

Monthly Report on the COVID Response Accelerated Broadband Connectivity Program

Prepared by the Vermont Department of Public Service

October 30, 2020

I. Introduction

This report is made to the Joint Information Technology Oversight Committee, the House Committee on Energy and Technology, and the Senate Committee on Finance on the status of broadband expansion programs established in Act 137 of 2020. Section 13 (m) states as follows:

On or before July 31, 2020, and every month thereafter until December 1, 2020, the Commissioner shall provide to the Joint Information Technology Oversight Committee, the Senate Committee on Finance, and the House Committee on Energy and Technology a status report on the Program that identifies funding distributions to date, the amount of funds that remain available for distribution, and plans for awarding available funds on or before December 20, 2020.

Each month this report will provide a brief overview of each program established thus far to administer the \$17,433,500 CARES Act funding appropriated to the Department of Public Service (“Department”) through Act 137 for the COVID Response Accelerated Broadband Program. The Department has committed a total of \$17,000,000 of the monies appropriated through Section 13 of Act 137. The Department issued its first report on July 31, 2020.

Overview of Programs

Section 13 created the COVID Response Accelerated Broadband Program and appropriated \$17,433,500 to this effort. The program has four constituent parts: (1) Get Vermonters Connected, (2) the Consumer Assistance Line Extension Program, (3) COVID Response Temporary Lifeline Program, (4) the Connectivity Initiative, and (5) reimbursement for the Department’s Wi-Fi project. This section will discuss the Department of Public Service’s plans for each.

1. *Connectivity Initiative and Get Vermonters Connected Now* – the Department allocated \$12 million in CRF funding to expand broadband for COVID-19 related needs through the programmatic infrastructure of the existing Connectivity Initiative, which was combined with the Get Vermonters Connected Now. The Get Vermonters Connected Now Initiative (“GVCNI”) provides funding to fiber-to-the-premises providers to offset the customer costs of fiber drops and conduit. The legislation directs the Commissioner of Public Service to prioritize the installation of underground conduit that would result in increased broadband access to low income households. This program was established by the Department under the Connectivity Initiative and is being administered through the Connectivity Initiative RFP that was issued on July 17, 2020. Rather than establish a separate budget for the GVCNI, the Department has combined it with the Connectivity Initiative.

The Connectivity Initiative is designed to expand broadband service of at least 25/3 Mbps to locations currently lacking 25/3 Mbps broadband service. On July 17, 2020, the Department issued an RFP seeking proposals to serve the nearly 70,000 eligible

locations. Of those locations, the Department collected data on “priority” locations. Priority locations are residential and business addresses with an identified education, telehealth, or telework need. To date, the Department has identified 7195 priority addresses. Proposals were received in three rounds.

October Update – The Department has awarded a total of \$11,974,450 in funding for the Connectivity Initiative and Get Vermonters Connected. Projects are underway. A list of awarded projects is attached. Section 13(h) directs the Department to maintain a public database of locations awarded under the program. A map of Connectivity Initiative and LECAP awards can be found by visiting:

<https://vtpsd.maps.arcgis.com/apps/View/index.html?appid=707608bfd86b450caa1a0383f2b56155>

2. *Consumer Assistance Line Extension Program* – The Department budgeted \$2 million for the Consumer Line Extension Program, which provides up to \$3,000 in assistance to individual consumers who are seeking line extensions from cable and other Internet Service Providers. The legislation requires the Department to establish guidelines for administration of the program. The guidelines were published on July 28th.

October Update: As of October 29, the Department has awarded 209 LECAP applications for a total of \$478,353. Starting in November, the Department will open the reimbursement phase of the program by soliciting applications from eligible Vermonters who built and paid for line extensions on their own during the pandemic but before the program was established. The Department has identified at least 35 applicants for whom this is a possibility. The guidelines published July 28 will be amended to reflect this new eligibility standard.

3. *COVID Response Temporary Broadband Subsidy* – Section 13 authorizes the Department to offer a broadband subscription subsidy. Section 13 (d) states “To the extent it is administratively feasible within the time constraints of section 601(d) of the Social Security Act, the Department may establish a COVID-Response Temporary Broadband Lifeline Program to provide subsidies for customer broadband monthly subscriptions to increase broadband adoption rates in response to the COVID-19 public health emergency.” Accordingly, the Department established a program to offer a \$40-per-month¹ subsidy to qualifying subscribers of broadband service to sustain and increase broadband adoption during the COVID-19 emergency. Applicants have the ability to receive a subsidy retroactive to March 1.

