



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43

**Technology Committee Meeting**  
Thursday, July 22, 2004  
8:30 a.m.  
Southwest Virginia Higher Education Center  
Abingdon, Virginia

**APPEARANCES:**

The Honorable Clarke N. Hogan, Chairman  
Mr. James C. Thompson, Southwest Vice Chairman  
The Honorable William C. Wampler, Jr.  
The Honorable Thomas C. Wright, Jr.  
Mr. Thomas W. Arthur  
Mr. H. Ronnie Montgomery  
Mr. Edward Owens

**COMMISSION STAFF:**

Mr. Carthan F. Currin, III - Executive Director  
Mr. Ned Stephenson - Director of Strategic Investments  
Mr. Timothy J. Pfohl - Grants Program Administration Manager  
Ms. Stephane Wass - Director of Finance  
Ms. Mary Cabell Sherrod - Manager of Communications and  
Committee Operations  
Ms. Britt Nelson - Grants Program Administrator - Southside Virginia  
Ms. Sara Griffith - Grants Program Administrator - Southwest Virginia

**OFFICE OF THE ATTORNEY GENERAL:**

Mr. Frank Ferguson, Deputy Assistant Attorney General  
Ms. Anne Marie Cushmac, Sr. Assistant Attorney General

DELEGATE HOGAN: I'll call the meeting to order. We've got two things in front of us. One of the items we have in front of us is the request for one hundred fifty-four thousand for Bristol Virginia Utilities, and the other item is the application for the MBC Project, nine million dollars. Those of you that weren't there the

1 last time, they applied for about twenty million, and a few people have taken exception to  
2 that. They need about nine million this year to do what they need to do.

3 Ned, would you talk a little bit about the contract we have with MBC and then  
4 give us an up-date on their Board make-up and anything else you think we need to know?

5 MR. STEPHENSON: Thank you. There have been a number of  
6 issues, and one of which has been what we commonly call, contract, or the agreement  
7 written between the Commission and MBC. I think you know from early conversations  
8 that we chose to engage outside counsel, and Frank helped us locate an individual skilled  
9 in telcom contracts. We drafted that contract and sent it back and forth several times.  
10 There were a lot of issues, not always in agreement. We have gotten to a pretty good  
11 contract, and it has not been executed at this moment; however, I have an indication of a  
12 willingness to execute it, and I am hopeful that can occur fairly quickly.

13 The contract has many things in it, but I think of importance to you are three or  
14 four things that you want to know about. The most important is this: the contract  
15 contains a sentence in it that essentially says that the Commission in its sole discretion  
16 can turn the funds off at any time, with or without reason. So, you have the power at any  
17 moment to turn the spigot off if something happens that you are displeased with.

18 The second thing that is important is that in the event that there is any  
19 dissolution of MBC or failure, the asset thereby created comes back to the Commission,  
20 provided we honor state law surrounding cooperatives, and there is a lot of state law on  
21 how cooperative assets are disposed of, and EDA would have a voice in that, also. To  
22 make a long story short, if the fiber gets built and MBC fails for some reason, that asset  
23 would return to us for disposal in whatever manner you see fit, and they are the two main  
24 clauses in the contract. I'm hopeful that will be entered into soon. We do have an  
25 indication of willingness to sign that contract.

26 DELEGATE HOGAN: You met with ADESTA, the network,  
27 operator earlier this week, and talked about the cashflow and how that would work out.  
28 We are probably on the hook for another six million dollars above the nine in order to  
29 make this project work. They can't spend the money but so fast, just something that we're  
30 going to have to work along with them. We've been thinking, and we talked about that  
31 last time. I think on several occasions the Full Commission had voted to do this whole  
32 project, and we have to remind them this morning that they voted to do that. We don't  
33 need to make other areas suffer completely to the extent they don't need the money. I  
34 think there are some things that we can ask them to do to perhaps limit their expenditure,  
35 as well as other opportunities. I know we'll have some information on that before next  
36 time, within the next sixty days.

37 MR. ARTHUR: In the military we have what's called the PERT,  
38 that's performance based charges. If we're going to allocate this much more money it  
39 should be based on performance and have them provide you the PERT charges, tell you  
40 exactly where they are and where they are going to use these funds.

