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NEWS RELEASE

LUS Responds to Opposition: Claim Ads Misleading

July 15, 2005 - City of Lafayette leaders say that a misleading anti-Fiber mail piece and full-page newspaper ad has gone out to Lafayette residents on the eve of tomorrow's election. The mailer distributed by Fiber 411 is meant to elicit fear, uncertainty and doubt over the proposed Fiber for the Future project. The design uses large, screaming headlines which dominate the piece. The flyer hopes to gain some credibility by quoting newspapers but instead of using complete news stories the mailer resorts to selective quotations which totally distorts the true story.

In the full page Advertiser newspaper ad taken out by BellSouth, they use a reprint of a story by Times of Acadiana writer Eric Benjamin as their content. City officials point out that Eric Benjamin has been a supporter of BellSouth's position for months now in his open attack of the LUS plan in his many articles. This ad is now public proof of that link. Officials also pointed out that Benjamin is not a citizen of Lafayette, is not registered to vote in Lafayette, and in fact, lives in New Orleans and commutes to his job. "This is a return to the sorts of deliberately misleading tactics that we saw recently in the push polls and ads we saw last year. It is an attempt to manipulate the vote of the people of Lafayette with lies and misstatements," said Terry Huval, director of LUS.

In one quote in the direct mail piece they say that the fiber system in Marietta, GA was sold at a loss. "The truth is that the Marietta system has nothing in common with LUS' plan. It was a speculative wholesale system that marketed bandwidth to large companies far beyond the boundaries of the city. Even so it was breaking even when it was sold to fulfill a campaign promise. The new owner retained the whole staff and continues to pursue the original business model, said Huval.

The mailer also claims that the fiber system in Bristol has seen losses and rate hikes. "The truth is that Bristol is a huge success and this is an ugly attempt to lie to people by selectively quoting the local Bristol newspaper," said Huval. Below is the context for the part of the paragraph that the flyer reproduces. The part the opponents of Lafayette's plan have chosen to pull out of context is marked in red. By reading the red parts first and then read the full

paragraph, it is apparent that this flier is intentionally misleading. This is simply and plainly dishonest; it distorts the plain meaning of the paragraph.

Bristol, VA - A year after it became one of the few public utilities in the country offering full telecommunications services, **Bristol Virginia Utilities** is beating its business plan and reaching its goals more quickly than expected. Still, BVU **experienced unexpectedly heavy losses** in 2003 because of legal and regulatory obstacles and **raised its cable rates by as much as 15 percent**. Competitors continue to complain about the public utility's unfair advantages over private enterprise; a battle over the legality of BVU's telephone service drags on. But customers are signing up - and staying with the service - in unexpected numbers, Chief Executive Officer Wes Rosenbalm said. BVU is one of growing number of public utility providers around the country using public money to get into the traditionally private-sector telecom business. It traditionally had provided electric, water and wastewater services. BVU now offers a suite of services including cable, phone and Internet access under the title BVU OptiNet.

“It is important to note that the article mentions losses only in the context of celebrating the fact that those losses were not enough to keep the utility from reaching its business plan goals only a year later,” said Huval.

In the mailer the opposition claims “Extra Taxes, Extra Debt and Higher Rates”.

“This is false. As the incumbent providers and Fiber 411 well know, BellSouth's law passed last summer forbids "cross subsidization"- meaning that it is against the law to use money from rate hikes in the rest of the utilities to support the telecom side. BellSouth, of all people, should know that. They drafted the law. As to taxes: NO taxes are involved with this project. It is all to be paid for from revenue that people willingly offer to purchase services they find valuable. New taxes must be voted on by the people of Lafayette before they can be levied. This is pure fear-mongering,” said Huval.

The mailer claims that private companies will offer the same service.

“This is untrue. Other companies will not offer Fiber to the Home and have firmly and repeatedly said so. Fiber to the home is not the same thing as fiber to the curb. In fiber to the home the fiber goes all the way to the home. Period. BellSouth's fiber to the curb plan takes fiber to within 500 feet of the home and then copper wiring completes the connection to the homeowner. Each home will have to share the bandwidth of a single strand of fiber with the neighborhood. It is an inferior and limited system that will not serve the future needs of our community,” said Huval.

City leaders also reminded all voters in the city of Lafayette to make an extra effort to vote in tomorrow's election. “Our community has been stirred to action. I have heard and seen passionate discussion that our city has never experienced. In the coffee shops and the barber shops in North Lafayette and in South the conversation is the same. It's all about our city's future and the opportunities that are at hand,” said City Parish President Joey Durel.

“High bandwidth fiber optics to every home is what the vote is about. But I think it is about so much more. It is about our future and our children's future. It is about bringing home those who left to seek opportunity and providing jobs to those who want to stay,” said Durel.

“Fiber optics is a conduit of information. It is also a conduit of hope and dreams.

Educating our children by connecting their classroom and their living room to the world makes their dreams more attainable. Linking our business community to the global marketplace creates

a competitive edge for locating in Lafayette. Smarter kids and good jobs when they're ready, that's a simple formula for success. Vote Yes on Saturday for the future of Lafayette," Durel said.

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