



VERMONT COMMUNITY BROADBAND BOARD

2023 Annual Report

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Vermont Community Broadband Board

Annual Legislative Report

January 15, 2023

Submitted to: Senate Committees on Finance and on Natural Resources and Energy, the House Committee on Energy and Technology, and the Joint Information Technology Oversight Committee

30 VSA § 8089. ANNUAL REPORT (a) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year, the Board shall submit a report of its activities pursuant to this chapter for the preceding year to the Senate Committees on Finance and on Natural Resources and Energy, the House Committee on Energy and Technology, and the Joint Information Technology Oversight Committee. The report shall include an operating and financial statement covering the Board's operations during the year, including a summary of all grant awards and contracts and agreements entered into by the Board. In addition, the report shall include a description of the progress each start-up communications union district has made in achieving long-term financial sustainability that is not dependent upon public funding, an update on its efforts to secure additional federal funds for broadband deployment, and progress made towards meeting the State's goal of ensuring every E-911 location has access to broadband capable of delivering a minimum of 100 Mbps symmetrical service as required in subdivision 202c(b)(10) of this title

ABOUT THE VERMONT COMMUNITY BROADBAND BOARD

Mission Statement

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.

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VCBB organizational and contractual support overview included in appendix.

Executive Summary

The Vermont Community Broadband Board (VCBB) had a busy and productive year. The main areas of focus for calendar year 2022 were as follows:

- *Capacity* – Build internal VCBB capacity while assisting the Communications Union Districts (CUDs) to have the capacity and funding to carry out the goals of ACT 71 and comply with federal grant requirements.
- *Construction* - Commit funds to enable eligible providers to construct networks and connect addresses as part of their Universal Service Plans.
- *Performance and Accountability* – Increase accountability and oversight to ensure ongoing financial success of all grant recipients, including support and review of individual CUD business plans.

Highlights

- The VCBB Governing Board has now met 42 times. Each meeting averages four hours and has attendance between 30 and 50 people.
- Five CUDs are now in the construction phase. The VCBB has awarded \$90.25 million in Construction Grants.
- All CUDs have significantly expanded capacity and oversight capabilities. The VCBB successfully submitted a \$114 million application to the NTIA

Enabling Middle Mile Infrastructure Program. If awarded, the project will reduce costs, increase redundancy and resiliency and offer significant sector benefits.

- The VCBB decision to facilitate the pre-purchase of fiber has allowed the CUDs to avoid many supply chain issues and save several million dollars.
- The VCBB mounted a comprehensive challenge to the FCC map that will determine Vermont's allocation of funds from the Broadband Equity Access Deployment (BEAD) Program
- The VCBB was awarded Broadband Equity Access Deployment (BEAD) and Digital Equity Planning Grants.
- The VCBB continues to explore creative financing solutions to reduce the financing cost for portions of the network that will not be funded by grant funds.
- The VCBB developed a comprehensive funding dashboard and centralized data repository.
- Developed a matching program to leverage Local Fiscal Recovery Funds. \$2.5 million has already been pledged that will be matched in future funding rounds. Combined state funds and VEDA funds to support a \$24M application to the USDA ReConnect Program.

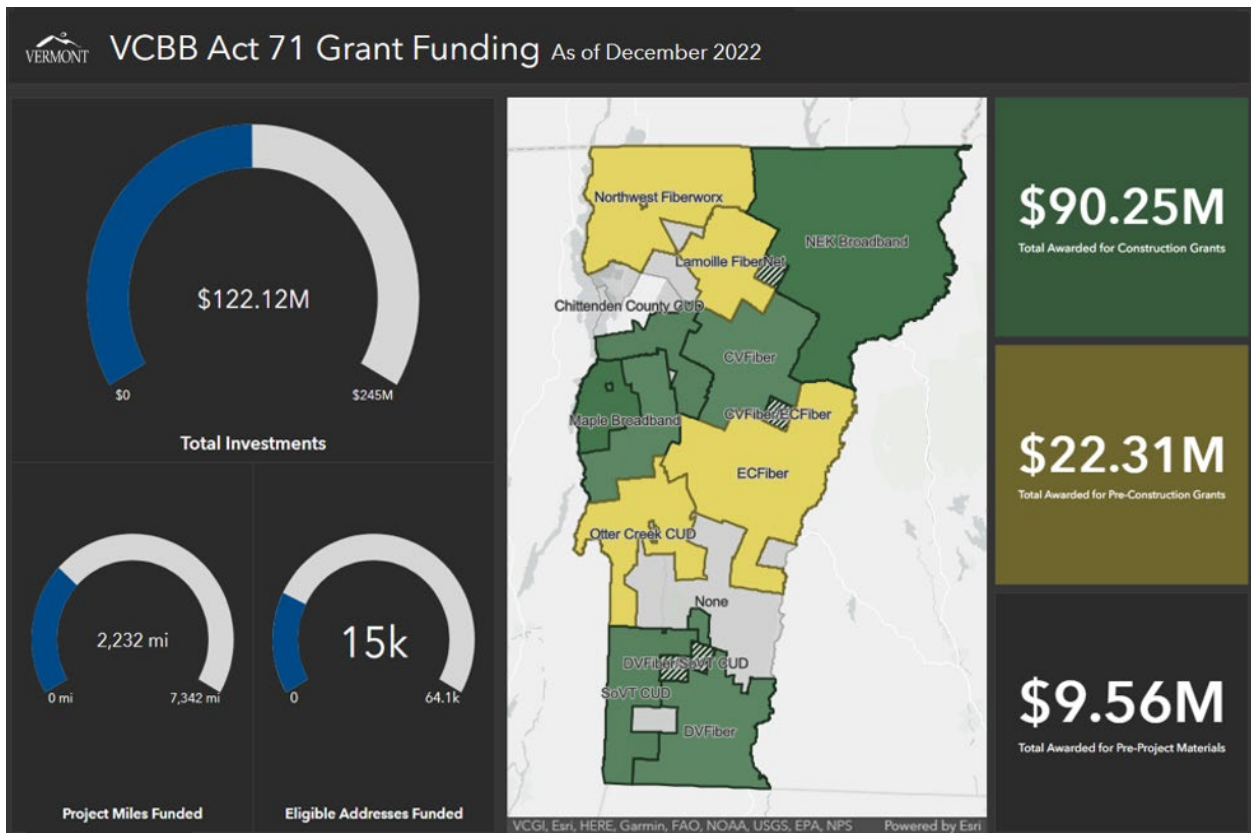
Operating and financial statement covering the Board's operations during the year

Below is the operating and financial statement for the VCBB for the State Fiscal Year 2022. *Please note that while the remainder of this document reports on achievements from calendar year 2022, the fiscal report represents the state fiscal year.*

The report outlines the fiscal expenditures made to achieve the policies, goals, and investment priorities for broadband infrastructure for the state fiscal year July 1, 2021 – June 30, 2022. The funds came from the \$150 million appropriation that was committed by the legislature through Act 71 of 2021 (and appropriated through Act 74 of 2021, the FY22 state budget), and additional funds from Act 9 of 2021, the Covid-19 relief bill. Also included is the portion of the Universal Service Fund that has been committed to the VCBB.

VCBB Fiscal Year 2022 Revenues and Expenditures		
Revenues		
Funding Source	Total Awarded	SFY 2022 Expended
Universal Services Fund	\$678,708.93	\$ 24,519.47
ARPA-SFR (Act 74)	\$ 150,000,000.00	\$ 19,488,602.48
H.315 (Act 9)	\$ 1,800,000.00	\$ 1,594,393.77
Total		\$ 21,107,515.72
Expenditures		
Personnel		\$ 434,980.39
Board Costs		\$ 18,265.94
Grants		\$ 20,468,114.21
Contracts		\$ 41,583.88
Internal Service Fees		\$ 55,869.99
Travel and Training		\$ 16,716.71
Equipment and Software		\$ 71,594.00
Supplies		\$ 390.60
Total		\$ 21,107,515.72

The chart above only shows grants approved by the Board between the VCBB's founding in August 2021 and the end of the state's FY22 fiscal year, on June 30, 2022. Below is data on all grants obligated through the end of calendar year 2022, showing how quickly VCBB built capacity in the first 16 months since its founding.



The details of these grant awards, as well as VCBB’s contracts, are outlined in the next section.

The latest dashboard numbers can be found at this link: [VCBB Act 71 Grant Funding for Federal Reporting \(arcgis.com\)](https://arcgis.com)

GRANTS AND CONTRACTS

Grants

The VCBB currently has three active grant programs: Act 71 PreConstruction – Capacity and Materials, Act 71 Construction, and Broadband Financing. These programs are designed to progressively increase the oversight and organization capacity of the CUDs while promoting the buildout of a 100/100 Mbps infrastructure statewide.

