



VERMONT

VERMONT COMMUNITY BROADBAND BOARD

Presentation to the House Committee on Commerce and Economic Development

January 20, 2023

Christine Hallquist, Executive Director

[HTTPS://PUBLICSERVICE.VERMONT.GOV/VCBB](https://publicservice.vermont.gov/vcbb)

Mission

It is the purpose of the VCBB and Vermont Community Broadband Fund to support policies and programs designed to accelerate community efforts that advance the State's goal of achieving universal access to reliable, high-quality, affordable, and fixed broadband.

The VCBB was created to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.



Public Accountability



**First Meeting –
August 2021**



**43 Public Meetings
4 hrs each**



**Average
attendance 30
participants**

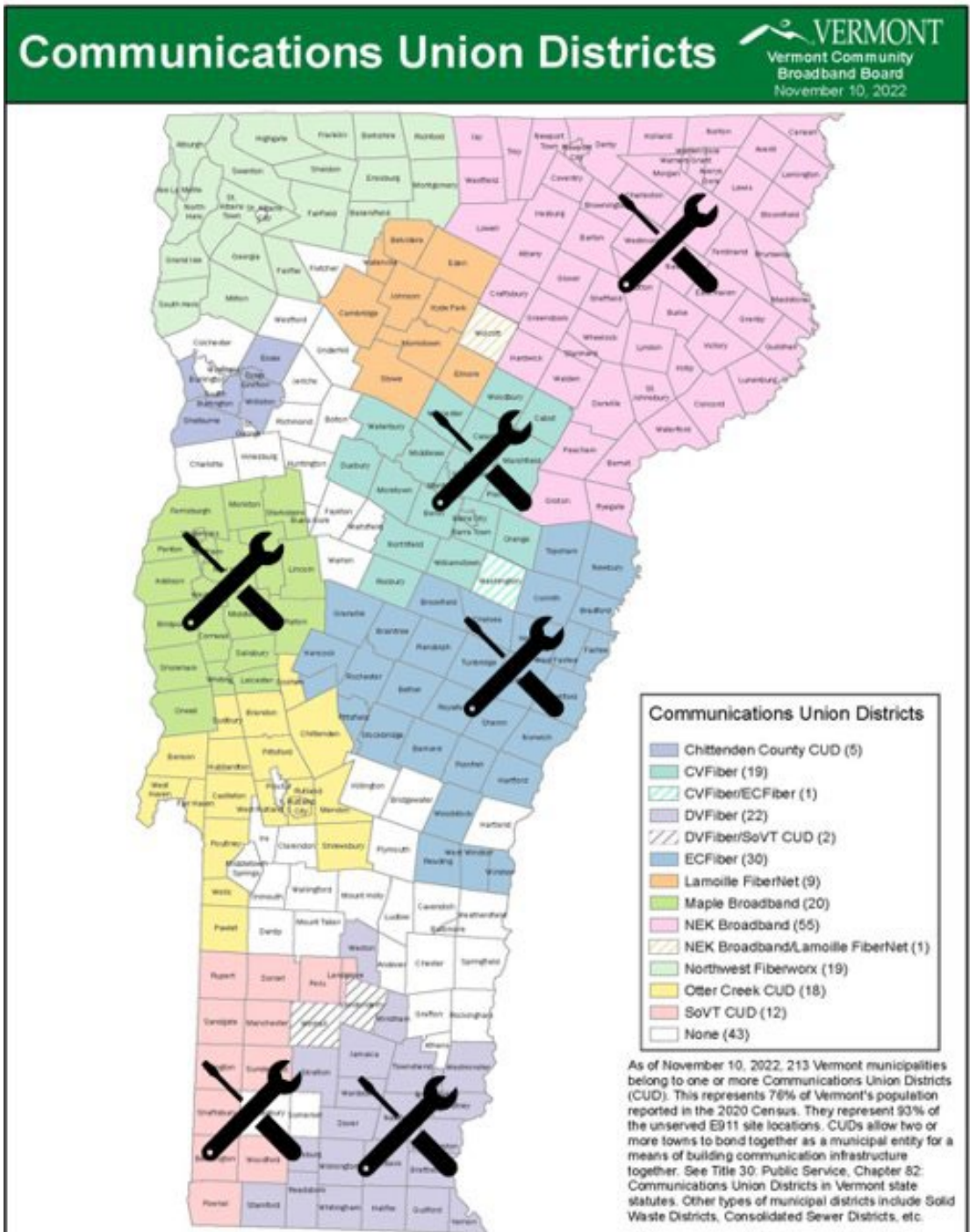


**Minutes and
Recordings Posted
on Website**

CUD Progress

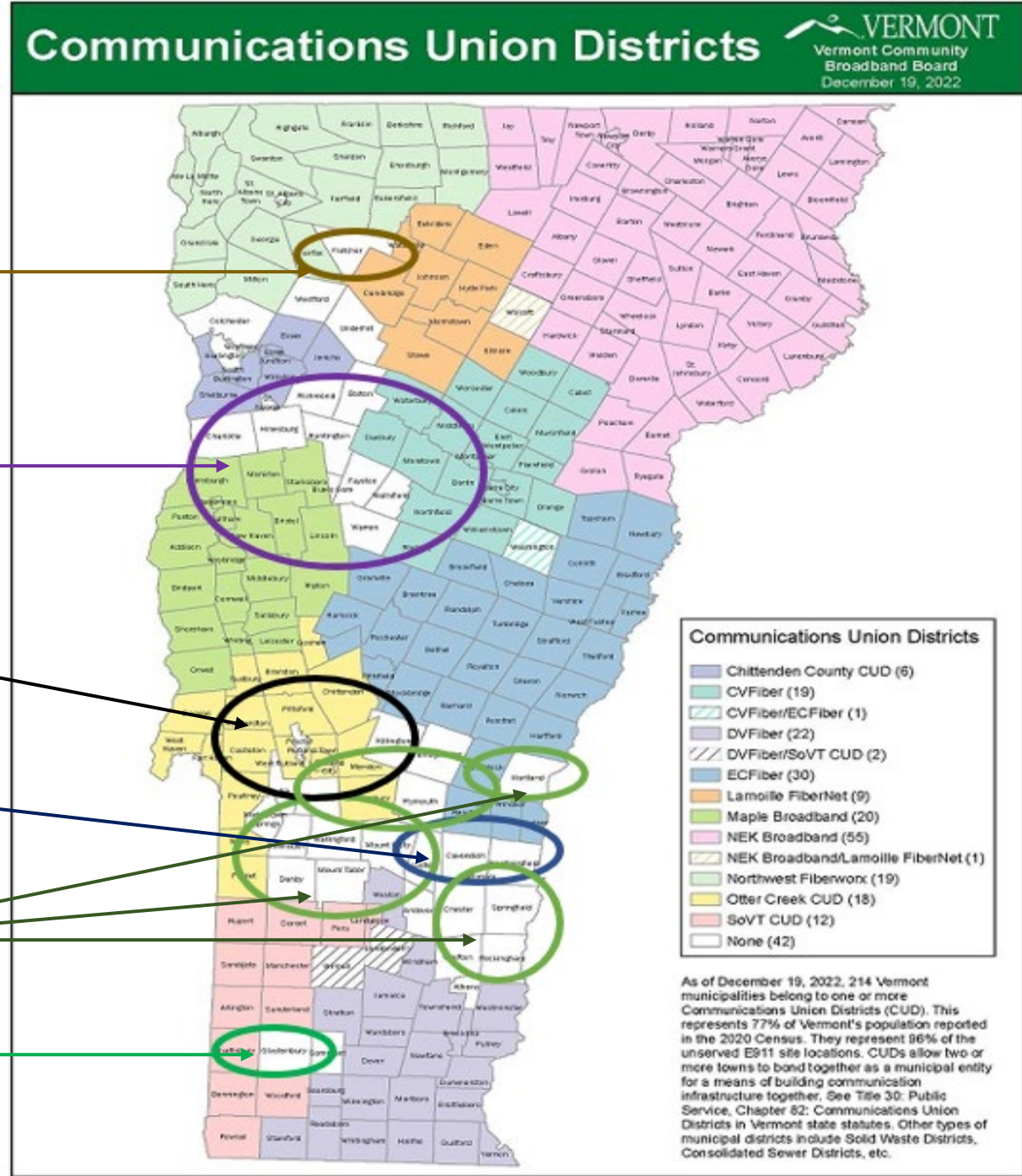
- 10 Districts Represented
- 214 Member Towns
- 428 Volunteers (board representatives & alternates)
- 76% of the state's population represented
- 93% of locations without access to 25/3 are represented by a CUD