41 DELEGATE HOGAN: That's a good point, and I think with a  
42 project of this magnitude we're going to have to have a check and have up-dates from  
43 MBC and ADESTA and sort of keep on top of this and make sure they are doing what we

1 think they are doing. MBC did meet Monday and asked people to serve on the Board.  
2 Ned, what do you know about that?

3 MR. STEPHENSON: My information is second-hand. I don't  
4 know, maybe David would be better to tell you that.

5 DELEGATE HOGAN: David, do you want to speak to that, as far  
6 as the new Board membership?

7 MR. HUDGINS: Four new Board members have been added to  
8 provide geographic balance: the President of Virginia State University, Eddy Moore;  
9 then, Frank Ferguson, Deputy Attorney General, is on the Board, his counsel is  
10 invaluable; Skip Skinner from LENOWISCO has served multi-projects, and his  
11 assistance will be certainly welcome to work on various projects; and then we have Mr.  
12 Mike Walker from Lunenburg, a banker. So we've got a banker, a CPA and an attorney;  
13 hopefully we can do well.

14 DELEGATE HOGAN: Does anybody have any questions for David  
15 at this time?

16 DELEGATE WRIGHT: Mr. Chairman, at the end of the last  
17 meeting, we were going to receive a report from David as far as the discrepancies at the  
18 last meeting and the amount of money that would be needed. Maybe I'm ahead here, but  
19 I would like to hear the remedies to that problem that we had last time.

20 DELEGATE HOGAN: I think maybe I can explain it this way. The  
21 nine million dollars that we had allocated available for Commission activities, and we go  
22 ahead and allocate it. The other six million dollars that is in question we can do in the  
23 out years. Given that there are construction projects and with these federal dollars, at this  
24 point we'll have about sixty days or so to do that. If we have to we can come back and  
25 make some changes in allocations in the Commission budget to make it work.

26 DELEGATE WRIGHT: I thought the time table was eighteen  
27 months that this whole system would be set up. What time frame are we operating under  
28 now?

29 DELEGATE HOGAN: I think that's hard to say, but reasonably  
30 close to that.

31 MR. HUDGINS: The way things are scheduled and the construction  
32 projects and right now as we engage ADESTA, at the pace that we are going we will have  
33 it completely done by the end of '05.

34 DELEGATE WRIGHT: Well, the money won't be spent at one time  
35 anyway, so, is this all in agreement with both sides, or is it a fact that you don't have  
36 enough money to do as much as you would like to do?

37 MR. HUDGINS: Ultimately, the project will be tailored to whatever  
38 the Committee sees fit to award. It's designed if for whatever reason there is no more  
39 funding, but it is going to be designed so that we can have a network that works at nine  
40 million. If we continue at the pace we are going it will be completely done by the end of  
41 '05.

42 DELEGATE WRIGHT: How much more money will be required?

43 MR. HUDGINS: The six million is what we're talking about.

1 DELEGATE WRIGHT: Mr. Chairman, you don't see any problem,  
2 and I know you can't speak for the Full Commission. You said we voted to fund the  
3 entire project?

4 DELEGATE HOGAN: More than one time. We didn't say we  
5 would fund it in '04, but we said we'd fund it in an appropriate way. I think in  
6 conversations with the Chairman and other people, this is a project we're committed to,  
7 and we have to finish it. We may have to go into other areas to get it done, if appropriate.  
8 I don't know if this Committee, that's probably something that will have to go before the  
9 Full Commission again.

10 DELEGATE WRIGHT: From the Staff, have we made the proper  
11 motions, and is it on the record the Commission understands and it has agreed to fund the  
12 amount of money we're talking about?

13 MR. CURRIN: As I recall, Delegate Wright, you made a motion in  
14 January regarding the Southside project. It was certainly my understanding that your  
15 motion indicates that we will finish the project. From the Staff's perspective and my  
16 perspective, we had the same commitment for Southwest Virginia, as well, to finish this  
17 project and the remaining part of their project. I think the Commission has repeatedly  
18 stated several things on numerous occasions that this project is a top priority. We will do  
19 everything to see that the funds are allocated and see to its completion.

