

Vermont Telecommunications Plan 2010 Telephone Survey Results—
Internet Use and Availability Excerpts

The following results are selected from a forthcoming report on the results of a telephone survey conducted on behalf of the Vermont Department of Public Service in November and December, 2009, as part of the preparation for the Vermont Telecommunications Plan 2010.

Survey Summary Report

The Vermont Department of Public Service conducted a survey with 500 Vermont residents and 385 non-residential organizations. All public, private, non-profit, and educational organizations were eligible for the survey. The survey measured Vermonters’ telecommunication needs, as well as related behaviors, knowledge, awareness, and perceptions. The survey data will also be used to evaluate Vermonters’ needs and behaviors to support short- and long-term planning efforts for bringing relevant technologies to Vermont. The survey was conducted by telephone, including cell phones, between November 25 and December 6, 2009.

The sections below describe the survey results. Some residential survey estimates are calculated by region: Champlain Valley, Northeast Kingdom, Central Vermont, and Southern Vermont.

Internet

Eighty-three percent of Vermonters use the internet, with most (70%) using it daily. Eighty percent of residents in the Champlain Valley (Addison, Chittenden, Franklin, and Grand Isle counties) use the internet daily compared to 62% in the rest of the state.

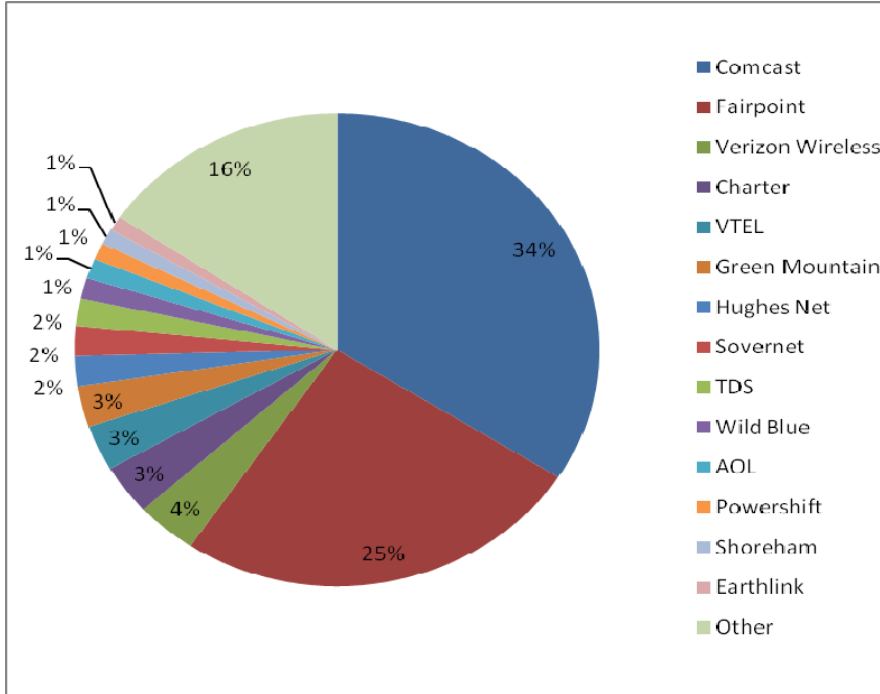
Vermonters’ Home Internet Use

	Vermont	Champlain Valley	Northeast Kingdom	Central	Southern
Daily	70%	80%	61%	66%	60%
Weekly	9%	8%	12%	6%	10%
Monthly	3%		4%	5%	7%
A few times a year	2%	1%	3%	2%	2%
Never	17%	11%	21%	20%	21%

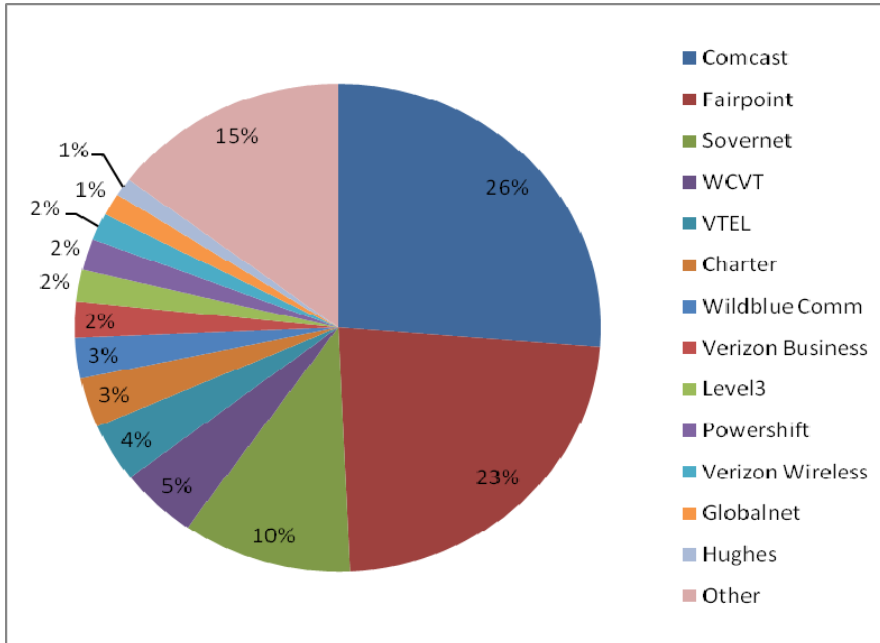
While there are numerous internet providers servicing Vermont homes, Comcast and Fairpoint are by far the market leaders, with shares of 34% and 25%, respectively. Comcast and Fairpoint are also the two market leaders with non-residential consumers, but the gap between them is much narrower, 26% versus 23%.

