

ctc technology & energy

engineering & business consulting

February 27, 2019

Board of Trustees
Vinton Municipal Electric Utility
214 E 2nd St.
Vinton, IA 52349

Re: Response to Taxpayers Protection Alliance letter

To the Board Members of the Vinton Municipal Electric Utility:

I write regarding the February 21st letter sent to you by the “Taxpayers Protection Alliance.” The letter includes, in footnote 2, an inaccurate account of statements regarding broadband take-rates I have made as consultant to the City of Tacoma, Washington and Tacoma Public Utilities.

In the context of promoting an ideological, anti-municipal-broadband agenda, the author of the letter misstates my analysis of the market results of municipal broadband operators.

Based on an article regarding a presentation I made to the Tacoma utility board and city council last August, the author suggests that I believe it is infeasible for a municipal operator to reach certain take-rates, even at low prices.

My comments were based on my experience with markets with robust competition such as that in Tacoma, the community in which I was speaking. In Tacoma, there currently exists residential broadband competition from two very capable and robust networks—a phone company fiber-to-the-home network and a cable company hybrid fiber-coaxial network -- as well as from mobile and fixed broadband providers that satisfy some consumers. Given *those particular circumstances*, I was cautioning my client regarding projections of high data service take-rates.

This Tacoma-focused analysis was in no way appropriate for generalization to the entirety of the country—or to any other single community. I am not familiar with Vinton and have not analyzed your competitive environment, your demographics, your broadband needs, any market research you have conducted, or any other factor that is a necessary component of evaluating potential take-rates for the feasibility of a new broadband network.

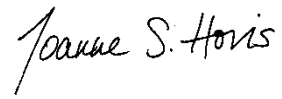
Unlike the author of the letter, I would not conclude anything regarding your situation without actually researching and analyzing your circumstances. I thus request that you please dismiss the letter’s characterization of my statements.

Columbia Telecommunications Corporation

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I wish you the very best with your project and with determining your own broadband future—
hopefully free from outside ideological pressure.

Warm regards,

A handwritten signature in black ink that reads "Joanne S. Hovis". The signature is written in a cursive, flowing style.

Joanne S. Hovis | President