Granting Strategy: Ensuring Performance and Accountability

The grant programs are each designed to ensure the end product is a fiber-optic network capable of meeting Vermont’s needs for decades to come. The grants must ensure accountability and public oversight and, in most cases, public ownership of infrastructure. Finally, grantees must receive a majority vote from the Board indicating

that they have the capacity to implement a successful business plan. The proposals must meet not only the standards of the Board but also be signed off on by an outside expert consultant.

Below are few components of this strategy.

Requirement: Universal Service Plan - A Universal Service Plan means a plan for providing each on-grid unserved and underserved location in a Communications Union District, or in a municipality that was not part of a Communications Union District prior to June 1, 2021, access to Broadband service capable of speeds of at least 100 Mbps download and 100 Mbps upload. The requirement prevents a provider from only focusing on the most profitable areas. This tendency is what has led to vast areas of Vermont outside of town centers remaining unserved. An applicant must provide the list of all addresses included in the Universal Service Plan and a detailed approach to how they will all be served.

Requirement: Act 71 Compliant Business Plan – The CUDs are required to provide a comprehensive business plan that demonstrates the long-term financial viability of the CUD. The VCBB’s current plan is to provide 60% of the funding needed for construction of the CUDs’ infrastructure through grants. The remaining 40% will need to be funded through other financial instruments, such as bonds or bank financing. Achieving financial goals established in the business plan is critical to enabling funding of the remaining capital needs. The business plan and performance of the plan will be key to providing the investors the security needed to provide funds at the lowest interest rate possible. The business plan will be updated upon each additional request for funding.

The business plan is the document that outlines the goals and strategies of the CUDs. It is a roadmap that guides the CUDs toward its desired outcomes and helps it to achieve its long-term success. It also serves as a tool for communicating the CUDs’ objectives to stakeholders, such as the VCBB, investors, lenders, legislators, and Vermonters. Here are some of the key elements that are included in the CUD Business Plans -

- Total miles to be constructed
- Make-ready costs
- Overhead cost per mile
- Underground cost per mile
- Total Cost
- Grant funding
- Amount financed
- Debt service costs
- Customer care costs
- Operations and maintenance costs
- Payback period

- Cash flow positive date
- Total passings
- Take rate over time
- Average revenue requirement per paying customer

It is important to note that Act 71, which established the Construction Grant program, requires the VCBB to ensure that each CUD has a financially viable business plan prior to awarding the CUD a construction grant. This means that the CUD's business plan would be considered viable on the private bond market. VCBB staff, VCBB board members, and our third-party fiber-optic engineering consultant, CTC, all review the plans and subject them to stress testing in order to ensure that the plans are financially sustainable in the long-term. A grant application only moves to the VCBB board for a vote once VCBB staff and CTC have both confirmed that the requirements of Act 71 are met and accountability measures are built in.

It's important to keep in mind that a business plan is a living document that will be updated as the CUD grows and changes. The business plan will be reviewed and updated regularly to ensure that it remains relevant and accurate.

At the end of Calendar Year 2022, six of the ten Communications Union Districts have provided Act 71-compliant business plans. Five have been approved with one pending. The following CUDs have provided business plans:

- CVFiber
- DVFiber
- Maple Broadband
- NEK Broadband
- Southern Vermont
- Lamoille Fibernet (pending)

The VCBB expects to receive business plans from Northwest Fiberworx and Otter Creek CUD early in calendar year 2023. Every CUD must ultimately provide an Act 71-compliant business plan prior to receiving Construction Grant funding.

Requirement: Meeting Outside Plant Design Standards

The VCBB developed a set of [Outside Plant Design \(OSP\) Requirements](#). These design standards were developed through VCBB workshops where the CUDs and design engineering firms provided input into what minimum standards need to be in place to ensure reliability, performance, and capacity for growth. These required a consideration of a 40-year horizon, which meant providing significant capacity buffers to provide for exponential growth in bandwidth requirements as well as provision for open access.

Requirement: Outside Fiber Optic Review

A highly-qualified third-party engineering contractor reviews all designs and plans as

part of the grant application. The VCBB will perform field reviews of completed networks. Final testing results and designs are reviewed by the engineering contractor to ensure compliance to standards.

Before an application is heard by the VCBB Governing Board, the proposal is fully vetted by the consultants. These consultants review each application for compliance, review the capacity of the organizations, and ensure that the business plan is sustainable. Assumptions and designs are also reviewed. The consultant works alongside staff to improve and “cure” the application before it is brought to the Board for a deliberation. **Recipients of grants are also required to have detailed designs signed off upon by the consultant.**

All grant-funded infrastructure will be inspected and certified as compliant upon completion of the build, as outlined in the grant agreement.

Grant Agreements

Grant agreements specify what the funds are intended to be used for, conditions of funding (such as ensuring any overbuild is incidental), reporting and monitoring requirements, and what remedies would be required should the funds be used improperly or not entirely used. These grant agreements are between the VCBB and the individual CUD or other eligible entity that is partnering with a town that is not part of a CUD. Grant agreements are executed after the VCBB Board approves a grant application and prior to distributing the funds. The agreement is accepted (signed) by both the VCBB and the CUD or other eligible entity (the party who is receiving the funds and is responsible for grant compliance and reporting). Legal staff on both sides of the agreement are consulted prior to the signing of the agreement and acceptance of funds. The grant agreements are good for up to 24 months and multiple grants are allowed during the 24-month period to allow for changing funding requirements.

The Grant Agreements address the following:

- Ensure a universal service plan is in place for the communities identified,
- Maximize leveraging existing private resources and assets,
- Demonstrate project readiness, with an approved business plan, high-level design, appropriate staffing, qualified partners, and accountability measures,
- Provide broadband service that ensures 100 Mbps upload, 100 Mbps download and less than 100 ms latency more than 95% of the time,
- Supports low-income or disadvantaged communities,
- Promotes geographic diversity of fund allocations,
- Provides consumers with affordable service options, and
- Includes public broadband assets that can be shared by multiple service providers and that can support a variety of public purposes.

- Infrastructure build complies with the VCBB’s Outside Plant Design Standards to ensure adequate reliability, redundancy, and resiliency of the network.
- Special provisions or contingencies designed to promote oversight and accountability between a CUD and its partner or directly with other eligible providers.

GRANT AWARDS

Act 71 PreConstruction Grant Awards

About the Program

As provided by Sec. 2 § 8085 of Act No. 71, which became law on June 8, 2021, the purpose of the [Broadband Preconstruction Grant Program](#) is to provide grants to CUDs for preconstruction costs related to broadband projects that are a part of a universal service plan and meet other criteria as specified in Act No. 71. As provided by Sec. 2 § 8085 of Act No. 71, eligible costs include expenses for feasibility studies, business planning, pole data surveys, engineering and design, and make-ready work associated with the construction of broadband networks, including consultant, legal, and administrative expenses, and any other costs deemed appropriate by the Board.

This year, additional funds were added to the program for Implementation and Materials Costs. Each CUD has an allocation available to them for pre-purchase of materials under the Pre-Construction program, and additional funds beyond this allocation must be transferred into their Materials Supplement fund from their Construction Grant allocation.

The charts below and descriptions that follow summarize the preconstruction grants that VCBB has issued from its founding until the submission of this report on January 15, 2023.

Act 71 PreConstruction Grant Program as of 1/15/23			
	Available	Awarded by Board	Remaining available
CVFiber	\$2,804,667	\$2,804,667	\$0
Chittenden Cnty	\$300,000	\$0	\$300,000
DVFiber	\$4,122,703	\$4,111,318	\$11,385
ECFiber	\$3,218,067	\$2,841,130	\$376,937

Lamoille Fibernet	\$2,563,363	\$1,193,885	\$1,369,478
Maple Broadband	\$4,202,083	\$4,202,083	\$0
NEK Broadband	\$6,670,000	\$6,670,000	\$0
NWFiberWorX	\$3,558,933	\$1,891,819	\$1,667,114
Otter Creek	\$1,705,442	\$441,000	\$1,264,442
Southern Vermont	\$654,742	\$0	\$654,742
	\$29,800,000	\$24,155,902	\$5,644,098
<i>Note: \$200k is being held in reserved if additional towns join a CUD.</i>			

PreConstruction Materials Implementation Supplemental Funding as of 1/15/23					
	Available from Materials Supplement	Awarded out of Materials Supplement	Available for \$4M supplement for materials	Added to PreC/Transferred from Construction	Total Materials Purchase added to PreC grants
CVFiber	\$410,186	\$410,186	\$0	\$5,589,814	\$6,000,000
Chittenden Cnty (NEW)	\$0			\$0	\$0
DVFiber	\$468,141	\$468,141	\$0	\$640,659	\$1,108,800
ECFiber	\$274,170	\$0	\$274,170	\$0	\$0
Lamoille Fibernet	\$281,652	\$281,652	\$0	\$31,483	\$313,135
Maple Broadband	\$418,806	\$418,806	\$0	\$362,478	\$781,284
NEK Broadband	\$1,353,915	\$1,353,915	\$0	\$0	\$1,353,915
NWFiberWorX	\$399,674	\$295,450	\$104,224	\$0	\$295,450
Otter Creek	\$203,605		\$203,605	\$0	\$0
Southern Vermont	\$0		\$0	\$0	\$0
	\$3,810,149	\$3,228,150	\$581,999	\$6,624,434	\$9,852,584