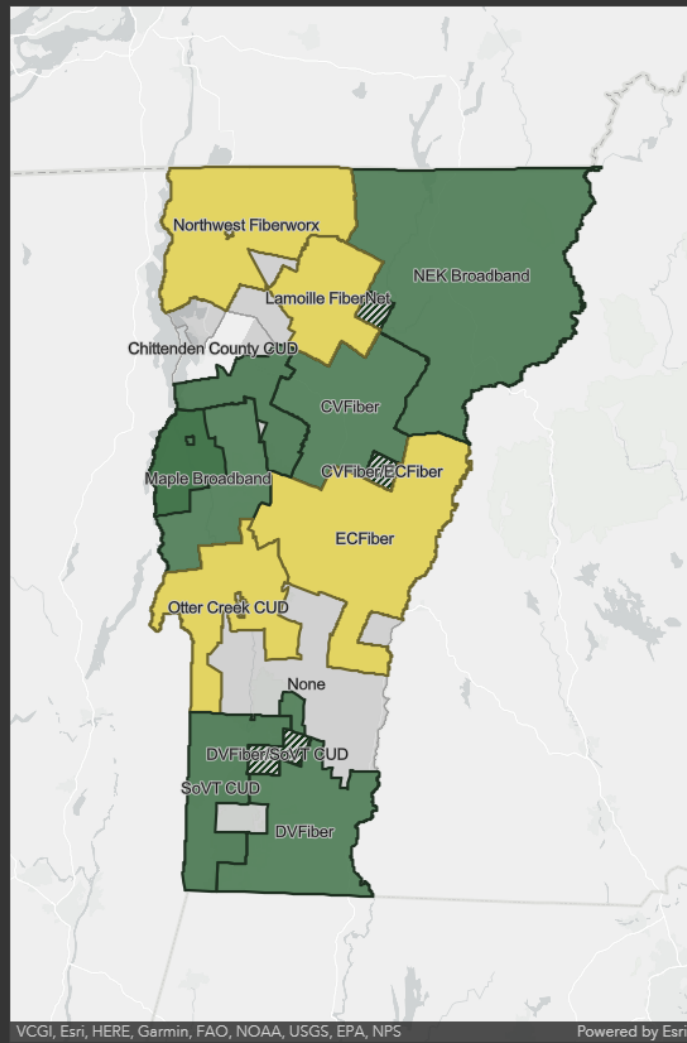
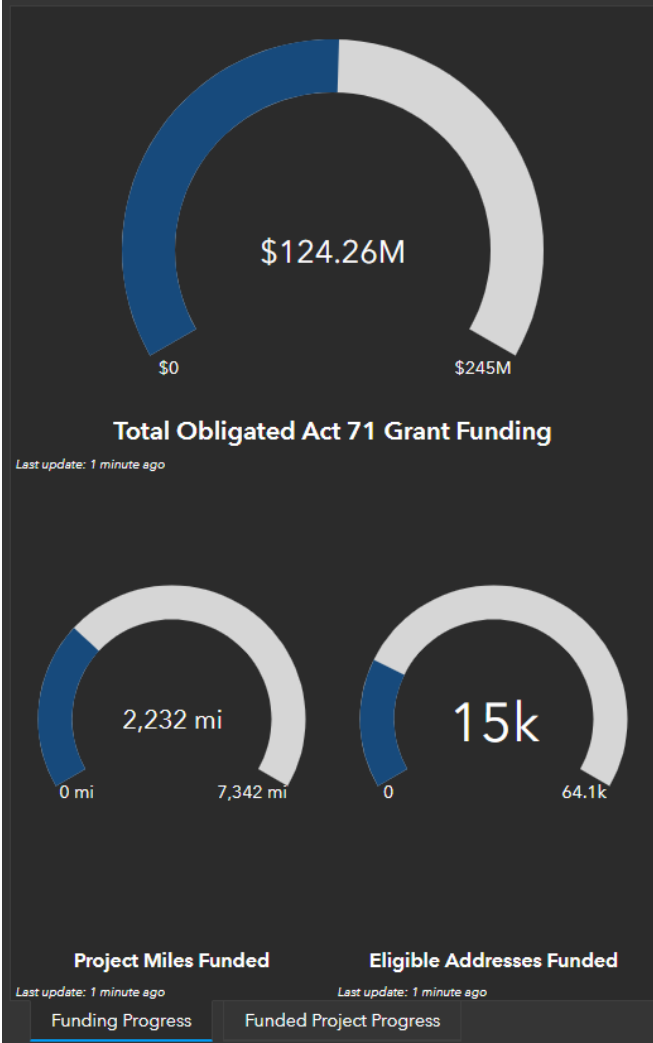
Goal: 100/100 mbps broadband service at every E-911 location.



