

June 9, 2020

House Energy and Technology  
6/9/2020  
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Director, Government Relations

Thank you for the opportunity to discuss potential broadband funding opportunities related to the Coronavirus Relief Fund. Consolidated has provided the following comments and/or recommendations related to the June 8, 2020 draft letter from House Energy and Technology Chairman Tim Briglin and Committee related potential broadband appropriations. . Consolidated's comments are based on the current assumption that the Coronavirus Relief Fund allocations must be spent by December 30, 2020.

- (1) [XXX] to the Department of Public Service to be allocated as follows:
- (A) [\$800,000] to the COVID-Response Connected Community Resilience Program. Consolidated recommends this \$800,000 be allocated to the VT Connectivity Fund for the purposes of Connectivity Grants administered by the VT DPS through an accelerated RFP process to expand broadband at a minimum of 25/3 Mbps in fiscal year 2021.
- (B) [\$2,000,000] to the COVID-Response Line Extension Customer Assistance Program.

There are customers in Consolidated's service area that could have increased internet speeds if funds were available for customer extensions in rural areas of Vermont. Currently there are 72,000 addresses in Vermont that qualify for 25/2 Mbps using bonded copper pairs and another 24,000 that qualify for 40/10 Mbps or better using bonded copper pairs. Some of these locations only have access to a single copper pair and could have higher speed if funds were allocated to assist qualified customers with this type of line extension. For example, a Consolidated customer in Greensboro Vermont currently has 15/1 Mbps over a single copper pair. The cost estimate for the line extension to provide a second copper pair to provide 25/2Mbps is \$2,400. This customer is a seasonal resident with no wireline competitor but has advised if they could receive the 25/2 Mbps that they would be able to live here full time. Consolidated recommends this appropriation include line extensions for all types of services at a minimum speed of 25/2 Mbps which could help customers receive the benefit of higher internet speeds in the short term as the State works on solutions to reach its goal of 100/100 Mbps which will take several years and cost hundreds of millions of dollars to complete. For this Greensboro customer and other customers, this solution is available today and would provide a positive impact to customers.

- (C) [\$6,000,000] to the Get Vermonters Connected Now Initiative. Regarding the FTTH service drops, Consolidated is interpreting this as using CRF to pay to construct conduit from a pole/pedestal to a low-income Vermonter's home only in an FTTH service area. FTTH services can be more expensive than traditional wireline internet services and Consolidated is concerned that low-income Vermonters will not be able to afford the

potentially higher monthly cost of the FTTH service so this may solve the access issue, but does not solve the potential long-term affordability issue. To illustrate, Consolidated's 25/2 Mbps service is 45.99/mo compared to one fiber providers 25/25 Mbps at \$64.00/mo. There are limited FTTH service areas in Vermont at this time and the State objectives are to increase FTTH throughout Vermont. Allocating these significant dollars for individual conduits in these limited fiber territory could create a competitive advantage for one company over another company as the customer's existing service drop was likely provided and paid for by one of Consolidated's predecessor companies. Regarding affordability, Consolidated has been working with a school district in Vermont that has identified 56 households with school age children that currently do not subscribe to internet services. They have identified that 49 of these households noted affordability as the reason they currently do not subscribe to internet service. Consolidated recommends that this allocation be used for longer-term COVID-19 financial assistance for low-income households to purchase available internet services administered by the Department of Public Service. This program could be structured similar to the current Lifeline Programs.

(D) [\$500,000] to support the COVID-Response Telecommunications Recovery Plan.

(E) [\$XXX] to support the COVID-Response Telehealth and Connectivity Initiative.

(F) [\$XXX] to be disbursed among the State's access media organizations for costs incurred due to unbudgeted and unplanned coverage of public meetings and events in response to the COVID-19 pandemic, as well as for unplanned and unbudgeted expenditures related to critical public health and safety communications concerning the current public health emergency.

(G) [\$30,000,000] to fund ratepayer arrearages as they pertain to utilities affected by the Public Utility Commission's moratorium on utility disconnections issued on March 18, 2020, as further amended and revised by the Commission.

(2) [\$3,000,000] to the Agency of Digital Service to fund efforts to mitigate cybersecurity risks posed by State employees working from home as a result of the COVID-19 pandemic.

(3) [\$XXX] to the Agency of Digital of Services to support municipal officials in addressing cybersecurity risks and mitigate vulnerabilities posed by closed municipal offices, municipal employees and elected officials working from home, and using teleconferencing platforms as a result of the COVID-19 pandemic.

(4) [\$XXX] to the Enhanced 911 Fund for necessary expenses incurred due to unbudgeted and unplanned critical public health and safety activities and services directly caused by or provided in response to the COVID-19 public health emergency.

(5) [\$XXX] to the Agency of Education school closures during COVID-19 pandemic, as well as for unbudgeted and unplanned expenditures related to critical public health and safety communications concerning the current public health emergency.

(B) [\$XXX] to Vermont Public Radio for unbudgeted and unplanned expanded educational programming aired in response to school closures during the COVID-19 pandemic, as well as for unbudgeted and unplanned expenditures related to critical public health and safety communications concerning the current public health emergency.

to be allocated as follows:

(A) [\$XXX] to Vermont Public Broadcasting Service to reimburse costs incurred for unbudgeted and unplanned specialized learning content and other educational programming aired in response to

In addition, to the extent federal guidance deems the following programs and appropriations eligible for CRF funding or additional federal funding is available to the State through subsequent federal legislation, the Committee recommends the following additional appropriations:

(1) [\$1,000,000] to the Department of Labor for the COVID-Response Critical Infrastructure Workforce Training and Incentive Program, which is designed to provide employer grants for workforce expansion in the communications sector to meet the immediate need for broadband construction.

(2) [\$240,000] to the Department of Public Service to fund two new temporary (3 year) positions, COVID-19 rural broadband technical assistance specialists, to assist with the accelerated implementation of broadband deployment projects designed to meet the immediate and critical need for connectivity.

(3) [\$7,000,000] to the Department of Public Service to fund the COVID-Response Engineering and Design Program, a grant program for broadband providers to fund the pre-construction engineering, design, and survey work to bring broadband networks to underserved regions of the State. This program will also support pole-owning utilities in accelerating the processing of pole-attachment applications and license agreements to facilitate critical broadband deployment projects.

Consolidated agrees that this money can be used for an Engineering and Design Program to expand broadband to underserved regions of the State as long as all parts of the program are available to all providers. Consolidated does not agree that money from this Program should be used for pole attachment survey or make-ready work specifically if there is an opportunity to minimize the scope and costs of that type of work. For example, Consolidated's fiber deployments do not require pole licenses since we are on virtually all of the poles in our service territory, reducing the need for survey's and make-ready work.

(4) [\$45,000,000] to the Department of Public Service to support the COVID-Response Connectivity Initiative, a program designed to provide financing for critical broadband deployment projects in the form of grants, loans, credit enhancements, and letters of credit for projects that will provide all customers in a specified region at least 100 Mbps symmetrical service

Thank you for the opportunity to provide input on these important matters.