Awards

Maple Broadband – Total \$2,974,000

Maple Broadband represents 20 Addison County communities. The CUD has selected [Waitsfield Champlain Valley Telecom](#) (WCVT) as the network operator and completed a high-level design for the network. The Preconstruction Grant will fund pole studies and

detailed design. The CUD hopes to begin construction next year. *Note:* An additional \$781,284 was also awarded for the prepurchase of materials to avoid supply chain issues. <https://www.maplebroadband.net/>

Central Vermont Fiber (CVFiber) - \$2,804,667

Central Vermont's community Internet provider was awarded a \$2.8 million pre-construction grant from the Vermont Community Broadband Board at its meeting on October 18th, 2021. "It's the single largest grant ever for CVFiber, and it clears the way to begin construction of the 1,200 mile, \$50 million CVFiber Community Network in 2022," said Jeremy Hansen, founder and chair of CVFiber. The money will cover the remaining cost of the utility pole inventory for 12 communities and all of the cost for the detailed engineering design for 17 of CVFiber's 21 member communities. The pole inventory and high-level design should be completed by the end of this year. The detailed design will begin in 2022 and take about six months. This step is a critical element prior to starting construction. The last preconstruction activity before construction is make-ready, where the poles are prepared for the hanging of fiber. *Note:* An additional \$6,000,000 was later awarded for the Prepurchase of Materials to avoid supply chain issues. <https://cvfiber.net/>

Deerfield Valley Communications Union District (DVFiber) - \$4,111,318

The Deerfield Valley Communications Union District (DVFiber) was formed at town meetings in March of 2020. The CUD includes 24 member towns in Windham, Bennington and Windsor Counties. The Preconstruction funding enables DVFiber to proceed with the design and engineering of a high-speed, fiber-optic network that will reach all unserved and underserved homes and businesses within its 24 member towns. This funding includes preparation of a high-level detailed design, engineering, and preparation of utility poles in the Phase I towns of Halifax, Marlboro, Readsboro, Stamford, Wardsboro, and Whitingham, which are the towns within the CUD with the most unserved and underserved addresses. **Note:** An additional \$1,108,800 was later awarded for the Prepurchase of Materials to avoid supply chain issues.

<https://dvfiber.net/>

Northwest Communications Union District (NWCUD) - \$1,275,028

The Northwest Vermont Communications Union District d/b/a NW Fiberworx consists of 19 towns and villages in Franklin, Grand Isle, Chittenden Counties. NWFx's first request under the Act 71 Preconstruction Grant Program focuses on organizational capacity, pole study work, and network design. The funding will support hiring professional staff, operation expenses, administrative, and legal services. The pole study will involve a physical survey of utility poles in the region, as needed for design planning and the construction of a broadband network. Grant activities are critical to the progress and completion of the NWFx's comprehensive business plan and preparing to submit a Construction Grant application. <https://www.nwfiberworx.com>.

NEK Broadband - \$6,670,000.00

NEK Broadband is comprised of more than 50 towns primarily in the Northeast Kingdom. The \$6.67 million in preconstruction grant funding will be used to create a strong and resilient detailed design for our network, develop our internal organizational capacity and pursue pole applications and make-ready that will allow us to begin construction in the spring of 2022. "We are excited to expand on the success of our pilot program connecting customers to fiber broadband in the Concord area this year by starting construction on the larger network in 2022," said NEK Broadband Executive Director Christa Shute. "We could not do that without these essential funds."

Note: An additional \$1,353,915 was later awarded for the Prepurchase of Materials to avoid supply chain issues. www.nekbroadband.org

East Central Vermont Telecommunications Union District (ECFiber)- \$2,841,130

The \$2.8 million grant for the East Central Vermont Telecommunications Union District (ECFiber) will fund the preparation of detailed network designs for eight new towns which joined ECFiber in 2020: Topsham, Newbury, Washington, Corinth, Bradford, West Fairlee, Fairlee, and Windsor, plus some bordering areas where the utility poles carry services starting in district towns. <https://www.ecfiber.net/>

Lamoille FiberNet - \$1,193,885

Lamoille FiberNet CUD was recently awarded a grant by the Vermont Department of Public Service through the Vermont Community Broadband Board. Lamoille FiberNet CUD serves Belvidere, Cambridge, Eden, Hyde Park, Johnson, Morrisville, Stowe, Waterville, and Wolcott and is in negotiations to add Elmore and Waterbury to their district. The grant, which covers costs associated with pre-construction and capacity, was for \$1,193,885.00. Val Davis, the executive director of Lamoille FiberNet said, “These funds will go a long way in allowing us to file the necessary applications and complete pre-construction planning and engineering as we are planning to break ground during our first construction season beginning in Summer 2022”. Costs covered include a pole study and pole applications, which are required to be able to attach fiber to the utility poles in LFCUD’s service area.

Note: An additional \$313,135.31 was later awarded for the Prepurchase of Materials to avoid supply chain issues.

Act 71 Construction Grant Program Awards

About the program

The Vermont Community Broadband Board (Board) invites applications to finance the broadband projects of eligible providers that are part of a Universal Service Plan. Service providers must achieve speeds of at least 100/100 Mbps symmetrical at all on-grid underserved and unserved locations within their Universal Service Plan.

Eligible applicants are (A) a Communications Union District (CUD), (B) a small communications carrier, or (C) an Internet service provider working in conjunction with a Communications Union District to expand broadband service to unserved and underserved locations as part of a plan to achieve universal broadband coverage in the District.

The chart below and descriptions that follow summarize all the construction grants that VCBB has issued as of the submission of this report on January 15, 2023.

ACT 71 CONSTRUCTION GRANT FUND CALCULATIONS UPDATED DECEMBER 2022						
Universal Service Plan	Roads No Cable/ Fiber	% Roads No Cable/ Fiber*	Total Available (\$211M)	Grants Awarded as of 12 2022	Material Funds Transfer*	Funds Remaining
CVFiber	688.65	9.38%	\$19,789,932	\$12,289,273	\$5,589,814	\$1,910,845
Chittenden County	56.91	0.78%	\$1,635,369		\$0	\$1,635,369
DVFiber	785.95	10.70%	\$22,586,088	\$21,945,429	\$640,659	-\$1
ECFiber	460.30	6.27%	\$13,227,657		\$0	\$13,227,657
Lamoille FiberNet	472.86	6.44%	\$13,588,636		\$31,483	\$13,588,636
Maple Broadband*	703.12	9.58%	\$20,205,865	\$17,790,486	\$362,478	\$2,052,901
NEK Broadband	2273.06	30.96%	\$65,321,386	\$20,865,889	\$0	\$44,455,497
Northwest Fiberwor	703.62	9.58%	\$20,219,979		\$0	\$20,219,979
Otter Creek	346.98	4.73%	\$9,971,393		\$0	\$9,971,393
Southern Vermont	318.74	4.34%	\$9,159,571	\$9,009,085	\$0	\$150,486
WCVT Universal Serv	310.30	4.24%	\$8,950,426	\$8,348,243	\$0	\$602,183
Other Towns	221.00	3.01%	\$6,351,100		\$0	\$6,351,100
TOTAL	7342.39	100.00%	\$211,000,000	\$90,248,405	\$6,624,434	\$114,166,045

*Based on 2021 PSD Service by Road Mileage with no Fiber or Cable
Towns sharing a CUD were adjusted based on the actual share of town or 50/50 split
Total amount based on \$116M from ARPA SFR and \$95M from ARPA Capital Projects
BEAD funding is not included in this chart*



NEK Broadband - \$20,865,889

[NEK Broadband](#) is comprised of over fifty (50) towns primarily in the Northeast Kingdom. The Board reviewed and unanimously voted to approve NEK Broadband's construction grant request of \$15,899,089, making it the first CUD in Vermont awarded through this program. The award was increased by \$4,966,800 via an amendment in July 2022. The amendment will also build additional infrastructure in Danville, Lyndon, and Saint Johnsbury. Together service will be brought to 634 premises without broadband and serve 877 premises overall within the next 24 months. Together with the original construction grant of \$15,899,089, the total \$20,865,889 will cover 2,113 premises without broadband and 2,978 addresses overall.

"This is a watershed moment for our CUD," said NEK Broadband Governing Board Chair Evan Carlson. "We are thrilled to now have the funds in hand to get construction underway." Early construction will be concentrated in Concord, Kirby, and Waterford, with additional miles expected in Brighton, Burke, Danville, Groton, Newark, Peacham, Groton, Ryegate, and Walden. NEK Broadband also received \$6.9 million to support pre-construction work on 2,800 miles of fiber optic, cable-based internet for residents and businesses in the Northeast Kingdom.