Towns Without Communications Union District Membership

- ❑ Northern Borders Regional Commission (NBRC) grant to MCFiber for Fletcher.
- ❑ Act 71 Construction Grant issued to build to remaining addresses in phased approach in WCVT towns.
- ❑ Towns served with fiber by Consolidated/Fidium or Vtel.
- ❑ TDS planning on building fiber to 90%+ addresses. Other areas may be served by ECFiber in the future.
- ❑ VTel reports serving all addresses within its territory with fiber.
- ❑ SoVT will serve with fiber via partnership with Fidium for Glastonbury.





Act 71 Construction Grants to Date

CVFiber	\$12,289,273.00
DVFiber	\$21,945,429.20
Maple Broadband	\$8,686,000.00
NEK Broadband	\$20,865,889.00
SoVT CUD	\$9,009,085.00
WCVT - Maple Broadband	\$9,104,486.00
WCVT - NonCUD Towns	\$8,348,243.00

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Construction | Pre-Construction | Materials

\$90.25M
Total Awarded for Construction Grants
\$24.16M
Total Awarded for Pre-Construction Grants
\$9.85M
Total Awarded for Pre-Project Materials
\$31.02M
Awarded Project Spending

- \$150 Million in ARPA
- \$95 Million in ARPA Capital
- ~\$100 Million + Infrastructure Bill/BEAD

As of January 2023:
<https://vcbb.maps.arcgis.com/apps/dashboards/75eb5dd3e4454c18a31ef25d97b3d3da>

Funding Model

Grant funding and donations provide initial funding (~ 60%).

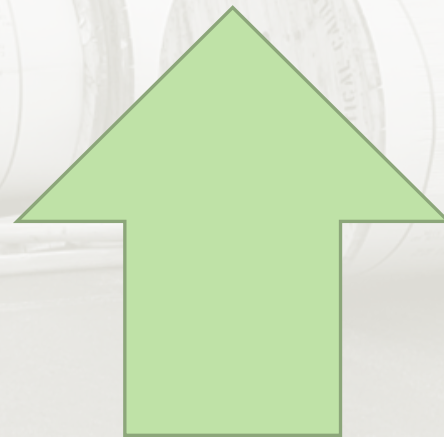
Rural Broadband is expensive, but on avg, statewide, every addl \$50M provided in grants reduces consumer rate by about \$10/mo.



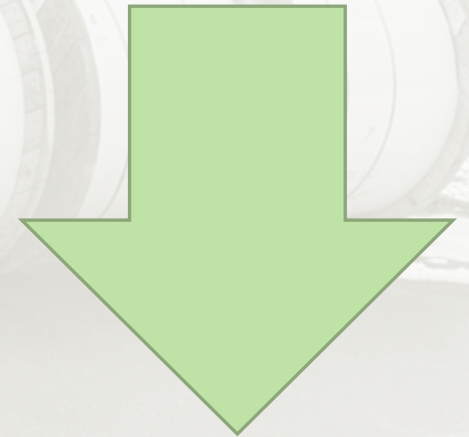
**Traditional Borrowing
Consumer (loans, bonds)**



**= Higher
Prices**



**Grants &
Creative Finance**



**= Lower Prices for
Consumers**

Budget Adjustment Act

28) \$30,000,000 to the Public Service Department for the Vermont Community Broadband Board to be used to leverage federal dollars and programs, including the National Telecommunications and Information Administration (NTIA) broadband grant (Middle Mile), to reduce the overall cost of universal broadband access as described in Act 71(2021).