20 DELEGATE WRIGHT: I would agree, and my point being that if  
21 the proper motions have been made, and if it hasn't, we need to.

22 DELEGATE HOGAN: I think we're in good shape as far as  
23 allocating the funds.

24 SENATOR WAMPLER: As I said in previous meetings, I support  
25 this project and want to see it to completion. I understand what we're asking the Full  
26 Commission to vote today on the hundred and fifty-four thousand for Bristol Utilities and  
27 the nine million for MBC. The last item is the transfer of the Bristol Virginia Utilities  
28 grant to the Town of Independence. I'd just like to know what the nine million dollars  
29 buys for the system. I'm just wondering where that gets us at, it's as simple as that. I  
30 don't have a comfort level right now what we're actually producing by the actions of the  
31 Commission. It's as simple as that.

32 DELEGATE HOGAN: Dave, do you want to address that?

33 MR. HUDGINS: Senator Wampler, I've submitted to the Staff maps  
34 and budgets, that's already been submitted to the Staff, and also information as to where  
35 the money has been spent. The project is going to be scoped by ADESTA. If you want a  
36 detailed map and budgets and things, the Staff has that on file.

37 SENATOR WAMPLER: Let me take a stab at this, Mr. Chairman.  
38 I'm happy to vote to allocate the nine million dollars, and I want to know what it is going  
39 to buy; I don't think that's an unreasonable request.

40 DELEGATE HOGAN: I think the answer to that is that we've got a  
41 bulk of what I would call infrastructure, we've got a network operations center, we've got  
42 the twelve million, which is half ours and half EDA money, and that was the E-58 piece,  
43 and we have the two spurs from Rocky Mount, and I think everybody is familiar with

1 how that works. The nine million will get us the network operations center, most of the  
2 northern tier of the counties that we didn't get in under the E-58 piece. They have some  
3 flexibility that they would like to do some things later. We may have to get some money  
4 from other committees to do or to make it all work.

5 MR. ARTHUR: What we are funding, then, is the network  
6 operation center. Is that the thing we cut the ribbon on and threw some dirt on?

7 DELEGATE HOGAN: We're funding some, and ADESTA is  
8 putting a half a million of theirs to provide electronics to make all of this work.

9 MR. ARTHUR: You're saying that the nine million you're asking for  
10 today is what is going to tie in the northern counties into this thing, as opposed to just  
11 having a spur.

12 DELEGATE HOGAN: That's largely correct.

13 MR. ARTHUR: I haven't seen that, I guess you all turned in a  
14 projected budget to the Staff, but the Staff hasn't shown it to us yet, and I don't know  
15 anything about it.

16 MR. HUDGINS: Mr. Chairman, to increase the comfort level of  
17 Senator Wampler and Mr. Arthur, we sat down with maps and budgets, and we'll send it  
18 to anybody or anybody you want to bring in, we'll sit down and go through the whole  
19 thing, the whole project with them and show you exactly where the money is at.

20 MR. ARTHUR: Is there a reason why the Committee has not seen  
21 that?

22 DELEGATE HOGAN: Mr. Chairman, in most cases and most  
23 projects that this Commission has funded, the difference in this project is the size of it.

24 MR. ARTHUR: That's why it is more important.

25 DELEGATE HOGAN: In my conversations with Mr. Stephenson  
26 and Tim and some people at MBC, and after the last meeting we hired an outside  
27 consultant and looked at their proposal and rendered an opinion as to whether it made  
28 sense or not, how then we could stretch the project out in different stages so we could  
29 handle the budgetary restrictions. They convinced me at least that we're okay and we can  
30 make this happen. In terms of looking at the fiber lines and costs, and this item is going  
31 to cost X number of dollars, and this is the electronics, the Staff has all that information,  
32 and I'm sure they will be happy to share it with you.

33 MR. ARTHUR: Prior to the meeting, my comfort level would have  
34 been higher if I had already known that the Staff had this information and outside people  
35 had looked at it. I didn't know that, maybe I missed that in Roanoke.

36 DELEGATE HOGAN: I'm sorry for that, that's why we're here this  
37 morning. I should have brought that up to your attention before. Do we have any other  
38 questions, comments or thoughts?