WCVT-Non-CUD Towns - \$8,348,243

Waitsfield and Champlain Valley Telecom (WCVT) was awarded \$8,248,243 to upgrade customers in towns not currently members of a CUD to fiber. The project includes 257 miles of fiber upgrading 1,200 eligible addresses to fiber. WCVT will complete a full build-out of fiber in the towns of Charlotte and Bolton. WCVT will also begin partial build-out work in seven other towns. WCVT presented a phased plan to upgrade all their customers to fiber that are currently not receiving a 100/100 Mbps connection.

DVFiber

empowering our connection to the future



DVFiber - \$21.9M

DVFiber was awarded a \$21.9 million grant award toward efforts to accomplish a Universal Service Plan that provides 100/100 Mbps service over 485 miles of fiber to 4,470 locations, 4,410 of which do not have access to reliable high-speed broadband service now. When completed, DVFiber's Universal Service Plan will extend 100/100 service to 3,840 additional unserved and underserved locations.

Steven John, Chair of DVFiber, looked back on the long road it took to reach the stage of receiving a construction grant. "Now that we have our pre-construction tasks well in hand, with this construction grant we can proceed to hang fiber without delay and continue building out our network for the next year and more. We are eager to connect our first unserved customers later this year. With our pre-construction grant, DVFiber has been able to stand up our organization. Through a rigorous competitive process DVFiber chose an experienced private partner to construct, operate, and maintain our proposed network. We have an approved business plan to support our high-level design for universal service across all 24 member towns. The advanced delivery of fiber cable we purchased is at our construction depot waiting for the bucket trucks to start rolling. With this construction grant we are now able to turn the caution yellow light in the yard to green, for full speed ahead."



CVFiber - \$12.3M

Central Vermont Communications Union District (CVFiber) - [CVFiber](#), the CUD serving Central Vermont, was approved for a \$12.3 million grant. This grant was in addition to \$6 million previously approved to ensure CVFiber had the necessary materials and equipment to start construction. CVFiber's Universal Service Plan identifies approximately 6,000 locations along 1,100 miles of roadway that are eligible for grant funding. The \$12.3 million grant approved by the VCBB will support construction of fiber to nearly 3,000 eligible locations along 400 miles, at today's prices and estimated construction costs. The estimated total construction cost for the 6,000 locations is \$55 million. The recently-approved grant funding will bring access to 100/100 service to portions or all of 20 CVFiber member towns. CVFiber Chair Jerry Diamantides was thankful in explaining the impact of the grant and the support provided by the VCBB.

"I want to thank the board members and staff at the VCBB for approving our grant request, and I also want to thank CVFiber's volunteers and single staff member for the huge effort they made to satisfy the VCBB's requirements. Together, the VCBB and Vermont's CUDs will make a positive change for Vermonters that will last generations. Access to high-speed internet has become as necessary as access to electricity. VCBB and the CUDs are stepping up to make this important improvement a reality."



Maple Broadband - \$8.69M

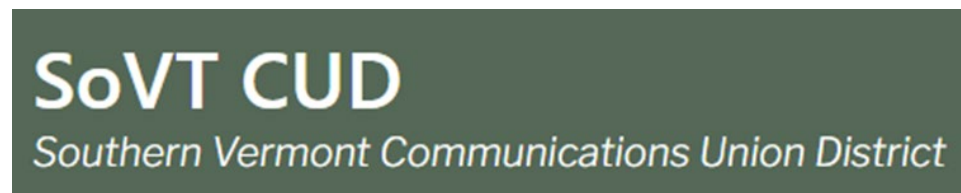
[Maple Broadband](#) was awarded a construction grant of \$8.69 million. The award will enable Maple Broadband to roll out services exclusively to underserved areas within its 20 member towns in Addison County. The grant will be used to fund the construction of the first phase of Maple Broadband's high-speed fiber-optic broadband rollout, covering

portions of the towns of Cornwall, Leicester, Middlebury, Orwell, Salisbury, Shoreham, and Whiting. Construction is set to begin in early fall in the initial rollout areas, with the rest to follow over the next year. This grant will bring 100/100 Mbps broadband service to 1,789 addresses, 1,135 of which are currently underserved. Construction will be adjusted to reflect market conditions and competition.

"We are tremendously excited," says Steve Huffaker, Chair of Maple Broadband. "This grant will enable us to bring broadband to some of the most underserved people and businesses in our district. Broadband internet has become a necessity for everything from businesses and remote workers who need a high-speed connection, to enabling telehealth services, and expanding educational opportunities for younger community members."

WCVT-Maple Broadband - \$9,104,486

WCVT was awarded a second grant in September for \$9,104,486 to build out 325.57 fiber miles within the Maple Broadband CUD Universal Service Plan. The project will serve a total of 2,655 passings within the towns of Addison, Bridport, Panton, Weybridge, and Bridport; and portions of Ferrisburgh, New Haven, and Waltham.



SoVT - \$9.01M

[Southern Vermont Communications Union District](#) was awarded a construction grant of \$9,009,085 to build 251 miles and serve 6,412 addresses, 1,300 that are currently underserved. The project is a joint effort between SoVT CUD and Fidium, Consolidated's residential fiber brand, through an established public/private partnership to provide residents in the 14 towns in Southwestern Vermont with affordable and reliable high-speed Internet.

Eric Hatch, Chair of the So VT CUD, spoke of the benefits of this grant, which many groups and individuals worked on: "In true Vermont fashion, our communities came together to solve a long-standing problem that held back our state from competing in today's marketplace. With access to fiber, all 14 towns in the district will have the infrastructure to retain and attract people to Southwest Vermont."

FY2021 Broadband Financing Awards

In 2020, the General Assembly appropriated \$1,500,000 in General Funds for the purpose of supporting the efforts of the Communications Union Districts (CUDs) to secure the financing necessary to advance broadband projects. *(Sec. B.11100 FY 2021 One-Time General Fund)*. These funds were used to create the [Broadband Financing Program](#).

NEK Broadband - \$400,000

[NEK Broadband](#) is comprised of more than 50 towns primarily in the Northeast Kingdom. On October 31, 2022, the Board voted to award \$400,000 to NEK Broadband from the Broadband Finance Program for the purpose of securing a loan from the Vermont Economic Development Authority (VEDA) to serve as the non-federal match for a roughly \$24 million grant from the USDA ReConnect Program. The Board recognizes that this grant will enable NEK Broadband to lower financing costs, leverage additional funding, accelerate the build-out of its universal service plan, and access the preferred financing source available at this time.

The \$400,000 grant will initially be used as a debt service reserve with VEDA and also allow NEK Broadband to borrow less from the Vermont Economic Development Authority (VEDA). This, in turn, enables NEK to take advantage of an SBIC program lowering the interest rate by 1%. The Board also agrees that the financing offered by the VEDA program is the preferred source of funding for the match since the VEDA program does not require principal or interest payments for three years. Furthermore, if received, the \$24 million USDA ReConnect grant will cover most portions of northern Essex County, eastern Caledonia County, and eastern Orleans County. The density in these areas is less than five people per square mile and therefore requires supplemental grant funding support.

Contracts

Scoping, High-Level Design, and Business Planning for Non-CUD towns without an identified path forward (Contract)

Amount of Contract: \$58,950

Awardee: Rural Innovations

Purpose: To identify a solution or solutions for towns that are currently not members of a CUD and not actively engaged with a provider to provide speed equal or greater to 100/100 Mbps. The contract was awarded to Rural Innovations and resulted in a business plan and HLD that contributed to the creation of a new CUD in Chittenden County. Other areas of the state have plans in development.

Amount of Contract: \$100,000

Awardee: Ice Miller/Qualified Ventures

Purpose: The purpose of this contract is to identify and work with the CUDs to implement mechanisms for reducing financing costs for the remaining 40-50% of the cost to build the networks that will likely not be covered by ARPA or BEAD funding.

1-21-2022 Fiber Optics Engineer Services RFP (Contract)

Amount of Contract: \$407,000

Awardee: CTC

Purpose: The purpose of this contract is to conduct preliminary reviews and evaluation of full Act 71 Construction Grant applications as they are submitted, including applicants' business plans, universal service plans, reports, drawings, and calculations. Contractor provides expert advice to the VCBB Governing Board that identifies key questions to ask applicants, confirms compliance with Outside Plant Design Standards and best practices for a resilient and redundant networks, and provides recommendations for improvement. Contractor will provide staff resources to support the application process, monitoring, and reporting to ensure accountability and efficient technical assistance. Following initial review of proposed projects, contractor will examine plans collectively to ensure the resulting statewide network follows good design practices and will provide an assessment of notable issues and/or concerns to the Board. Additionally, contractor provided technical support as it related to preparation of NTIA Middle Mile grant application, including review of project scope to provide strategic technical assessment for statewide resiliency and redundancy.

GIS Services

Amount of Contract: \$150,000

Awardee: Stone Environmental

Purpose: The purpose of this contract is to provide a map of the current state of broadband in the State of Vermont and develop the necessary interactive GIS web applications to provide ongoing information status and capability to track progress updates for Act 71 Funding Programs.