EXPLANATION: \$30M represents the State match toward the \$114,164,581 NTIA grant application submitted on 9/30/22. Anticipated federal receipts are \$67,445,239 with additional cash and in-kind match provided by all VT fiber-optic networks benefiting from the Middle Mile infrastructure (FirstLight, ECFiber and NEK Broadband). The match must be secured as the time of awarding which is expected in March. If the grant is not awarded, the funds will be used to leverage other federal dollars or programs to reduce the overall cost of universal broadband access as described in Act 71(2021).

Statewide Design & Leveraging Federal Funding

ACT 71 § 8084a(6)

(6) The Board shall have all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including the power to:

(H) identify and publish State, federal, nonprofit, and any other broadband funding opportunities;

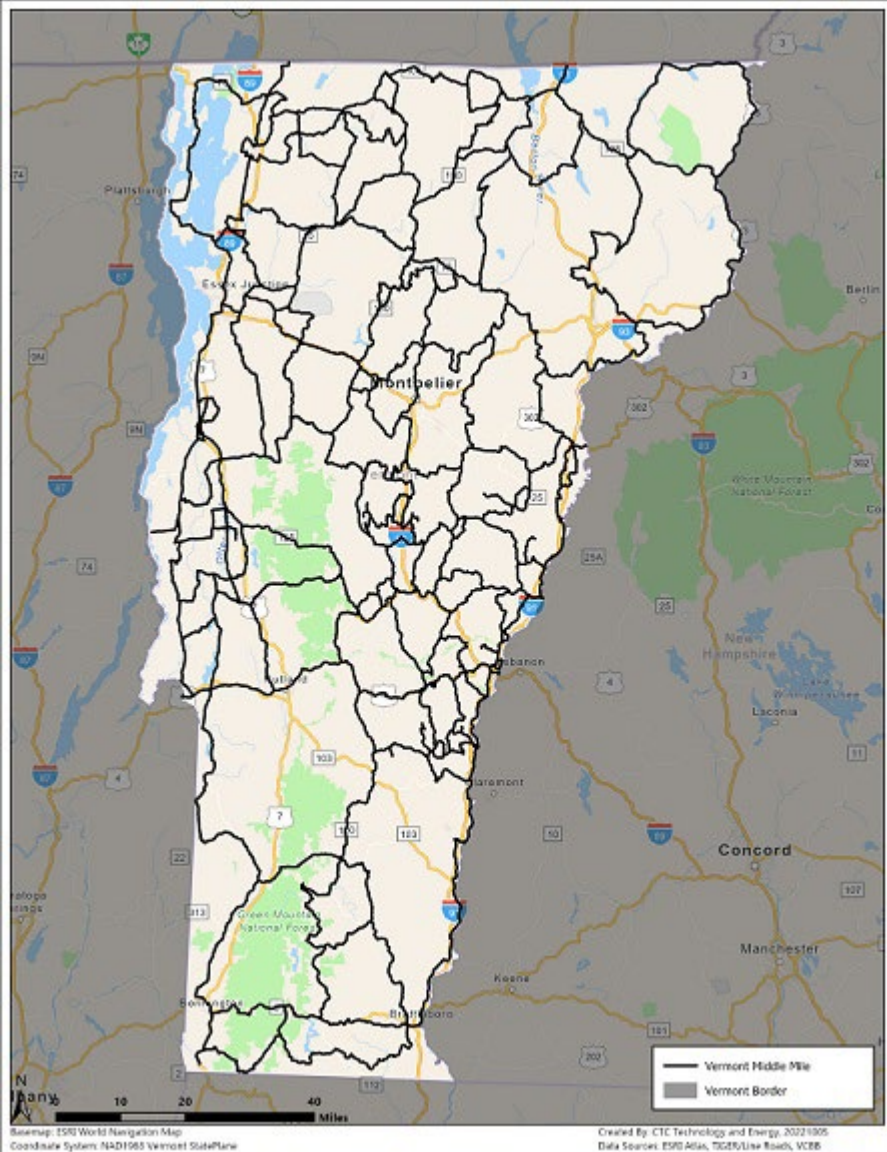
- (I) contract for a comprehensive, statewide fiber-optic engineering design to identify strategies that maximize fiber-optic buildout efficiency and ensure resiliency and interoperability of all existing fiber-optic networks built with public or ratepayer funds, and that takes into consideration all proposed publicly funded fiber-optic projects, the development of which shall not be required or impede the disbursement of grants under this chapter;

