

Testimony on Universal Service Fund, Bonding, and VEDA Funding Proposals

Jeremy A. Hansen, PhD
Chair, CVFiber
Associate Professor of Computer Science, Norwich University
Vice Chair, Berlin Selectboard

Happy Valentine's Day! There are two distinct goals we're talking about, so it's critical that we know which one we're trying to support.

- 1) Improving broadband to 21st century speeds for large swaths of Vermonters
- 2) Bringing adequate broadband to the last few Vermonters who are unserved

The Connectivity Fund supports goal #2, and beyond being underfunded, is not terribly helpful to CVFiber at this point in our mission of bringing fiber to the premises throughout our soon-to-be 17 member towns. It's also extremely cost-ineffective, plows money into out-of-state for-profit corporations, and often results in investment in obsolete copper infrastructure. While the goals are certainly important, and one that I know DPS strongly supports, it will not help new CUDs and municipal providers achieve either goal in the short term.

However, the additional language added in H.94 (page 3) allocating funds for feasibility studies and technical assistance to municipalities is very welcome. I would request that the language be changed so that those of us who have already created a CUD be eligible for such funding. In particular, I propose changing

"...to municipalities in the process of developing..."

to

"...to existing communications union districts and municipalities in the process of developing..."

or possibly better yet, to

"...to municipalities." (This option would allow for towns, cities, CUDs, and REDI districts to be eligible for such funding.)

This wasn't a bill you asked me to comment on, but I want to use it to illustrate a point in H.160.

H.96 proposes to add a requirement to bypassing Act 250 and local control for telecommunications projects, but sets a minimum threshold painfully low, at 4 Mbps down and 1 Mbps up. While I understand the rationale for providing this incentive, modern wireless communications can easily provide speeds ten or more times faster than that. Shouldn't we be looking a bit farther into the future with new construction we're trying to incentivize? If we ask for slow, we're going to get slow.

H.160 allows for municipalities to issue general obligation bonds to help construct communications plant with a minimum speed of 10 down, 1 up. Again, if we want to incentivize modern infrastructure, let's align this with the goals stated in 30 VSA 202c, which says that by 2024, we should have everyone connected with 100 Mbps up and 100 Mbps down. Then there's no cutting corners and installing technology that's already obsolete. To address the concern about this bill making people reluctant to form a CUD because of the possibility of general obligation bonds, I want to point out that such bonds presumably still requires submission to the voters of the town or city in question. While some towns or cities may not want to incur such debt, there will still be those that do. Among CVFiber's member towns, I know that there are communities in both camps, but I believe that leaving it up to the voters in each town to make that decision is a wise choice.

H.160 also designates the Think Vermont Innovation Fund to help provide technical assistance grants to Vermont communities planning broadband projects. I strongly support this change, but would request that the work "communities" be replaced with "municipalities". (page 5)

I'm going to keep on sounding like a broken record. H.160 establishes the Broadband Expansion Loan Program. This is something I strongly support, as CVFiber would definitely want to partner with the state in this way. However, I suggest that the minimum 25 down, 3 up be changed to 100 Mbps symmetrical for the same reason I stated before. (page 8)

We have the opportunity to build out broadband right, and leapfrog 1990's-era technologies, but to do that on a statewide scale, it will require setting more ambitious—but still achievable—goals.