2-11-2022 Legal Services for CUD Regulatory Assistance (Contract)

Amount of Contract: \$100,000

Awardee: Lerman Senter, LLC

Purpose: The purpose of this contract is to help the VCBB and the CUDs understand and comply with federal and state telecommunications laws and regulations, including FCC requirements. Such requirements may include practical instructions regarding registration in the appropriate capacity with the FCC, USAC, and other federal agencies, assistance complying with federal and state telecommunications programs (e.g., Lifeline, E911, carrier of last resort, filing customer privacy network information forms), helping to develop internal policies (e.g. CPNI, digital copyright, open internet transparency policy, security), guidance regarding compliance with federal grant programs (e.g., those in RDOF, ARPA, IJJA and CPF), and compliance with state-specific requirements (e.g., registering as a municipality, making state filings with appropriate regulators, and complying with the Vermont Universal Service Fee). The Consultant will work on an as-needed basis with the CUDs and the VCBB.

Description of the progress each CUD has made in achieving long-term financial sustainability not dependent upon public funding

The Construction Grant Program available to the CUDs is intended to allow them to construct infrastructure and then leverage that infrastructure to access the revenue bond market. The more VCBB grants available to a CUD, the fewer construction costs the CUD must then finance by revenue bonds dependent on monthly payment for internet service. The goal of this program is to cover 60% of the CUDs' construction costs. This allows the revenue from internet customers to be used to finance ongoing maintenance and operating costs for the CUDs, furthering their long-term financial stability independent of future investment of public funds. Any additional grant funding the VCBB can distribute beyond this 60% will directly help the CUDs reduce the cost of service for the customers.

It is important to note that Act 71, which established the Construction Grant program, requires the VCBB to ensure that each CUD has a financially viable business plan ("Act 71-Compliant Business Plan") prior to awarding the CUD a construction grant. This means that the CUD's business plan would be considered viable on the private bond market. VCBB staff, VCBB board members, and our engineering contractor, CTC, all review the plans and subject them to stress testing in order to ensure that the plans are financially sustainable in the long-term, including once the initial public grant funding is no longer available.

Act 71-Compliant Business Plan means a business plan for the proposed Universal Service Plan. For the purposes of this grant, an actionable business plan is a document

that a financial institution would find sufficient basis on which to provide financial support. The business plan shall include, but is not limited to: high-level engineering and design plans, market analysis, take-rate assumptions, and as relevant, cash flow positive date, loan payoff date, financing models, pro forma financial projections, estimated construction costs, ideal operational models, and an evaluation of risks including labor needs and availability, supply-chain contingencies for equipment and materials, make-ready work, and any other relevant capital and operational expenses. The plan must use data from the most recently released Broadband Availability Map. If a new map is released before the Board considers an application, the applicant must update their plan to use the new data. This requirement applies to all eligible applicants.

CVFiber, DVFiber, Maple Broadband, NEK Broadband, and Southern Vermont CUD have all submitted Act 71-compliant business plans that have been approved through VCBB and our contractor's extensive review process. Lamoille FiberNet has submitted a business plan that is currently under review. The VCBB expects to receive business plans from Northwest Fiberworx and Otter Creek CUD early in calendar year 2023 and will continue working with the remaining CUDs to develop Act 71-compliant business plans as well. As stated above, ECFiber already operates on primarily private funding.

Alternative, Creative Financing:

In addition to the support and oversight that the VCBB provides to each individual CUD to ensure their long-term financial sustainability, the VCBB also hired the new position of Broadband Project Developer this fall, to look beyond the implementation period of the grant funding currently obligated and identify and unlock alternative financing mechanisms for the CUDs. The position was funded by the Northern Borders Regional Commission.

VCBB defines alternative financing as mechanisms that adapt, improvise, and blend traditional financial products and concepts to unlock public and private capital; and thus, exponentially increase the prospect to deliver high-quality outcomes on an equitable and sustainable basis.

Alternative funding as a modality is not new to VCBB, having structured and closed a nearly \$3 million public-private financing facility in 2021 to facilitate the procurement of vital broadband equipment and fiber optic material for the 2022 construction season.

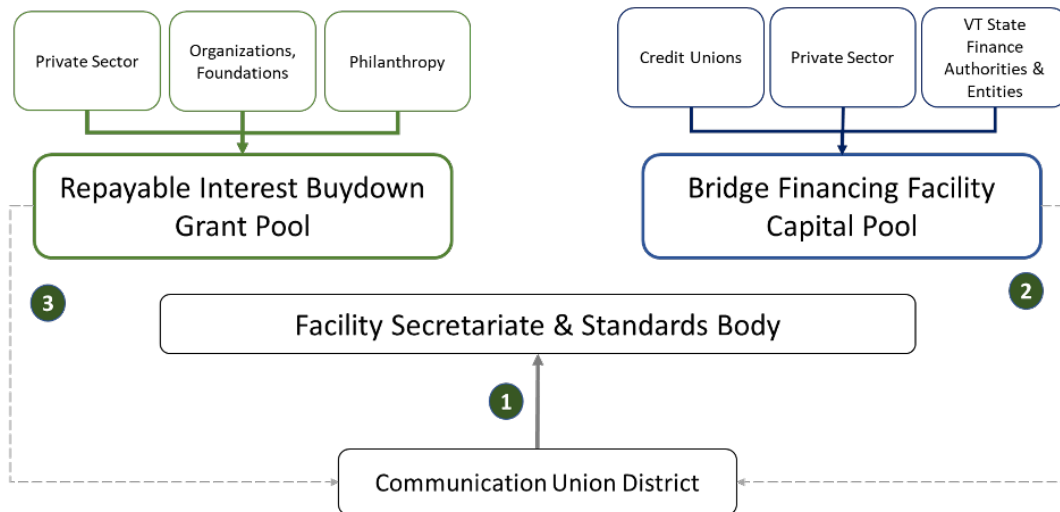
Seizing this moment in history, VCBB, together with the CUDs and private partners, has pushed forward with a clutch of financially efficient, low-cost mechanisms that, if successful will sustainably and equitably support CUDs' fiber buildout to Vermonters who are un- or under-served by existing providers.

The VCBB's first example of this during the fall of 2021 was the purchase of 2,000 miles of fiber-optic cable through the use of letters of credit provided by the Vermont Community Foundation and VSECU. This action avoided supply chain disruptions and saved the CUDs over \$2,000,000. Below are two examples of initiatives from calendar

year 2022: one that has closed (NEK’s \$25 million blended financing solution), and one that is still in the design and development stage (the Bridge Financing Facility).

- NEK Broadband: By granting NEK Broadband \$400,000, NEK Broadband was able to access a VEDA Loan at a lower rate. The loan will be the matching funds for a \$24M USDA grant.
- Bridge Financing Facility: VCBB has been developing a bridge financing facility with an interest rate buy-down component that would allow CUDs to access short-term financing (less than 12 months) from a clutch of lenders, foundations (via PRI), and private investors at below market rates. An illustrative representation of the proposed structure is below (subject to change):

Propose Financing Facility



1. CUDs prequalify with Secretariate using a common loan application form that allows CUDs to draw down short term capex (i.e., under 12 months) – best effort so agree on common terms.
2. “First-Come-First-Serve” facility encompassing a pool of commitments from capital providers by not retaining capital
3. Grant pool that CUDs can access to paydown a 30-50% of interest rates charged by capital providers underwriting the Bridge Financing Facility. Grants can be structured as repayable grants with grace period to allow CUDs to be cash flow positive.

VCBB is committed to ensuring that public funding is used as effectively as possible, and alternative financing mechanisms can be an important way to leverage additional investments from public funds.

Update on VCBB’s efforts to secure additional federal funds for broadband deployment

The VCBB has secured a BEAD Planning Grant and Digital Equity Planning Grant, the completion of which will result in applications for BEAD and Digital Equity implementation funds. The VCBB is participating in challenging the Federal Communications Commission’s broadband coverage map to ensure that Vermont receives our fair share of BEAD funding. The VCBB also applied for a Middle Mile Broadband Infrastructure grant and supports the nonprofit Equal Access to Broadband

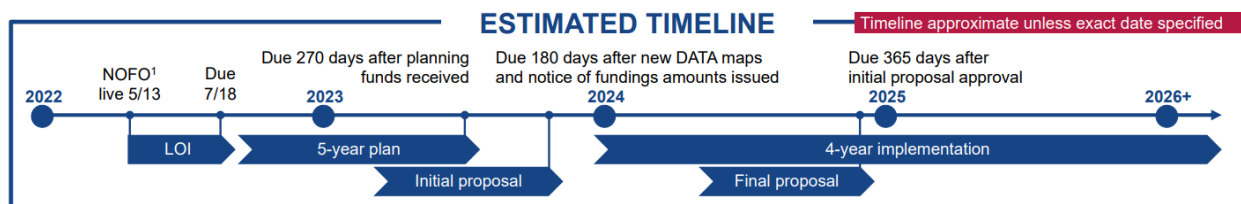
for an ACP Connect grant. BEAD, Digital Equity, Middle Mile, and ACP Connect are all funded from the federal Infrastructure, Investment, and Jobs Act (IIJA).