39 SENATOR WAMPLER: When we left Roanoke I thought we had  
40 the amount, and I thought we had the nine million plus the six previously authorized, that  
41 would be it. I at least had a concern that we find out where other leveraging  
42 opportunities existed or might exist. Then I hear the Chair today suggest that we'd be  
43 coming back at a later date to ask for more dollars to complete the project. That is

1 somewhat inconsistent where I thought we had a consensus at the conclusion of the  
2 Roanoke meeting.

3 DELEGATE HOGAN: I think that is a reasonable comment. Since  
4 Roanoke we were thinking that we have some very good opportunities to leverage  
5 significant dollars, and I think we needed about sixty days to explore that opportunity,  
6 and I suspect they are there. If they are there we want to explore them. So we'd like to  
7 have an opportunity, we have X amount of money, which is what you said, and allocate  
8 that money and see if we can't get the rest of the money from somewhere else before we  
9 commit additional Commission funds.

10 SENATOR WAMPLER: Mr. Chairman, I'll have to say it to this  
11 Committee, and probably the same comment, that a fifteen million-dollar investment is  
12 rather large by anybody's measure particularly for a project that if we're going to do it we  
13 need to do it correctly so it covers all areas. I for one asked a specific question, and that  
14 is what cash the applicant would put into this project, and I have yet to hear an answer to  
15 that. Or maybe I should hear from some other concern.

16 DELEGATE HOGAN: You're right, I can't answer that.

17 SENATOR WAMPLER: I would ask the Chair or if anybody that  
18 participates in the project if they would tell me their input of cash into the project other  
19 than the Commission cash in the project.

20 MR. HUDGINS: Are you talking about MBC, Senator?

21 SENATOR WAMPLER: Mr. Chairman, I'm asking the applicant or  
22 anyone else participating in this joint venture if they have an interest.

23 MR. HUDGINS: MBC is putting in zero, no cash. It's a complete  
24 creature, if you will, of the Commission to execute the project connecting the twenty  
25 towns. ADESTA has come to the table and put in over a half million for the network  
26 operation center, and that's it.

27 SENATOR WAMPLER: I would just observe again that this money  
28 is one thing, but all the parties need to work together and look for other sources of  
29 funding other than just the Tobacco Commission dollars and other than government  
30 dollars to make a project like this work. There needs to be some lobbying or some  
31 leverage. Five hundred thousand out of fifteen million doesn't leverage up a whole lot.

32 MR. ARTHUR: Mr. Chairman, I would just reiterate that this is a  
33 Tobacco Commission project, and therefore we have had a couple of folks that have said  
34 this is our marquis project next to the Institute for Southside, and this part of the project  
35 actually ties it all together, and we basically made a statement that we were going to fund  
36 it, or at least the backbone. The last mile, we're looking for somebody else to come in  
37 and help do that. This project started out at sixty million dollars, and we're talking about  
38 fifteen right now and possibly twenty-one or twenty-two in the end. I think we're getting  
39 a pretty good bargain, but I still say this money ought to be based on performance, and  
40 this performance should come regularly so that we can see that there is a light at the end  
41 of the tunnel and that the project is going to be completed as advertised, but it is a  
42 Tobacco Commission project. From the get-go we talked about this and how we would  
43 get it done. I think we've got a pretty good, at least a start on it. Before we give up nine

1 million dollars more I would kind of like to see some cable in the ground, but that's not  
2 happened.

3 DELEGATE HOGAN: We're not going to give them one nickel  
4 until the cable is in the ground.

5 MR. ARTHUR: You know what I mean. It is a Tobacco  
6 Commission project, and there's not going to be anybody else coming in unless we find  
7 some government money, but the last mile, we're counting on it being some outside  
8 money helping to do that. That's my opinion.

9 DELEGATE WRIGHT: Mr. Chairman, I want to be clear that I'm  
10 right on this, and I want to ask some questions about the additional money. My  
11 understanding is that the Tobacco Commission agreed to fund this project, and you  
12 mentioned federal grants. That's fine if you can get them, but if you can't get them, then  
13 what?