Estimated Internet Service Provider Market Share

a. Residential



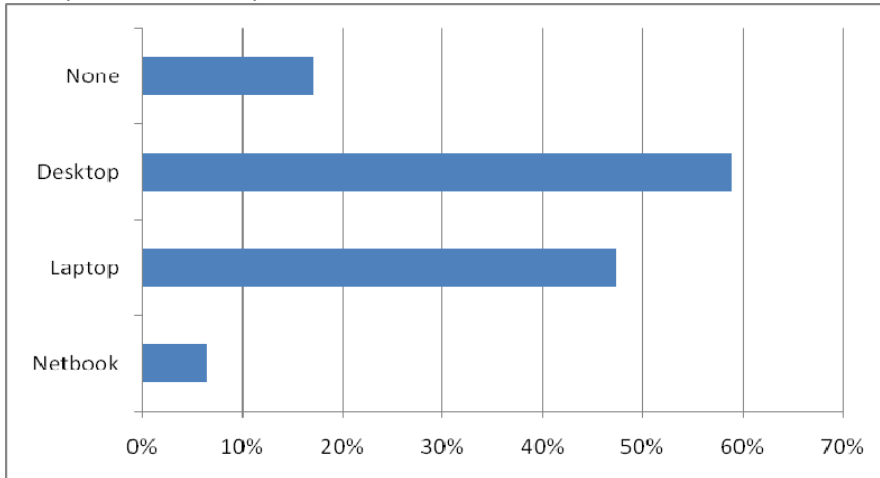
b. Non-residential



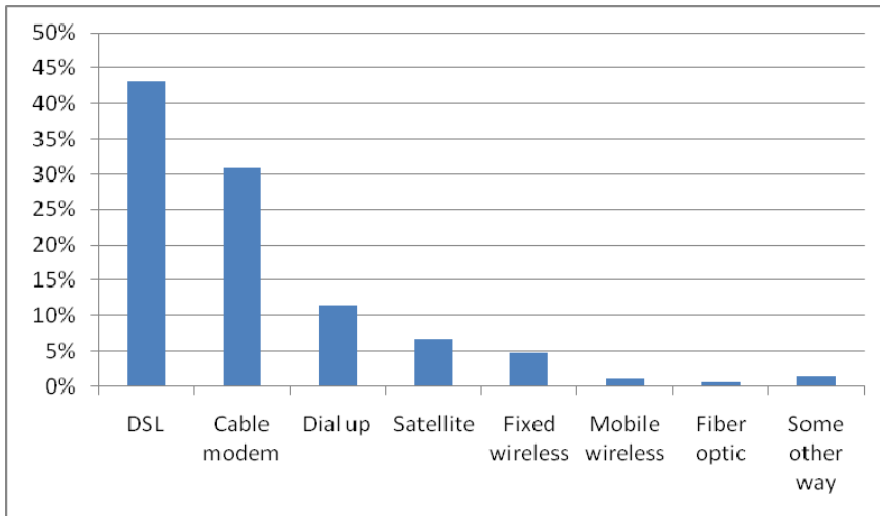
Residential Computer Ownership

Eighty-three percent of Vermonters own a computer, which was the same in 2004. In 2009, nearly 60% own a desktop, nearly 50% own a laptop, and 6% own a netbook.

Computer Ownership



Residential Internet Connections



There was some confusion among residential respondents regarding how they connect to the internet. For example, although 111 answered that Comcast was their primary internet service provider (ISP), only ninety of those responded that they connected via cable modem. Of the 101 who responded that FairPoint was their primary ISP, 87 responded that they connected via DSL and nine responded with dial –up. Ninety percent of Vermont internet users connect from home. Nearly 40% connect from work, 15% from a friend, relative or neighbor’s house, and 7% from the library.