In addition, the VCBB has set up a town matching program to encourage towns to earmark ARPA funds for broadband build-out VCBB has supported leveraging USDA ReConnect Loan and Grant Program funds and has promoted applications for the ACP Connect program. VCBB continues to engage with the Northern Borders Regional Commission on potential funding opportunities.

VCBB's efforts to secure additional federal funds for broadband deployment are outlined below.

BEAD Planning Grant

The Broadband Equity, Access, and Deployment Program (BEAD) provides federal funding for grants to eligible entities for broadband planning, deployment, mapping, equity, and adoption activities. The Program's principal focus will be on deploying broadband service to unserved locations defined as those without any broadband service at all or with broadband service offering speeds below 25 megabits per second (Mbps) downstream/3 Mbps upstream and underserved locations defined as those without broadband service offering speeds of 100 Mbps downstream/20 Mbps upstream.



The VCBB was awarded the BEAD Planning Grant funds in November 2022 and is awaiting acceptance from Vermont's Joint Fiscal Office to begin the planning process. Once this planning process is complete, the VCBB will be applying for BEAD Implementation Grant funds over the summer of 2023 and anticipates beginning to receive these funds in calendar year 2024. BEAD Implementation funds will be used to continue the VCBB's Construction Grant program that was appropriated ARPA State Fiscal Recovery funds in FY22 and ARPA Capital Projects Funds in FY23.

With the BEAD planning grant, the VCBB will utilize contractors to update the state's 10-year telecommunications plan, post-COVID, into a format that meets the requirements on the BEAD five-year implementation plan, incorporates an assessment of current efforts, and ensures alignment between programs. This work will include stakeholder engagement and community outreach to obtain a comprehensive database of community assets, verifying the accuracy of Vermont Broadband Status by address, determining what the barriers are for Vermonters to access and effectively utilize

information and services available on the Internet, and will also provide the performance evaluation tools and the necessary details about community assets that will help to achieve the goals of the BEAD program.

Additional BEAD planning activities include providing training programs for staff and volunteer board members throughout the state on broadband and governance. There are over 400 volunteers across the state that are eligible for these trainings. Along with the training, a \$1,000,000 subgrant will be issued to the Vermont Communications Union Districts Association (VCUDA) for capacity building to its ten member Districts. These subgrants will allow Districts to obtain additional technical, legal, and financial support as they push to connect every address in their respective member towns to fiber-optic internet.

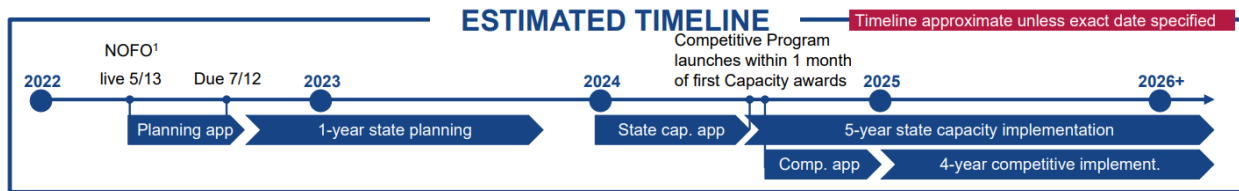
Lastly, this grant will also allow the VCBB to fund additional staff capacity to support the broadband infrastructure deployment including a Fiber-Optic Engineer, a Rural Broadband Technical Assistance Specialist, a Public Outreach Manager, and a Regulatory Compliance Manager and potentially will bring on additional contracted services to achieve its goal of ensuring the provision of fiber-optic internet access for every on-grid premises in Vermont. Acquiring the services of specialists and consultants will ensure the acceleration and optimization of Vermont's broadband network deployment and will be critical to the Administration's goal of reaching universal broadband service within a five-year window.

BEAD Implementation funds will be distributed based upon the Federal Communications Commission's map of broadband availability throughout the US. The allocation will be determined by a map developed by the FCC. The VCBB launched a multi-faceted campaign to raise awareness about the map and to challenge incorrect data. This effort involved identifying missing locations on the map in coordination with the Connectivity Division of the Public Service Department and challenge the vastly overstated self-reported data use to determine whether a location is served or unserved. The VCBB activated the media, large employers, elected officials, and allied organizations to encourage the public to submit availability challenges. The VCBB also worked with providers to identify and fix incorrect solutions. Finally, the VCBB will be submitting a bulk challenge of addresses served by technology that tends to overpromise and underperform. Correcting addresses that are incorrectly listed as served at speeds of 25/3 Mbps or greater by a wired or licensed wireless provider could mean millions of additional federal dollars to build out 100/100 Mbps fiber broadband across the state.

Digital Equity Planning

Through Act 71, the Vermont Legislature established the Vermont Community Broadband Board (VCBB) to ensure every under and unserved Vermont address gets connected to 100/100 Internet service. As part of that commitment, Governor Scott

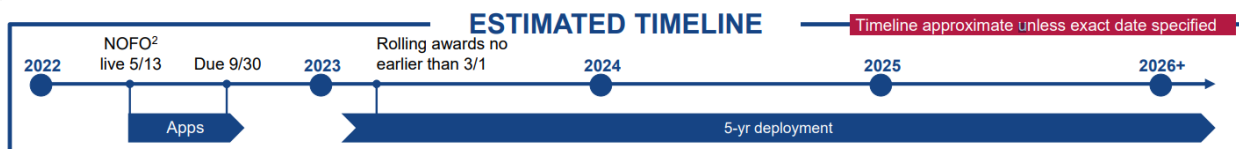
directed the VCBB to close the digital divide along with support from Doug Farnham, Deputy Secretary of Vermont’s Agency of Administration, as the Administering Entity for developing the State Digital Equity Plan. Included in Act 71 is the requirement that the Board “support low-income or disadvantaged communities.” To accomplish that goal, the VCBB applied for Digital Equity Planning Funds that were allocated and awarded to Vermont by the NTIA to initiate a one-year collaborative planning process, and then additional funding will be available to implement the five-year plan upon completion of our planning process.



Creating the State digital equity plan will necessarily be a team effort. The federal grant calls out eight demographic groups that have particularly struggled with digital equity in the past, or who could particularly benefit from digital solutions: aging individuals, low-income individuals, incarcerated individuals, veterans, individuals with disabilities, language barriers (both ELL and low literacy levels), racial or ethnic minorities, and individuals in rural areas. Thus, the first step the VCBB took was to form a core team consisting of a diverse set of stakeholders and partners that serve those covered populations to lead and advise the development of the plan and provide feedback and guidance throughout the process.

The intent of planning for digital equity is to go beyond simply stringing fiber-optic cable past every Vermonter’s home, but also to think about factors such as affordability, device access, digital literacy, language access, and challenges specific groups face that could use digital tools as a step toward a solution.

Vermont’s Middle Mile Proposal for the NTIA



Included in President Biden’s “Internet for All” initiative, the [Enabling Middle Mile Broadband Infrastructure Grant Program](#) provides \$1 billion in funding to projects that connect high-speed Internet networks to each other and reduces the cost of bringing Internet service to communities that lack it. Nationwide, over 235 applications were submitted totaling more than \$5.5 billion in funding requests for the Enabling Middle Mile Broadband Infrastructure Grant Program. Awards will be announced in the spring.

Vermont’s application proposes a \$114M, 1,663-mile, statewide middle mile network. This project will leverage 347 miles of Indefeasible right of use (IRU) — a

telecommunications lease permanent contractual agreement that cannot be undone — as well as 209 miles of existing fiber; 1,107 miles of fiber will be new construction.

This project is supported by a \$30 million state match to be included in the Governor's budget adjustment proposal and over \$16 million in cash and in-kind contributions from NEK Broadband, ECFiber, and FirstLight.

If the grant is awarded, it will enable the state's CUDs to accelerate their construction timelines, negotiate better bulk data rates, and increase the resiliency of each of the networks. The new network also leverages previously built state fiber that was transferred to the CUDs in late 2021.

The proposal was developed via a collaborative effort between the state's CUDs and in consultation with the state's major telecom providers. The final proposal addresses the needs of the CUDs and the needs of many of the state's major telecommunication companies (FirstLight, Consolidated Communications/Fidium Fiber, WCVT, and VTel). The result was a comprehensive proposal for a statewide middle mile network that ensures geographic redundancy, with ties to Canada, NY, NH, and MA, as well as redundant loops within the state.

If approved, this new network will result in the following statewide, cross-sector benefits:

- **Reduced Costs and Improved Affordability**

If received, the grant will also fund network construction that would otherwise need to be completed by the CUDs using ARPA (American Rescue Plan Act) and BEAD (Broadband Equity, Access, and Deployment program) funding reducing overall capital costs that would otherwise have to be financed. Partners also expect to deploy last-mile distribution infrastructure on the poles at the same time as construction to reduce costs and expedite deployment. The higher percentage of the network that can be paid for with grants or low-cost financing, the more affordable the service will be for customers.