14 DELEGATE HOGAN: If we can't get them, then we're on the hook.

15 SENATOR WAMPLER: Mr. Chairman, the only thing we've done  
16 so far, to the best of my recollection, is allocate six million, and today we're asking for  
17 nine million, and that's it. I'll take the position we're not on the hook for anything. It  
18 requires an affirmative vote by the majority of the Full Commission to allocate dollars.  
19 Quite frankly, Southwest will be back for probably ten million dollars next year. We  
20 respectfully honored our commitment that we not come back this year to further our  
21 performance so you all would have the capital in Southside to move forward. To think  
22 next year you'll be back for another ten million, you'd have to wait.

23 DELEGATE HOGAN: To the extent we worked with Southwest  
24 last time in the first round and you worked with us in this round, we're trying to work  
25 together in the future to accomplish this telecommunications project. To the extent that  
26 we decided as a Commission that this is an important project, then we're going to have to  
27 fund it, if we can't get someone else to do it, and we want to see it done. I look forward  
28 to supporting the projects in Southwest the same way you have all supported our efforts  
29 in the Southside. We'll have to work out who gets to go first, second and third along the  
30 way; so far we have.

31 DELEGATE WRIGHT: Mr. Chairman, I'd like the motion read that,  
32 I want it clear in my mind, and there seems to be a disagreement, and I want to know  
33 exactly where we stand.

34 MR. FERGUSON: Mr. Chairman, I would observe that a vote, the  
35 issue before the Committee today is whether or not you will allocate nine million that's  
36 already provided. Delegate Wright is talking about and others referred to, is the  
37 statement, the commitment by the Commission on a number of occasions to see this  
38 project through and make it a marquis project, as Mr. Arthur said. I'm not sure that a vote  
39 to do that is per se a useful exercise, because we can't bind in future years to do it by a  
40 vote. If the Commission will take a resolution, perhaps the intent of the Commission to  
41 memorialize it that way, that might be something to consider. There may not be a vote in  
42 the traditional sense of a vote, because it would not have any legal effect. What I have  
43 heard sitting here and observing is the sense that this started several years ago and

1 repeated by this Committee and by the E-58 Task Force that preceded this Committee and  
2 by the Full Commission that this would be a project, as I understood it, and would be the  
3 Commission's view, a marquis project and one that would have the greatest and broadest  
4 impact on the economy of Southwest and Southside Virginia. Perhaps, Mr. Chairman, if  
5 there is a perceived need to memorialize that resolution to that effect probably would be  
6 the way to go rather than a vote. Again, this is all subject to funding on a yearly basis,  
7 and we all understand that a vote would be an expression of intent.

8 DELEGATE HOGAN: Which I think we've done.

9 DELEGATE WRIGHT: Mr. Chairman, the concern I have, and my  
10 understanding was that there would be enough money appropriated to serve every  
11 industrial park in Southside, and that is not the way it is. In other words, the money is  
12 being appropriated, if I understand it correctly, to take the backbone and go down E-58  
13 and will not take care of everyone.

14 DELEGATE HOGAN: This nine million will cover most of it.

15 DELEGATE WRIGHT: What do you mean by most?

16 MR. CURRIN: Sussex will not.

17 DELEGATE HOGAN: There are a couple of hubs, we'd have to sit  
18 down and go over, Lunenburg will be covered. There are some pieces that either we  
19 don't have to do right now or some smaller alternative routes that we can use.

20 MR. CURRIN: Delegate Wright, with all due respect, this  
21 Commission has said what Frank just said. We have never, ever said that we devote in  
22 one year all the money to do Southwest and Southside at the same time. If the  
23 Commission wants to do that, the Commission can do that, but we've gone through four  
24 fiscal years and allocated funds for Southwest and Southside, and that's what we've done.  
25 If you want to change that direction, this body can do it anytime they want to.

26 DELEGATE WRIGHT: What I'm trying to find out now is if we  
27 spend this nine million dollars, I want to make sure what we're spending it on, and until I  
28 feel clear about it I'm going to ask these questions.

