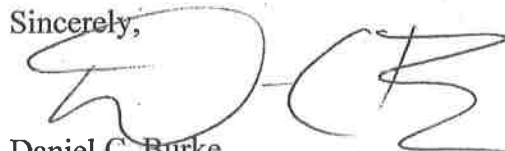
The Department has reviewed the various filings from VTel and SAPA-TV and recommends that the Board open a docket to arbitrate the contract dispute between SAPA-TV and VTel. Pursuant to Board Rule 8.401, "a cable operator must demonstrate that its proposal for PEG Access is consistent with [the Board Rules] and reasonable in light of the cable-related community needs" Rule 8.401(C) further provides that cable operators are required to designate an AMO when requested. Rule 8.408 also establishes an affirmative obligation on cable operators to designate an AMO, so long as the AMO can demonstrate that it can meet the obligations of an AMO and be willing to negotiate an access contract in good faith. Although VTel has represented that it provides more AMO/PEG channels than any other cable provider in Vermont, it has not indicated that it has designated an AMO that provides content directly related to the needs of the Springfield and Chester communities, which SAPA-TV alleges that it is capable of providing.

Additionally, under Rule 8.405(C), cable operators are required to evaluate requests from AMOs for activation of PEG channels under a series of defined criteria. Pursuant to Rule 8.405(D), a cable operator may deny a request for activation of a PEG channel only if "it provide[s] a written explanation, addressing each of the criteria in [8.405(C)] and the grounds for denial." Based on the information available to the Department, it appears that VTel has not complied with the procedural requirements of 8.405(D).

The Department also notes that the Rule 8.410 exception for small cable operators from the AMO/PEG requirements is not automatic. Rule 8.410 requires that a cable operator must "demonstrate that [it] is meeting the cable related community needs and interests of its service territory" before it is entitled to an exception from any provisions from Rule 8.400. *See also* Rule 8.408(A) ("Unless a cable operator has obtained a waiver pursuant to section 8.410 of this Rule, it shall designate an AMO . . . "). To date, VTel has not petitioned the Board for such a waiver.

Pursuant to Rule 8.405(E) and 8.435(C), the Board has authority to hear any disputes between cable operators and AMOs relating to contracts. The Department respectfully recommends that the Board invoke this authority and open a docket to arbitrate the dispute between SAPA-TV and VTel. From the Department's perspective, the Board should proceed by first determining whether VTel can demonstrate that it is meeting the community needs of the Chester/Springfield area with its existing PEG/AMO programming. If VTel cannot make such a demonstration, then the Board should arbitrate reasonable terms for an access contract between SAPA-TV and VTel.

Sincerely,



Daniel C. Burke

Telecommunications Special Counsel

cc: VTel, c/o Shannon Butler
Tom Lauritsen, SAPA-TV



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July 14, 2015

Ms. Susan M Hudson
Vermont Public Service Board
Clerk of the Board
112 State St
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Montpelier, VT 05620-2701

#8609 *
(4)
Supplemental
response to Bd's
memo + OPS
Comments

Re: Request for "Arbitration" by Springfield Area Public Access Television

Dear Mrs. Hudson:

On June 1, 2015, I wrote to you in connection with a request from Springfield Area Public Access Television (SAPA) for the Board to "arbitrate [a] contract negotiation dispute" to require VTel to designate SAPA as the Access Management Organization (AMO) for VTel's cable customers in Springfield, North Springfield, Chester, Weathersfield. After receiving the Department's follow up letter of June 12th and reviewing the matter further, I write to correct a misimpression I may have left about VTel's support for Public, Educational and Governmental Access (PEG Access) and to update the Board on the status of negotiations with SAPA.

In my June 1 letter, I noted that VTel fit the qualification for a small cable system with respect to PEG Access obligations because the company's annual cable TV revenues are below \$2 million. By noting this fact, I did not mean to imply that VTel was exempt from the PEG Access requirements of Rule 8.400 or excused from the PEG Access conditions in its cable TV CPG. VTel is proud of its support for PEG Access and its collaboration with the AMOs serving VTel's customers.

In terms of an update on our negotiations with SAPA, VTel made one last offer to SAPA with the hope that we can execute an agreement and eliminate the need to tie up Board resources. We have placed on temporary hold our preferred plan, with an alternate AMO, while SAPA reviews this. I respectfully request that the Board pause and take no action on SAPA's request until SAPA has had the opportunity to review VTel's most recent proposal and make a decision on whether to accept or reject the offer.

If SAPA rejects VTel's most recent offer and decides to proceed with a dispute resolution proceeding at the Board, we request that the Board require SAPA to identify the disputed contract provisions so that VTel has proper notice of the specific issues in controversy. SAPA's pending request contains no specificity on what the scope of the issues are or what action the Board has authority to take with respect to those issues.

Thank you for the opportunity to clarify the record and update the Board.

Sincerely yours

A handwritten signature in dark ink, appearing to read "E. Shannon Butler". The signature is fluid and cursive, with the first name "E." and last name "Butler" clearly distinguishable.

E. Shannon Butler
Director Revenue Assurance and Industry Relations

cc: James Porter, Vermont Department of Public Service
Tom Lauritsen, SAPA-TV



Springfield Area Public Access Television
303 South Street, Springfield, VT 05156
Phone: 802-885-6248 - Fax: 802-885-6258

VERMONT PUBLIC
SERVICE BOARD

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October 7, 2015

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Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

To Whom It May Concern,

Springfield Area Public Access Television ("SAPA-TV") is asking the Public Service Board to renew our request for assistance in achieving a satisfactory resolution in negotiations with Vermont Telephone Company ("VTel") with regards to serving as the Access Management Organization for VTel's television service area in Springfield, North Springfield, Chester and Weathersfield Vermont.

Our initial request was contained in a letter to the Board on April 22, 2015. The parties have been unable to reach an agreement and we would appreciate your assistance with our arbitration request as soon as possible.

As always, thank you for your consideration.

Sincerely,

Tom Lauritsen
Chair – SAPA-TV Board of Directors

Cc: Michel Guitè, VTel
Dan Burke, Vermont Department of Public Service