

memo

To: Vermont Joint Fiscal Office (JFO)
From: Danna MacKenzie, on behalf of CCG Consulting, Inc.
Date: June 18, 2020
Re: Review and assessment of Draft Emergency Broadband Action Plan (EBAP) released by the Department of Public Service (DPS) on May 5th, 2020

Comments:

As requested by the JFO, CCG has reviewed the Draft Emergency Broadband Action Plan (EBAP) recently published by DPS. This memo contains our assessment of the function and content of this document.

The Draft EBAP document was positioned to serve as a reference point for a discussion about how the state should address emergency broadband needs. That concern has gained a new sense of urgency after it became clear that communications and broadband play a central role in the state's response to the COVID-19 public health emergency. With over 280 pages of public comments from individuals as well as stakeholder organizations, the document is serving this purpose.

The Draft Action Plan has surfaced many of the trade-offs that are inherent in the decisions the General Assembly needs to make about how to balance speed of deployment with cost and capabilities of the resulting networks. It is our assessment that the General Assembly should focus on the items in this document that are most needed to be successful with CARES spending in the next 6 months and to encourage and support the on-going discussions regarding those ideas that don't have a direct impact on the decisions you have to make now.

In our view, the items from this document that are most relevant to the work you have in front of you today are the cable-line extension fund, fast-tracking permitting, and pole-licensing.

Line/Service Extensions

The Draft Action Plan introduced the concept of line-extensions. Through discussions with Commissioner Tierney, DPS staff, and members of the legislature, it is clear that input has been taken from numerous sources and the idea has been shaped to the point of being near ready to operationalize should the legislature choose to fund the program and set any required parameters. CCG's input, as included in its report on June 12, 2020, is to broaden this financial tool to allow any provider in a position to deploy service that meets the standards you set to be eligible for financial support.

Fast-tracking Permitting

The second item of immediate relevance included in the Draft Action Plan is the concept of fast-tracking permitting. To be successful in using CARES funding to support broadband deployments by the end of the year, there is no room for a multi-month delay in securing permits. The path must be cleared for near-immediate issuance of the necessary permits. That said, public comments show concern over unintended consequences of opening this fast-tracking beyond what is necessary to meet the immediate needs of CARES-funded broadband expansion. Putting guardrails on what projects are eligible for this fast-tracking treatment may be appropriate to consider.

Pole-licensing and Make-ready

The other issue raised in the Draft Action Plan that should receive the General Assembly's attention is the barrier that exists due to the time it takes to meet pole-licensing and make-ready requirements. Some number of CARES-eligible projects will require these activities. While the necessary resources to fast-track where possible should be allowed for in your funding authorization, it should be recognized that some projects that could fit under the CARES funding, may not be in a position to proceed because of the time required to complete make-ready is just too great. The General Assembly should confirm the resources are available for these licenses to be expedited where possible to allow the projects that can otherwise meet the necessary restrictions to proceed.

Additional Items

Finally, two items from the EBAP that are more general in nature but still have a direct bearing on the work you are trying to accomplish today and that tie this work to your future plans are, supporting the data collection efforts of the Department of Public Service (DPS) and clarifying the General Assembly's position on CUDs.

Data Collection

DPS is doing relevant work coordinating with the Agency of Education and school districts to gather specific and actionable data about where unserved K12 homes are located. These data are necessary to execute CARES-funded

projects that adhere to the existing guidance from the US Treasury. This is an example of how the agency can support more data-driven decision-making now and in the future. CCG recommends the General Assembly support this function with adequate resources and staffing.

Communication Union Districts (CUDs)

The formation of Communication Union Districts (CUDs) is a strategy the legislature adopted to help support robust broadband development at the community level. The General Assembly's stance on the future role of these organizations directly impacts how you define the parameters of the CARES-funded infrastructure program. Work still needs to be done to solidify these positions so that the spending of the short-term pandemic resources ties back to your long-term plans.

Ongoing Issues not tied to CARES funding

Other issues raised in this document, such as the reverse auction mechanism, loans vs grants, mobile broadband, and the role of other fiber assets are important to be surfacing now so that public discussion can continue and help shape preparations for future funding opportunities. In our estimation, they should not distract from the General Assembly's immediate goal of defining a spending plan for CARES funding that best serves Vermont.

Thank you for the invitation and opportunity to provide you with input on the decisions before you.

Sincerely,

Danna MacKenzie
CCG Consulting, Inc.
dmackenzie@ccgcomm.com