29 MR. CURRIN: Sure, I want to make sure everybody understands it.  
30 We've had money over the past four years to do this project, both in Southwest and  
31 Southside, allocated funds in those fiscal years. If you want to do it one fell swoop and  
32 not go through this exercise, the Commission can re-allocate its budget today or anytime  
33 with the necessary funds in that, if that's what you want to do.

34 DELEGATE HOGAN: My observation is that because of other  
35 funding opportunities, because of the time frame it's unnecessary to do that at this point.  
36 That's my observation. I may be wrong.

37 DELEGATE WRIGHT: I think that, based on the answers to my  
38 questions, I have a much higher comfort level now than I did before we started. I agree  
39 with Mr. Arthur that I think it would have been better to have had something for us to  
40 look at this morning, and we would have had more opportunity to look at it and  
41 understand it, and I would have been better informed if we would have had that  
42 information beforehand.

43 MR. ARTHUR: Mr. Chairman, do you have a motion?

1 DELEGATE HOGAN: We didn't vote last time. We do have three  
2 motions, so I would ask Senator Wampler to state the motion.

3 SENATOR WAMPLER: Mr. Chairman, the first motion is that we  
4 recommend to the Full Commission that Bristol Virginia Utilities be reimbursed one  
5 hundred fifty-four thousand six hundred forty-four twenty-four for their preliminary  
6 engineering work that was completed. That's pretty simple.

7 DELEGATE HOGAN: Do we have a second?

8 MR. OWENS: Second.

9 DELEGATE HOGAN: All in favor say aye?

10 MR. ARTHUR: I have a little bit of a problem with that. We  
11 distinctly and very broadly, by almost every member of this Commission, Tommy  
12 included and the Attorney General's Office, turned down Pittsylvania County for a  
13 reimbursement for the exact same type of thing.

14 DELEGATE HOGAN: There was a meeting done several years  
15 ago, and Bristol Utilities was told to go ahead with this study and we would pay for it.  
16 Then we didn't pay for it, and they did the work. Someone dropped the ball for the  
17 Commission, or there wasn't a follow-up to make sure that it was done. It's my  
18 understanding that was done in good faith. I think that is somewhat of a different  
19 situation. I just want to make that as a point of clarification.

20 MR. ARTHUR: Mr. Chairman, the hundred and fifty thousand  
21 doesn't bother me. I think we're opening Pandora's box, and there ought to be another  
22 way to get around it rather than calling it retroactive.

23 SENATOR WAMPLER: Mr. Chairman, if I could modify my  
24 motion. Bristol Virginia Utilities be authorized payment for preliminary engineering  
25 work that they have performed.

26 MR. ARTHUR: Second.

27 DELEGATE HOGAN: All those in favor of the motion signify by  
28 saying aye? (Ayes.) Opposed, like sign?

29 DELEGATE WRIGHT: No.

30 DELEGATE HOGAN: Senator Wampler.

31 SENATOR WAMPLER: That Bristol Virginia Utilities be released  
32 from any and all obligations for a previously awarded amount of one hundred fifty  
33 thousand to deploy fiber optics to the Town of Independence and that the grant be  
34 transferred to the Town of Independence for such deployment.

35 DELEGATE HOGAN: Do we have a second?

36 MR. OWENS: Second.

37 MR. ARTHUR: I don't understand that.

38 MR. PFOHL: Point of clarification, in Bristol's award last year it  
39 was a two million dollar award, and there was one hundred thousand set aside for the  
40 Town of Independence fiber connection.

41 SENATOR WAMPLER: What happened, Mr. Arthur, and other  
42 members of the Commission went into this in Roanoke, the Town of Independence has  
43 received other grant sources for work. It was work that BVU was going to perform by

1 other funding sources, and it is consistent with the plan, the complete plan of fiber optics  
2 to the Town of Independence, and it makes sense to let Independence do their own  
3 deployment, and it is simple as that.

4 MR. ARTHUR: Has this money already been awarded to Bristol  
5 Utilities?

6 SENATOR WAMPLER: Yes.

7 MR. ARTHUR: Work was done by someone else?

8 SENATOR WAMPLER: No, Bristol Utilities has not performed the  
9 work there. There was a cash balance, and it would be duplicative. It seems to me that  
10 the ARC did a grant to the Town of Independence, if anybody can help me. It was  
11 awarded to Big Stone Gap, Big Stone Gap could not perform the work, and the grant was  
12 subsequently transferred to the Town of Independence.