October Update: In September, the Temporary Broadband Subsidy portal went live and began accepting applications. In October, The State’s software developer, MTX, completed the reviewer and approval portals that allow carriers and the Department to

¹ The program originally offered a \$20 subsidy and this was increased to \$40.

verify, and approve applications. The Department began approving applications the 3rd week of October and to-date has approved 759 applications for a total of \$47,960. The Department anticipates that applications will increase in the month of November as advertising of the program increases and community action agencies continue to direct clients toward the program.

4. *Wi-Fi Hot Spot Reimbursement* - Section 13(e) provides up to \$175,000 in funding to reimburse the Department for costs associated with the Wi-Fi hot spot project not covered by the Federal Emergency Management Agency (“FEMA”).

October Update – the Department has drawn down approximately \$125,000 of the total and anticipates using the entire \$175,000 in the month of November as it continues deploying hot spots in response to robust community demand for them. The need for hot spots exceeds what is allotted and the Department anticipates it could spend an additional \$100,000 on hot spots if authorized.

The Department had left \$433,500 uncommitted as of the last report. The Department intends to use unspent monies, including this sum, to bolster the broadband subsidy program and cover administrative costs associated with its development.

II. Other Matters

Act 137 provides resources to the Department to support three other Telecommunications related initiatives. These are discussed in this section.

1. *COVID Response Telecommunications Recovery Plan* – Act 137 appropriates \$500,000 in funding for a COVID Response telecommunications Plan. As the legislation states, “[t]he purpose of the Recovery Plan is to reassess the State’s critical connectivity needs in light of the COVID-19 public health emergency and to reevaluate broadband deployment objectives going forward.” The Department is directed to file this report with the General Assembly on or before December 20, 2020. On July 13, 2020, the Department released an RFP seeking a consultant to work with the Department to prepare the COVID Response Telecommunications Recovery Plan. The consultant will be required to submit a draft to the Department by November 1, allowing a little over a month and half for the Department to engage in a public comment period. Responses to the RFP were received on July 27.

October Update: Work is under way for the COVID Response Telecommunications Recovery Plan. A final plan is due December 20.

2. *COVID Response Connected Community Program* – This program was established “to fund recovery planning efforts of communications union districts (“CUDs”), particularly with regard to accelerating their deployment schedules.” The program is supported by \$800,000 in CRF appropriations.

October Update: In September, the Department received an additional \$1.5 million in funding to provide additional grants to the CUDs. In October an RFP was issued to solicit proposals from CUDs. Several CUDs plan to partner with ISPs to perform broadband projects that can be completed by December 30. The December 30 deadline is challenging CUDs to develop projects that accrue benefits within the covered period.

3. *PEG Access Funding* – Act 137 appropriates \$466,500 to the Department to support Public, Education, and Government access television (“PEG TV”). The legislation aims to support these media organizations for their staffing and other unbudgeted costs “related to increased production and technical support for live-streaming government and community-based organizations” during the COVID-19 emergency. The Department has sought expense reports and invoices from the AMOs for this program and will begin paying AMOs the week of October

October Update: The program has paid out \$333,000 to-date and payments have gone to every AMO. AMOs are expected to seek a second round of expense reimbursement for costs incurred during the summer and fall.

III. Challenges Ahead

The use of Coronavirus Relief Fund support is not without its challenges. The primary challenge is meeting the December 20 deadline for these programs. The Department and carriers are moving with unprecedented speed to build broadband projects and roll out the other grant programs. Nevertheless, the short timeline poses a threat to quality and certainty of these projects. Additionally, the timeline is frustrating the effectiveness of the broadband subsidy, as it will abruptly end at the end of December. Nevertheless, with the pandemic and the economic recovery continuing, the need for such a subsidy is likely to continue well into the winter and spring of 2021.

The December 30 shot clock for expending CARES Act funding is exerting extraordinary pressure on the State’s administrative resources and giving rise to challenges that have to be met with no time to spare. The time frame is also taxing private carriers, as most did not have the capacity to handle the substantial infusion of broadband funding under such a short time frame. Everyone is using best efforts to move through the contracting process expeditiously with due attention to the State’s established safeguards.