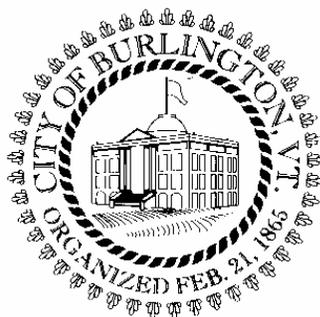


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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

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CITY ISSUES RESPONSE TO “LARKIN REPORT”

January 25, 2011 - Burlington, VT. The City of Burlington issued a response to the report by Larkin and Associates with respect to Burlington Telecom (“Larkin Report”). The Larkin Report was initiated in October 2009 by the Vermont Department of Public Service in relation to proceedings on BT before the Vermont Public Service Board. The Report was released over a year later on December 10, 2010 and contains several conclusions related to BT’s compliance with its CPG, knowledge of those compliance issues, accounting practices, and the viability of Burlington Telecom.

The City’s response addresses Larkin’s methodology in developing the report, Larkin’s conclusions related to BT as a going concern, the City’s response to BT’s finances, Condition 60 of BT’s Certificate of Public Good, and several accounting matters.

In a memo to the City Council regarding the report, Mayor Bob Kiss stated: “I encourage you to review these issues carefully. The Larkin report omits critical facts, contains inaccuracies, fails to verify assumptions and relies on dated information. Moreover, Larkin did not engage person-to-person with key City staff or the City’s auditing firm and financial consultants.”

Mayor Kiss adds that “while we have several concerns about the Larkin Report that needed to be addressed, our focus is to continue to move forward to preserve Burlington Telecom as an asset providing significant value to Burlington and potentially Vermont.”

The full response can be found at: www.ci.burlington.vt.us/docs/3367.pdf.

In partnership with the City Council, Mayor Kiss has called a special City Council meeting on BT for January 27 at 6:30 pm in Contois Auditorium. The meeting will be an opportunity for the

public to get information about the status and future of Burlington Telecom and have questions answered. The City is encouraging those with questions to submit them in advance, to be answered at the meeting. In addition to asking questions at the meeting, questions may be submitted in advance at www.ci.burlington.vt.us/bt.

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