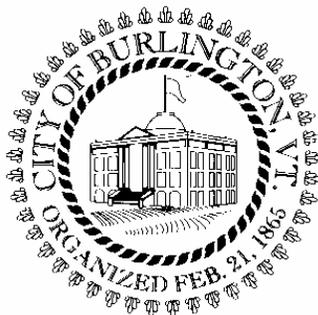


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**STATEMENT OF MAYOR KISS
October 16, 2009**

There is a proceeding initiated by the City of Burlington currently pending before the Vermont Public Service Board to amend the Burlington Telecom Certificate of Public Good with respect to Condition 17, related to buildout of the City, and a request for relief from Condition 60, with respect to the use of the City's pooled cash. Throughout these proceedings, the City has worked cooperatively with the Public Service Department, Commissioner David O'Brien, and his staff.

Commissioner O'Brien's statements as quoted in today's Burlington Free Press are inaccurate, inflammatory and totally inappropriate given there is a present proceeding before the Vermont Public Service Board in which his Department is supposed to be representing the public interest. Commissioner O'Brien knew or should have known of the City's use of pooled cash to fund BT's capital expenses and start up costs for almost a year. His comments only serve to undermine the confidence of BT's customers, the interests of whom his Department is charged by statute to protect.

- September 2008—BT filed a petition with the Board seeking relief under Condition 17 of its Certificate of Public Good (CPG) to complete build out of the City as BT's finances allowed.
- November 2008—City meets with the DPS and informs the DPS that the City is using pooled cash to fund BT's capital expenses and start up costs in excess of the \$33 million financing with Citicapital.
- Dec.2008-Jan. 2009—Settlement proposals exchanged between the City and BT concerning Condition 17.
- Feb 2009 - Discussions failed and the matter proceeded to the litigation phase.
- April 28, 2009—City discusses with DPS the need to amend petition to address Condition 60, and DPS recommends not addressing Condition 60 at the time and putting the proceeding on hold.
- June 4, 2009—City and DPS file a joint motion to postpone proceedings until August 31, 2009 so City may complete audit and costs estimates for completing build out of the City.

- September 30, 2009—BT files amended petition seeking relief under both Condition 17 and Condition 60. In this filing City acknowledges that it should have brought Condition 60 to the PSB’s attention earlier.

BT is a nationally-recognized success after just four years’ of operation, with current annual revenues of \$8 Million. The City looks forward to appearing before the Public Service Board to address its CPG conditions and continuing to provide Burlington residents and businesses with state-of-the-art telecommunications services that they have come to expect and deserve. The City is proud of BT’s accomplishments as a small, local telecom provider in a highly competitive industry which is dominated by much larger conglomerates with vastly greater resources. The Commissioner’s inaccurate statements about BT’s financial condition undermine the good work that BT has done, and risk the public’s access to these services which he is also charged to protect.

We appreciate that both Condition 17 and Condition 60 are significant aspects of the CPG, represent principles that are very important to the residents of Burlington and the Public Service Board, and are intertwined with the future of high-quality, reliable, and accessible telecom services in the Burlington area and potentially beyond. We are looking forward to addressing these issues in the ongoing proceedings before the PSB and are firmly committed to that process.