13 MR. OWENS: The Town of Independence has done all  
14 the paperwork?

15 SENATOR WAMPLER: We asked the Staff to review it, and the  
16 Staff reviewed it, and this was consistent with our plan. That's the report we received in  
17 Roanoke a couple of weeks ago.

18 DELEGATE HOGAN: Any more comments or discussion? All in  
19 favor say aye? (Ayes.) Opposed, like sign? (No response.)

20 The last motion, then, is to approve the nine million dollars for MBC.

21 MR. ARTHUR: Contingent on performance. I would like to add  
22 that to it.

23 MR. STEPHENSON: Could the Chair repeat the caveat?

24 DELEGATE HOGAN: The motion is for nine million dollars for  
25 MBC, contingent upon performance, as stated by Mr. Arthur.

26 MR. OWENS: Second.

27 DELEGATE HOGAN: The motion is made and seconded. All in  
28 favor?

29 MR. OWENS: How do you define performance?

30 MR. ARTHUR: I defined it awhile ago as a PERT chart. Something  
31 that would be given to the Chairman and the Staff to evaluate performance being done on  
32 time in an orderly manner.

33 SENATOR WAMPLER: I think Ned gave us a pretty good idea, I  
34 think he explained Mr. Arthur's comments were that we had the ability to stop the  
35 payments.

36 MR. STEPHENSON: Several things, there are exhaustive reporting  
37 requirements at every step along the way, with your ability to stop the payments at any  
38 time if you are displeased with the progress.

39 MR. ARTHUR: The type of performance.

40 DELEGATE HOGAN: Based on Delegate Wright's and Mr.  
41 Arthur's comments I would say that not only will we have the quarterly reports from  
42 MBC to this Committee but also a copy of the summary of reports; whoever would like  
43 to get them on a regular basis can. When I ask for a summary, the next time we send out

1 or we get these reports, it should go to the members of the Committee, if they want more  
2 information than that, certainly you can provide it.

3 MR. ARTHUR: We don't want to overload them.

4 MR. STEPHENSON: Mr. Chairman, the amount of the request and  
5 the amount of funds available would indicate that an approval of 9.44 million would be in  
6 order at this time, being the sum total of budget money available to the Technology  
7 Committee for the fiber.

8 MR. ARTHUR: You're saying commit the balance of whatever  
9 we've got?

10 MR. STEPHENSON: I'm suggesting that, yes.

11 SENATOR WAMPLER: Mr. Chairman, I'm suggesting that we keep  
12 something in reserve in case something comes along. Mr. Chairman, I would observe,  
13 and I know that the nine million is one thing but we ought to leave about a half a million,  
14 if we have to do something, and if we need it we can come back and find it.

15 DELEGATE HOGAN: We have a motion to grant the nine million.  
16 Do I have a second?

17 MR. OWENS: Second.

18 DELEGATE HOGAN: Any more comments? All in favor say aye?  
19 (Ayes.) Opposed, like sign? (No response.)

20 Is there any further business? All right, then we're adjourned.

21

22 PROCEEDINGS CONCLUDED.

23

24

25

26 CERTIFICATE OF THE COURT REPORTER

27

28

29 I, Medford W. Howard, Registered Professional Reporter and Notary  
30 Public for the State of Virginia at large, do hereby certify that I was the court reporter  
31 who took down and transcribed the proceedings of the **Technology Committee Meeting**  
32 **when held on Thursday, July 22, 2004 at 8:30 a.m. at the Southwest Virginia Higher**  
33 **Education Center in Abingdon, Virginia.**

34 I further certify this is a true and accurate transcript to the best of my  
35 ability to hear and understand the proceedings.

36 Given under my hand this 28th day of July, 2004.

37

38

39

40

41

42

43

\_\_\_\_\_  
Medford W. Howard  
Registered Professional Reporter  
Notary Public for the State of Virginia at Large

- 1
- 2
- 3
- 4
- 5
- 6 My Commission Expires: October 31, 2006.