Broadband Availability and Adoption

Seventy-seven percent of *home internet users* have broadband service in their homes with DSL and cable modem as the most popular connection methods. For home internet users who do not purchase broadband, 53% reported that they do not have broadband because it is not available to them where they live. This suggests that broadband is not available for 12% of Vermont’s home internet users.

To measure the percentage of Vermonters who have broadband available, we conducted a recontact study to ask respondents who do not connect to the internet from home whether these types of service were available: a) DSL; b) Cable modem service; c) Satellite; d) Cellular Wireless; e) Fiber Optic; and f) Fixed Wireless.

Respondents who answered yes to DSL, Cable, Fiber Optic, or Fixed Wireless were counted as having broadband available. Those who answered no or “don’t know” to all options were counted as not having broadband available. Seventy of the 125 respondents in the re-contact study responded to the interview. Based on the responses, we estimate that 60% of Vermonters who do not currently use an Internet connection from home have broadband available.

It is important to note that service availability data is based on the perceptions of Vermont residents. Not all residents use the internet and are therefore less likely to be aware of services available to them. Similarly, internet users may have service choice, but are unaware of it. Broadband availability for the purposes of this report is described as the percentage of Vermonters who responded that DSL, cable modem, fixed wireless service or fiber are available to purchase at home if they so choose. Broadband adoption is described as the percentage of Vermonters who responded that they subscribe to broadband where it is available as described in this report.

Percent of Vermonters who Use internet from home	75%
Home internet users who subscribe to broadband	77%
Home internet users who do not subscribe to broadband	23%
Home internet users who have broadband available and choose not to subscribe	11%
Internet users who have no broadband available	12%
Vermonters who do not use internet from home	25%
Non- internet Users who have broadband available, and choose not to subscribe	60%
Non- internet users who have no broadband available	40%

Overall, availability of broadband service was reported by 81% of respondents. Subscription of broadband service at home was reported by 71% of respondents who reported broadband available, and by 58% of all respondents.

Respondents were asked how much they pay per month for home internet service. The average monthly cost for home internet access is \$39.50.

Reason that home Internet Users Do Not Have Broadband at Home

Reason	
Broadband not available	53%
Equipment too expensive	2%
Service too expensive	5%
Don't use it enough	5%
Don't know how to use web well enough	1%
Other	30%

For those who do not access the internet, or access it infrequently, expense does not seem to be a barrier. Seven percent reported that the equipment, internet service, or telephone expenses are too expensive. Nearly 40% of non- and infrequent users reported that they *don't have the necessary equipment or access to the necessary equipment*, which is unchanged from 2004.

Non-residential Internet

Ninety-three percent of non-residential consumers have internet service at their location. Of these, 82% have broadband access. Fifty-eight percent of the broadband access is DSL, followed by cable modem at 29 %, T1/DS1 at 8%, and direct fiber optic at less than 2%.

The average cost for internet service, as reported by non-residential consumers, is \$75.19 per month. Twelve percent of non-residential consumers reported having an additional internet service other than their primary one, with over half reporting that it is a broadband connection. Non-residential consumers were asked about the availability of various types of internet connections. There was a high percent of uncertainty about availability for DSL, Fiber Optic, Fixed Wireless, Frame Relay, and T1/DS1.

Survey Methodology

The sample for the Vermont Telecom Residential Survey was a dual-frame Random Digit Dialing (RDD) sample. The survey is referred to as “dual-frame” since some Vermont residents were selected from a cell phone sampling frame, and some Vermont residents were selected from a landline telephone frame. In total, 500 Vermont residents were interviewed—400 on landline phones and 100 on cell phones. The landline sample was stratified into four regions of the State: Champlain Valley, which includes Grand Isle, Chittenden and Addison Counties. The Northeast Kingdom of Orleans, Caledonia and Essex Counties, Central Vermont, which includes Lamoille, Washington and Orange counties, and Southern Vermont which includes the counties of Rutland, Bennington, Windham and Windsor.

Interviewers asked for the adult (18+) member of the household “who knows the most about the telephone and internet services that your household uses.”

Interviewing took place between November 25, 2009 and December 6, 2009. Attempts to reach the household were made on weekdays, weeknights, and weekends between the hours of 9 AM

and 9 PM. The questionnaire averaged 16.1 minutes in length (15.9 for landline and 17.1 for cell phone). Cell phone respondents were offered a \$5 remuneration for cell phone expenses they may have incurred to conduct the survey.

The residential sample was weighted to account for unequal selection probabilities, non-response in the cell phone survey, and finally weighted to match the Vermont demographics of age, gender, and educational attainment.

The non-residential survey was administered to 385 non-residential organizations. All public, private, non-profit, and educational organizations were eligible for the survey. The organizations were selected from the Dunn & Bradstreet database. All interviewing took place between 9AM and 5 PM, Monday through Friday, beginning November 23, 2009 and ending December 2 2009. The questionnaire averaged 12 minutes in length.