- **Increased Redundancy and Resiliency**

The resulting network will increase the redundancy and resiliency of the networks being built by the CUDs, as well as existing privately owned networks. This increases up-time and improves the resiliency of the entire network to natural and man-made disasters.

- **Public Safety**

The proposed project will eliminate host isolation issues experienced by incumbent telecom providers.

- **Energy and Climate**

The network will further the goal of providing for connections to all renewable energy locations over 150 kW, increasing the resiliency of the electric grid. The improved

access to fiber will also increase energy equity by allowing all Vermonters access to various renewable energy and efficiency programs.

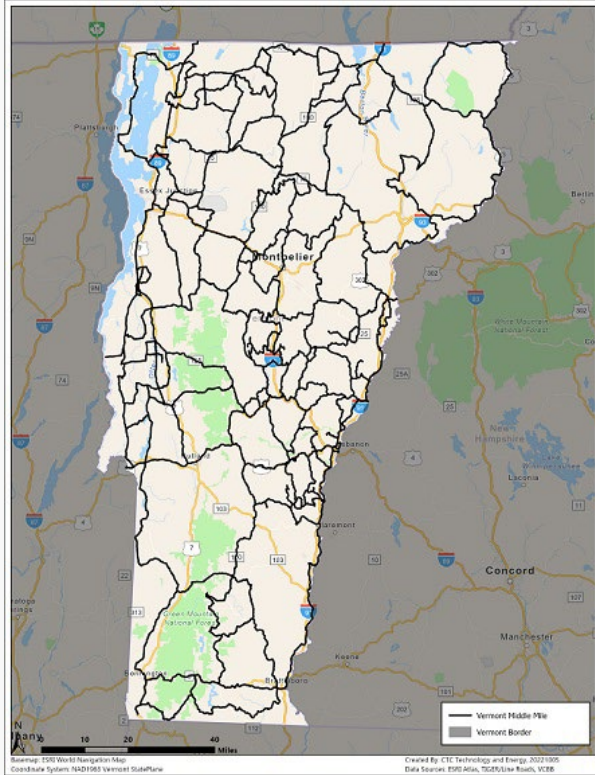
- **Transportation**

By providing ubiquitous fiber throughout the state, this effort will enable the Agency of Transportation (AOT) to replace less than reliable and limited bandwidth connections to the 55 road weather information systems; provide secure and reliable network connections to vehicle probe systems for public safety at border checkpoints; provide reliable connectivity and expand road messaging systems; enable electric vehicle charging – chargers at every interchange as well as every 25 miles on the interstate; and provide reliable connectivity to AOT garages and offices across the state.

- **Additional Benefits**

The VCBB’s approach of combining newly-built infrastructure with additional, low-cost, public rights to both the new and existing infrastructure from for-profit partners will open a world of opportunities for increased collaboration around digital equity efforts and resource sharing at a lower cost between libraries, schools, and healthcare facilities. In the future, when existing contracts expire, the network awards will be made in March 2023.

Network Map for Middle Mile Proposal



Note: This map is for illustrative purposes only. Some elements will be built. Others areas will involve acquiring IRUs and other areas will be subsequently built as further funding becomes available.

VCBB Town ARPA Match Program For Broadband

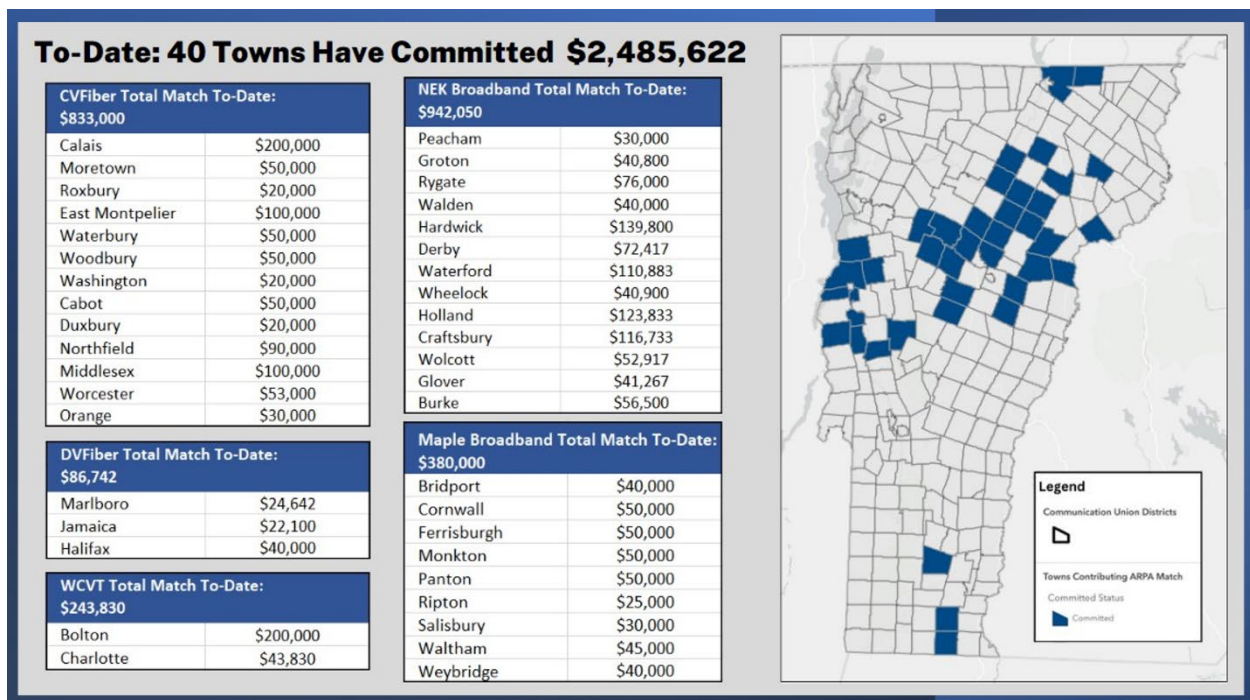
Broadband is an allowable use of ARPA Local Fiscal Recovery Funds. The VCBB is matching town ARPA Contributions. There is a direct connection between affordability and the ratio of grant funding to financing. Inflation and rising interest rates are increasing the expected cost for the CUDs and other eligible providers to complete network construction. This is a way for towns to support and accelerate the build-out in their communities and promote affordable service for their residents.

Local Fiscal Recovery funds are an important piece of the broadband funding puzzle. For those Vermont towns that elected the standard allowance for their ARPA funds, spending their money on broadband is even simpler and easier through this program.

Pledges made after September 15, 2022, and before May 31, 2023, will be matched dollar-for-dollar up to \$100,000 per town. Pledges made prior to September 15, 2022, during the initial phase of the program will be matched dollar-for-dollar up to \$200,000 per town. Pledges will be matched on a first come, first served basis.

Local ARPA Funds can be used to:

- Effectively address local needs and overcome obstacles unique to the town.
- Cover the cost of drops to low-income residents, students, teachers, etc.
- Support build-out to areas with existing service not meeting the needs of the community.
- Lift up an entire region and accelerate the build-out or allow a provider to pursue innovative financing to save residents money over the long term.
- Serve as a contribution toward the 25% match required under the Infrastructure Bill's BEAD program for projects not in a "high-cost area." (The NTIA has yet to define these areas.)
- Serve as project contingency for a CUD since the deadlines for ARPA are removed for the receiving entity (CUD) if the town providing the funds elected for the standard allowance.



USDA ReConnect

The ReConnect Loan and Grant Program furnishes loans and grants to provide funds for the costs of construction, improvement, or acquisition of facilities and equipment needed to provide broadband service in eligible rural areas.