Annual Report also requires

“an update on its efforts to secure additional federal funds for broadband deployment

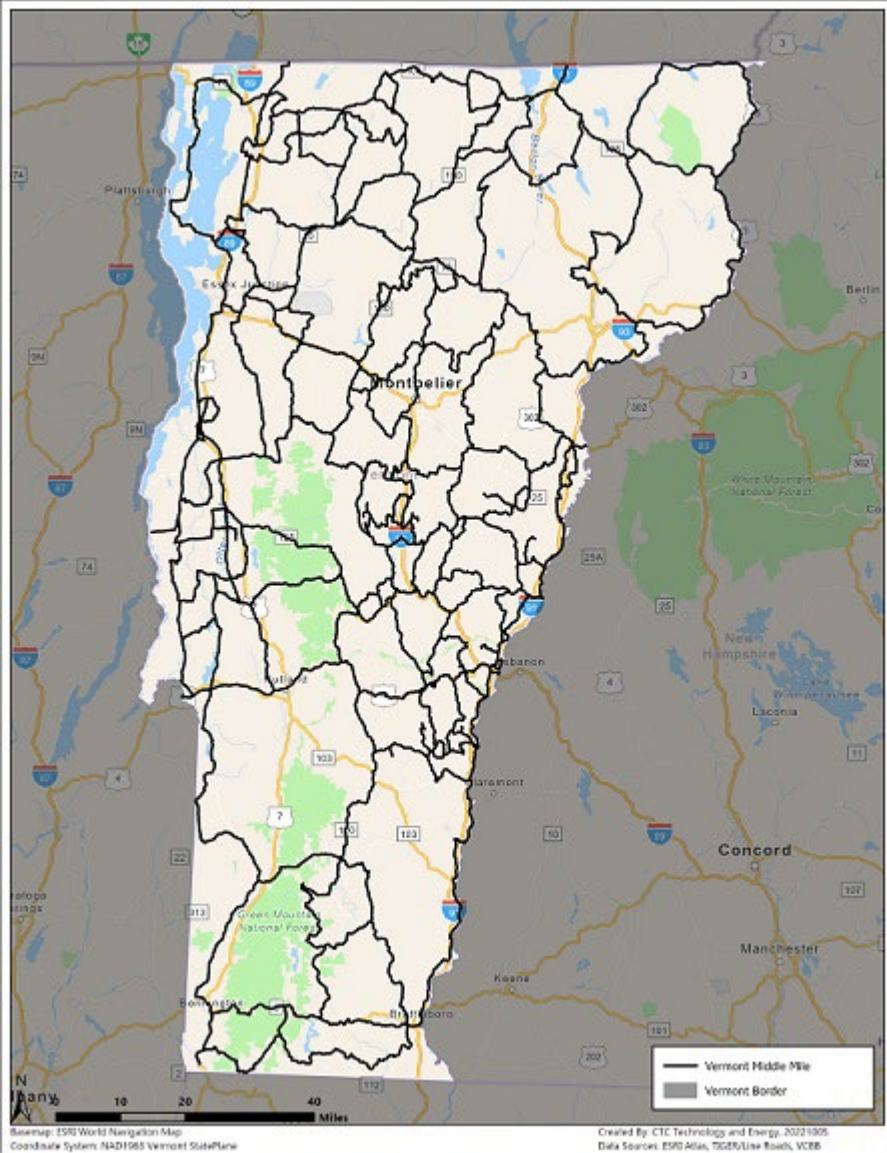
Middle Mile

As defined in Section I.B.9 of the NOFO, middle mile infrastructure means any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution; and includes— (i) leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services.



