

GROWING THE ECONOMY

Connectivity: \$1 Million in Broadband Investments



- **WHAT:** The Connectivity Initiative will provide support to communities and initiatives working to deliver broadband connectivity. The Connectivity Fund awards broadband development grants from the Connectivity Initiative as part of its effort to bring high-speed internet to Vermont's hardest to reach locations.

The ThinkVermont Innovation Fund, established last year to promote innovation and accelerate growth in six identified areas including innovative broadband projects (which has received 45 applications for an existing pool of \$150,000), will provide planning and technical assistance grants to Vermont communities and organizations. Currently, the Agency of Commerce has grant requests from Central Vermont Fiber, Mansfield Telecom, and REDI net (Newbury) in the initial round of applications. An additional \$45,000 will allow funding of a wider range of projects.

- **WHY:** Currently, about 94 percent of locations in Vermont are served with broadband of 4/1 Mbps service or better and 73.4 percent of locations in the state have service available of 25/3 Mbps or better. The Department of Public Service (PSD) works with communities and telecommunications carriers to find ways to expand rural broadband service.

The Telecommunications and Connectivity Division at PSD promotes investments in telecommunications infrastructure and services through regulatory advocacy, data collection, and the Connectivity Initiative Grant Program. However, there is still more work to do to bring greater levels of connectivity to Vermonters.

Communities are seeking ways to fund the expansion of broadband facilities. While there are federal grant and loan programs, they do not align with community goals and often require matching support. Towns may currently bond for telecommunications infrastructure but are limited to revenue bonds. In the areas that currently lack broadband, revenues alone cannot support the repayment of the loan obligations. This proposal would provide a funding stream that would address that challenge and provides towns a viable tool for financing new broadband facilities.

- **HOW:** Connectivity Initiative grants are awarded to internet service providers that agree to extend service to designated areas least likely to be served through the private sector or through federal programs. The Department of Public Service is expanding the program to fit with other community development initiatives. Towns are encouraged to work with an internet service provider to identify projects that will meet private and public needs. Priority will be given to projects that match Connectivity funding with local or private funding and that establish a nexus between broadband and other community goals.

The ThinkVermont Innovation Fund will provide planning and technical assistance grants as outlined above.

- **FUNDING:** \$955,000 in carry forward money from Budget Adjustment for the Connectivity Fund. \$45,000 in carry forward money from Budget Adjustment for the ThinkVermont Innovation Fund.

###