

ECONOMIC RECOVERY

Revitalizing our County Economic Sectors Broadband Infrastructure Deployment Fund



- **WHAT:** The Broadband Infrastructure Deployment Fund (BIDF) will support programs and activities directed at accelerating “last mile” broadband access in Vermont, such as consumer line-extension subsidies and statewide pole-data harvesting, as well as grants and a revolving loan fund to finance infrastructure projects for facilities-based providers, such as Communications Union Districts (CUDs).
- **WHY:** As of January 2021, Vermont still has at least 46,558 locations that lack access to broadband service at the speed of at least 25/3 mbps – the federal definition of high-speed broadband. Popularly speaking, internet access is now seen as a necessary public utility service, on par with electricity and water. Universal broadband availability is essential for future economic development and preservation – particularly in rural parts of Vermont. Moreover, the COVID-19 Pandemic has underscored the inequity of the existing broadband access gaps, leaving too many Vermonters foreclosed from every day pursuits, such as telework, telehealth, telebanking, teleshopping, and remote learning and religious services, to name a few, as well as basic civic activities, such as local governance and other community service. Finally, universal broadband access is likely to play a constructive role in addressing climate change because it can obviate travel to everyday destinations, thereby reducing greenhouse gas emissions.
- **WHO:** Both low- and middle income Vermonters who have no access to broadband service of at least 25/3mbps and cannot readily afford a line-extension; and facilities-based providers such as CUDs who need start-up funding to defray upfront planning expenses or project construction costs and to otherwise qualify for financing via conventional lending institutions.
- **HOW:** The BIDF would serve as an incubator for accelerating “last mile” broadband deployment in Vermont by administering programs that support connectivity solutions such as line-extensions, as well as the planning and construction needed to deploy infrastructure for new broadband networks designed by facilities-based providers such as CUDs or other qualifying entities.
- **BIDF Programs:**
 - **Line-Extension Consumer Assistance Program (\$2.5 Million):** The LECAP responds directly to Vermonters who have already identified their need for improved broadband, but who cannot readily afford a line-extension. Thus, LECAP will fund broadband construction for immediate, known use. Using CRF monies, the Department launched the original LECAP in July of 2020 and successfully used it to fill in internet access gaps throughout Vermont where there simply is no economic case and therefore no good prospect for a cable company or internet service provider to extend its system.

Proposed grant levels:

\$1500 for individual applicants.

\$3000 for each participant in a 2-3 participant group.

\$3500 for each participant in a 3+ participant group.

Using this three-tiered award approach, LECAP will encourage communities/neighbors to work together in requesting line-extensions, which ultimately lowers the overall cost of the build, thereby maximizing the use of the program funding.

- **Statewide pole-data harvesting (\$1.5 Million):** The CUDs need reliable and detailed pole data in designing broadband networks. BIDF grants would fund contractors to harvest pole data in CUD territories and estimate make-ready costs and other features that could help CUDs plan and configure fiber builds.
- **Grants and revolving loan fund (\$16 Million):** Facilities-based providers such as the CUDs need start-up capital, both in the form of grants and loans, to fund deployment of broadband infrastructure.
- **BIDF Structure and Administration:** The BIDF would be modeled largely after the Clean Energy Development Fund (see 30 V.S.A. § 8015). It would be administered by the Department of Public Service and would sunset after 5 years.
 - The BIDF would have an executive director and a 7-member board (3 members appointed by the Governor, 2 appointed by the Senate Pro Tem, 2 appointed by the House Speaker).
 - The executive director would be a full-time exempt employee who reports to the Public Service Commissioner, who would be authorized to draw up to 5% of the total BIDF appropriation for administrative expenses over 5 years, including the BIDF executive director salary (not to exceed \$120,000/yr), and compensation for the BIDF board members, set as per 32 V.S.A. §1010(a).
 - The BIDF board would have decision-making and approval authority regarding the program designs, loans, and grant awards of the BIDF, subject to any applicable statutory criteria.
- **FUNDING:** A \$20 Million one-time general fund appropriation is included in the Governor's FY22 budget.