For illustrative purposes only

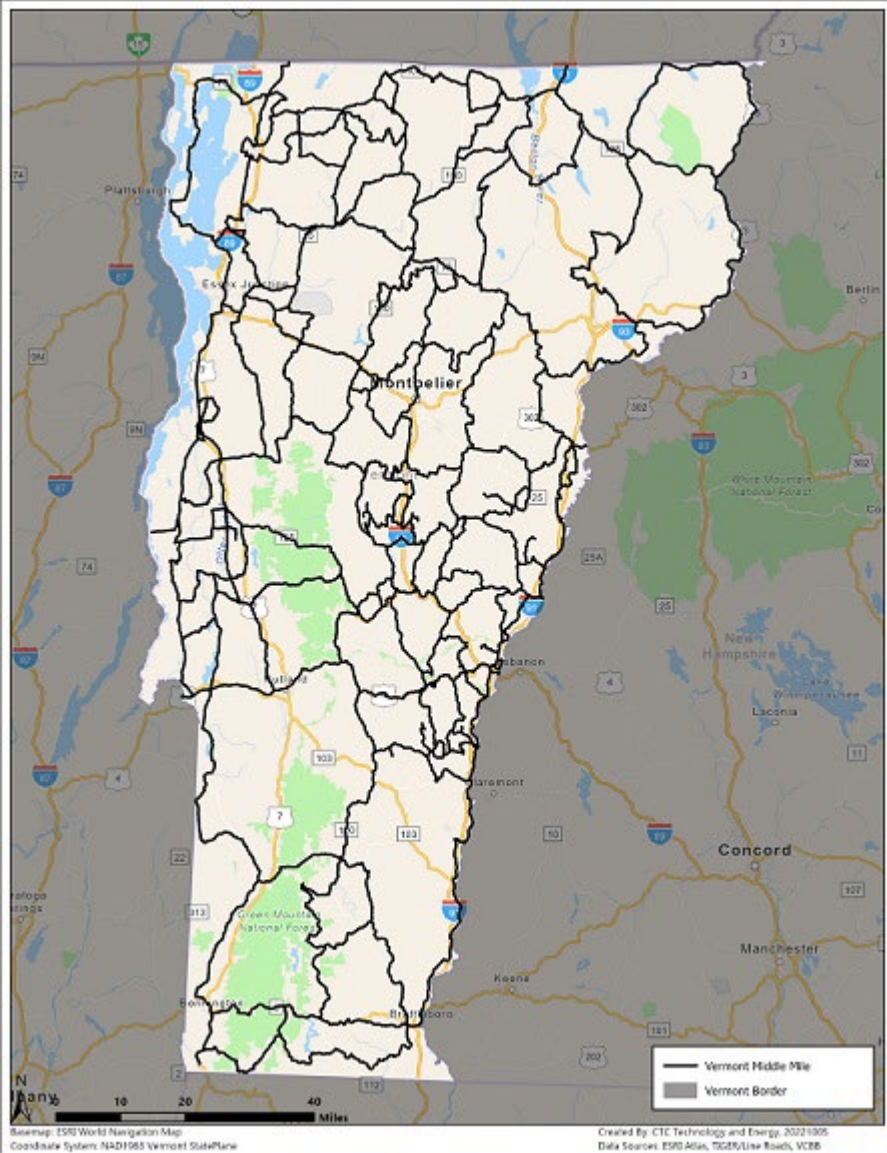
Middle Mile Buildout



- Necessary infrastructure that accelerates deployment of last mile, reduces end cost to consumer.
 - Stretches ARPA funds
 - Reduces borrowing → Reduces financing costs → More affordable
 - Lowers bulk data costs
- Assures resiliency and redundancy of all networks.
 - Addresses public safety concerns around remote host isolation
 - Multiple interlinked connections within VT and across New England
 - Energy and Climate
 - Transportation
- Developed via discussions with CUDS and Private Telecoms
 - Public control via a Special Purpose Vehicle
 - Benefits all providers

For illustrative purposes only

Middle Mile Application to NTIA



- \$114 Million federal grant to National Telecommunications and Information Association (NTIA) for Fiber-Optic Middle Mile Network
- Part of IJA's broadband programs
- \$30M cash match; \$16M in-kind match
- 1,663 miles total
 - 1,107 new miles
 - leverages previous state fiber
 - IRUs from telecoms and utilities
- This network must be built whether grant is received or not!

