

## Doth Commissioner O'Brien Protest Too Much?

Last Friday (10/16), Department of Public Service Commissioner David O'Brien made headlines (Free Press and WCAX) with his charge that the City of Burlington is acting illegally in its handling of Burlington Telecom's finances. Commissioner O'Brien says he is looking out for the taxpayers, but he has a lot of folks wondering. This weekend, several thoughtful people stopped me to ask, "What's going on with BT?" and the DPS Commissioner's statements of outrage perplex them. They ask, "Why wasn't he so indignant when Verizon saddled Fairpoint with \$1.7 billion in debt?" or "Why has he given such mixed messages about Vermont Yankee?" Then they say: "It sounds like Republicans going after Burlington Progressives." Maybe, but much of the fuel for this particular fire can be traced back to Comcast.

Comcast has been "worried" for the Burlington taxpayer from the start. Once a *de facto* monopoly, the country's largest cable and Internet provider has been working hard to make sure taxpayers don't subsidize one of its newest competitors. It is interesting that Commissioner O'Brien advocates so enthusiastically for our taxpayers, even though as a regulator he is primarily responsible for our *ratepayers*. Ideally, the main question he should be asking is "How can BT continue to meet its obligations and ensure reliable, quality service to its ratepayers?" Comcast wants BT to fail, but the DPS shouldn't be feeding that fire.

Burlington Telecom is a city enterprise that has to walk the line between open municipal operation and secretive competitive business. In the "overbuild" marketplace, there is pressure on BT to keep its business secret from Comcast and Fairpoint. But as a City enterprise, BT must operate within open government where most decisions and records must be transparent and public. Further complicating the situation, and like many new and innovative projects, the build has taken longer and cost more than anticipated. BT bears high hook-up costs with each new customer, and is also facing costly ledge rock and private association construction hurdles. At the same time, BT has been hurt by tight credit markets and by its lack of resources in the face of Comcast's deep-pocket marketing expertise (loss-leader deals, incessant direct mailings, Discover Jazz and First Night sponsorships, etc.) From this resident's perspective, the "level playing field" that Adelphia, and then later Comcast, insisted upon when Burlington was seeking permission to build its telecom utility is looking a bit lopsided and unfair at this point.

Without a doubt, the City must address BT's organizational structure. How does it create an "arms length" relationship with BT? Why not set it up to be another successful public utility like Burlington Electric? I suspect that Burlington taxpayers still believe that BT can fulfill its potential as an affordable community asset, and would support additional financing. Most folks regard BT as a long-term investment that will, as a locally owned modern digital network, pay for itself through lower costs and superior service.

I invite Commissioner O'Brien to tone down the rhetoric and work closely with the City of Burlington as it faces formidable challenges in its effort to build a state-of-the-art broadband network. BT is a project that can help realize the Douglas Administration's economic development goals in its quest for an innovative E-State. As a regulator, Commissioner O'Brien's job is to find solutions for ratepayers and encourage a competitive and technically superior telecom infrastructure. My hope is that he finds a constructive way forward for the City and its ratepayers, as well as its taxpayers, so that we can secure this invaluable public asset as a model of Vermont's telecommunications future.