NEK Broadband applied for USDA ReConnect funds to help with construction costs. If successful, this is a model that could be copied by other CUDs. The VCBB provided a letter of support and a \$400,000 grant to support NEK Broadband with their \$24 Million USDA Grant Application. The \$400,000 grant will initially be used as a debt service reserve with VEDA and also allow NEK Broadband to borrow less from the Vermont Economic Development Authority (VEDA). This, in turn, enables NEK to take advantage

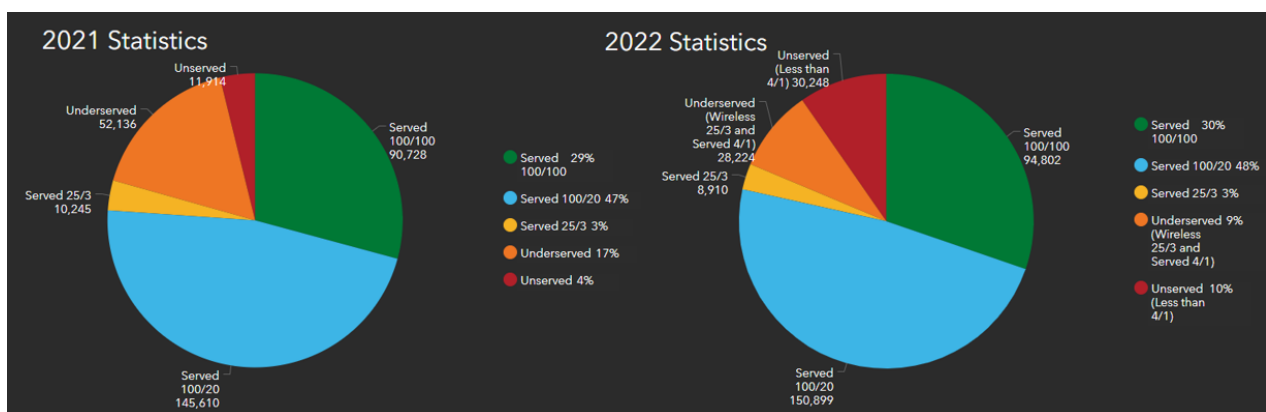
of an SBIC program lowering the interest rate by 1%. The Board also agrees that the financing offered by the VEDA program is the preferred source of funding for the match since the VEDA program does not require principal or interest payments for three years. Furthermore, if received, the \$24 million USDA ReConnect grant will cover most portions of northern Essex County, eastern Caledonia County, and eastern Orleans County. The density in these areas is less than five people per square mile and therefore requires supplemental grant funding support. NEK Broadband expends to notified whether they received the award early in 2023.

Affordable Connectivity Program (ACP) Outreach Grant

Finally, the VCBB has promoted applications for the federal Affordable Connectivity Program (ACP) Outreach Grant from Vermont applicants. This grant will support the efforts of Vermont organizations to get more Vermonters signed up for the federal benefit that gives them \$30 credit each month toward their internet bills.

Progress made toward meeting the State’s goal of ensuring every E-911 location has access to 100/100 mbps broadband service

Each year, the VT Public Service Department (PSD) updates the broadband availability data for the state of Vermont. The pie charts below show the PSD’s data for broadband availability in the state in 2021 and 2022, with the green slices representing addresses served with 100/100mbps.



The Public Service Department data covers the whole state, including grant-funded projects as well as infrastructure built by private Internet Service Providers. The data is collected by asking Internet Service Providers to submit service information to the PSD, including their projected builds through the end of each calendar year.

The VCBB recognizes that careful planning is required in order to build infrastructure and serve addresses now in a manner that supports, rather than detracts from, the

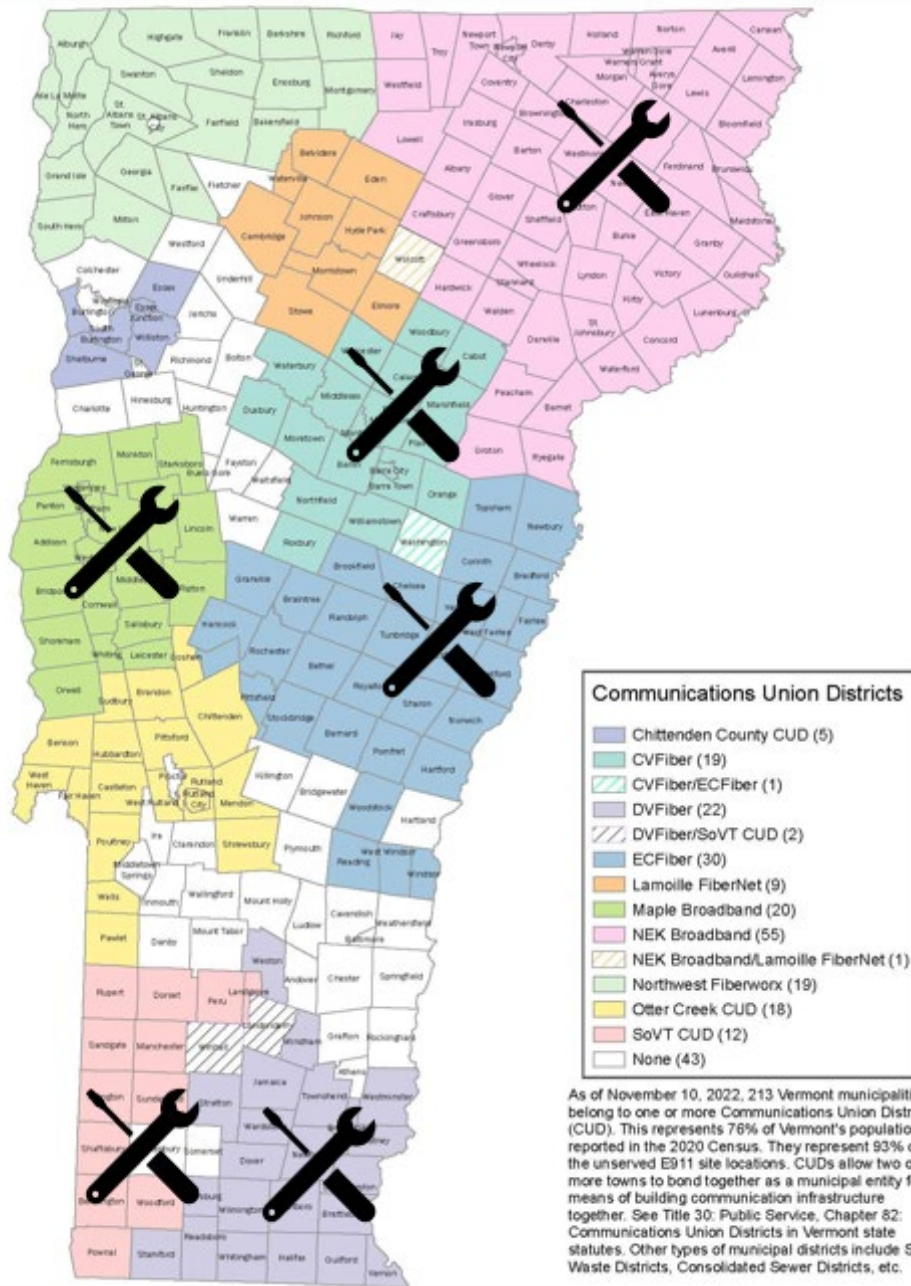
ultimate universal service goal of 100/100 mbps service at every E-911 address in the state. To this end, and as outlined in Act 71, the VCBB provides grant funding only to Communications Union Districts and eligible providers that have submitted a viable Universal Service Plan. This plan must detail their obligation and ability to provide each unserved and underserved location with broadband service capable of speeds of at least 100/100 Mbps, within the context of a viable business plan.



Below is a map showing which CUDs are currently under construction:

Of the six CUDs currently under construction five are using VCBB-awarded Construction grant money: NEK Broadband, CV Fiber, Maple Broadband, Southern Vermont, and DV Fiber.

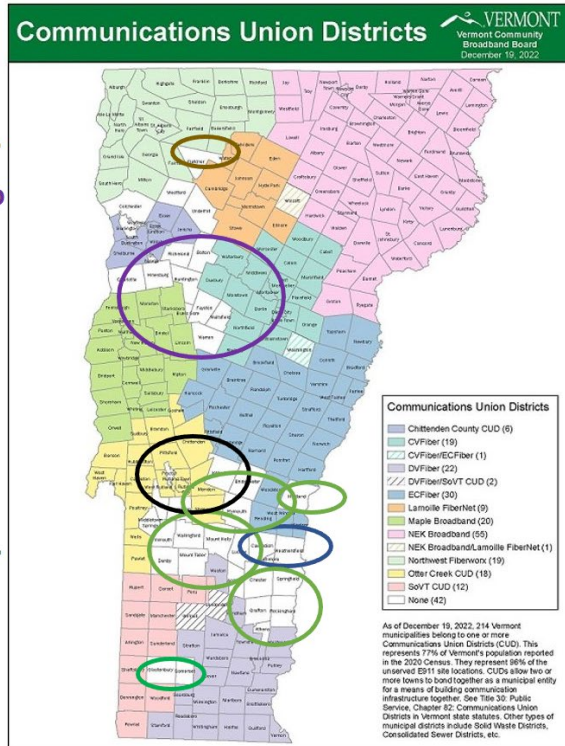
Communications Union Districts



In addition, the VCBB funded a Universal Service Plan for a group of towns not in a CUD working with Waitsfield Champlain Valley Telecom (shown below in purple):

Towns Not Members of a CUD

- NBRC grant to MCFiber for Fletcher
- Act 71 Construction Grant issued to build to remaining addresses in phased approach in WCVT towns not members of Maple CUD
- 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 – All addresses served by fiber
- SoVT will serve with fiber via partnership with Consolidated/Fidium.



Through working with local communities to fund Universal Service Plans, the VCBB believes that we are on track toward the state's goal of serving every on-grid E-911 address in Vermont with 100/100mbps broadband internet service.

Appendix

Organization and Contractual Support Overview

VCBB STAFF & CONTRACT SUPPORT