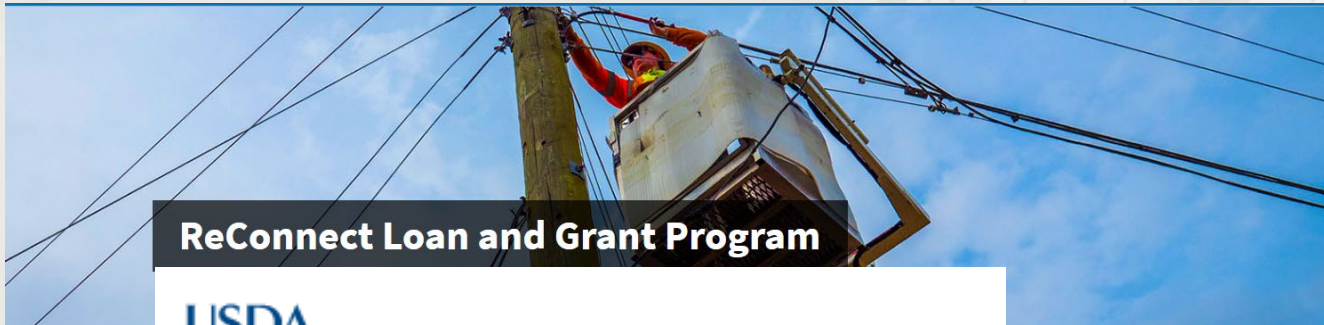
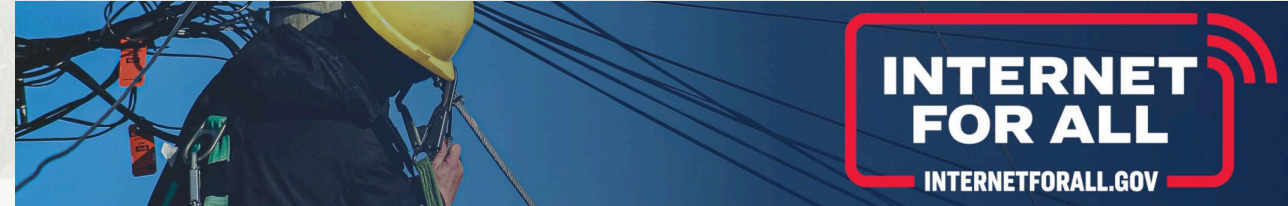
For illustrative purposes only

Leverage Other Federal Programs


Grant funding to provide more initial funding

CUDs incur lower borrowing costs or borrow for less

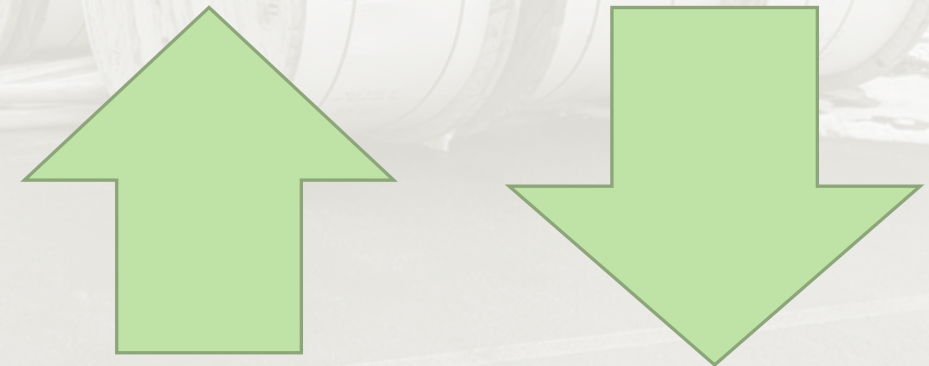
Since CUDs are non-profit municipalities the capital savings are passed on to Vermonters



ReConnect Loan and Grant Program



U.S. DEPARTMENT OF AGRICULTURE



Grants & Creative Finance = Lower Prices for Consumers

Vermont Community Broadband Board

- *Questions?*

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Communications Union Districts
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