

MEMO OF UNDERSTANDING
Related to Vermont PSB Docket No. 7746

The Parties

Vermont Telephone Company, Inc.
Vermont Access Network, Inc.

This Memo of Understanding (MOU) expands on the August 4, 2011, letter from Rob Chapman, President, Vermont Access Network (VAN) to Susan Hudson, Clerk, Public Service Board, Montpelier, VT, in support of VTel's request for a Certificate of Public Good (CPG) to provide cable television services in VTel's service area. This MOU guides the direction of PEG Access Agreements to be signed by VTel with various Vermont Public, Educational and Government Access (PEG) Access Management Organizations (AMOs), and by VTel and VAN. These contracts are intended to have the duration of VTel's video CPG and to extend the terms of this MOU with respect to such things as capital funding; publicity and marketing; procedures for addressing PEG access facilities' issues, problems and complaints; content indemnification; and dispute resolution procedures.

VTel commits to begin working cooperatively and in good faith within the next 60 days with each individual AMO designated under (1), below, to develop PEG Access Agreements whose provisions include, but are not necessarily limited to, the following:

(1) VTel intends to designate each of the Comcast-designated AMOs that serve towns in VTel's proposed cable TV service area as VTel's local AMOs, subject to each AMO agreeing to be so-designated. VTel agrees to pay each of these AMO's 5% of Cable TV-related revenues consistent with the definition of "cable services" revenues in Rule 8.417(A) and based upon the VTel Cable TV customers residing within the footprint of that AMO. VTel is accorded the right to simulcast all video content originated, distributed, broadcast or cablecast by that AMO, such that VTel has rights substantially identical to those of Comcast, or Comcast's successors, in each area;

(2) VTel's payments of 5% to these AMOs will be calculated in accordance with Rule 8.417 for AMO operating expenses, and VTel will comply with this and all other Vermont PSB Rule 8.000 requirements. In the event of disagreement about converting this MOU into formal written agreements, the parties agree to request Vermont's Department of Public Service to serve as mediator/arbitrator. Should this method fail, either party may petition the Board to hear and resolve the dispute;

(3) VTel intends to distribute three full-time PEG programming channels to each television subscriber, such that the resident of each municipality will receive the three simulcast channels of the designated AMO for that municipality.

(4) Each AMO will be eligible and pre-qualified to three (3) PEG access channels to reach the residents of the municipalities served by that AMO; however, until the AMO is able to provide 24/7 programming on any of its channels, VTel will not be obligated to activate the channel. Additional channels and other PEG applications will be provided under the requirements of Rule 8.404;

(5) The first three PEG Access channels of each AMO will be assigned to the lowest-cost (basic) tier of VTel's cable TV service, with the ability of the subscriber to select these channels with the same ease with which they select other channels in VTel's cable lineup;

(6) In those cases where it is not possible for VTel to begin distributing an AMO's programming upon the 'lighting up' of its cable television network, VTel will cablecast on each of the activated PEG access channels a scrolling community bulletin board that will identify that channel as "the future home of _____[AMO]," or something similar, and provide equipment and a mechanism by which that AMO and its constituents may publicize local events. This temporary community bulletin board would also be available for publicizing other non-commercial, nonprofit services that VTel might itself develop; and

(7) In an area not served by an existing cable provider, VTel will provide live, two-way capability (so long as it is a "standard installation") in one location at each school, library and municipality, if requested by that entity, for the purpose of enabling programming generated at that location to be distributed via one or more VTel designated AMOs' PEG access channel(s). The installation shall be accomplished within six months of a request by the entity, and the incremental cost over and above for providing the service within 500 aerial or trenched feet of the VTel's lines (a "standard installation") shall be borne by the requesting entity.

For VTel:



Justin Robinson
President
Vermont Telephone Company, Inc.
August 26, 2011

For VAN:



Rob Chapman
President
Vermont Access Network
August 26, 2011