



Vermont Businesses
for Social Responsibility

February 17, 2021

Representative Timothy Briglin
Chair, House Committee on Energy and Technology
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Dear Chair Briglin,

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On behalf of Vermont Businesses for Social Responsibility, I'm writing to offer comments on the broadband bill currently under consideration in the House Committee on Energy and Technology. Living, working, and connecting in the 'new normal' of the COVID-19 pandemic has elevated the critical importance of high-speed internet access for our families, communities, and our shared economy. It has also put a spotlight on the perennial challenges our little state has faced in funding and deploying broadband in our more rural districts. VBSR thanks the Committee for your tireless work to invest in internet accessibility and advance community solutions that are future-proof, equitable, and commensurate with the needs of all Vermonters. While we support the intent of this legislation, we do have some concerns we'd like to share with the Committee, particularly as it relates to access to capital for CUDs and incumbent providers.

We applaud the Committee's vision for boosting the access and quality of highspeed Internet across Vermont. Ensuring universal access to broadband at speeds that meet the needs of the state's business community is essential to economic growth and sustainability. VBSR believes that building a network to every address in Vermont is possible and desirable, but it will require bold and decisive action by the state. This includes the investment of public funds to reach the last mile, coordination between CUDs and incumbent service providers, and the adoption of technology that anticipates the needs of Vermonters several years from now.

There are many parallels between broadband deployment and the expansion of electricity into rural America. National and state policymakers knew that power and lights were key in expanding the economy and improving quality of life. But the private sector was unwilling to make the investment to expand services to rural parts of the country, as it was a costly endeavor with little anticipated returns. The passage of the 1935 Rural Electrification Act recognized that this technology was actually a public and economic necessity.

Today, the lack of universal high-speed broadband in Vermont is holding back our economy and walling Vermont off from the rest of the world. Highspeed broadband is a critical component of several of our other top policy concerns:

- Achieving universal health care will not be possible without the proper infrastructure to connect patients, doctors and hospitals. Telemedicine can also help address many inequities with respect to access to care.
- Access to digital tools and online education is essential to the successful development of our future workforce especially while many of our children are attending school remotely.
- The advent of remote work can decrease vehicle miles traveled and help Vermont tackle the climate crisis and reach our emissions reduction goals.
- The type of sectors that thrive because of Vermont's unique features are especially dependent on a robust telecom infrastructure (e.g., education, creative economy, professional and intellectual services, tech sector, food and farm);
- Providing reliable, highspeed internet access would attract new constituencies of remote workers to Vermont—growing our economy, expanding our tax base, and diversifying our state.

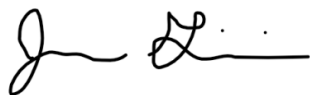
VBSR was an active supporter of Act 79 back in 2019—the bill that allowed the creation of CUDs, created the Broadband Innovation Grant Program within the Department of Public Service, and established the Broadband Expansion Loan Program within the Vermont Economic Development Authority. The Bill also allowed CUDs to enter into public-private partnerships with private Internet service providers (ISPs). Our support for this legislation was motivated not only by our desire to deploy reliable broadband to all Vermonters but a recognition that private, market-driven broadband deployment had left many rural Vermonters and businesses unserved or underserved because they didn't fit the return-on-investment model that commercial investors operate by.

The aforementioned issues persist today and the draft legislation up for consideration represents yet another strong step forward in supporting a more equitable, community-driven approach to broadband deployment. **Our primary concern with the proposal pertains to the Committee's decision to restrict grants and loans to CUDs only.**

VBSR is strongly supportive of channeling resources and technical assistance to CUDs. That said, blocking incumbent providers disregards the important role they play in building out broadband infrastructure in their service areas and fails to recognize that CUDs have different views of their respective mission and the role they want to play in broadband deployment. Some want to act as administrators and coordinators; others want to function as full ISPs; and others want to own broadband infrastructure but lease it to incumbent providers. **We urge the Committee to instead adopt language that would offer grants and loans to both CUDs and internet service providers who maintain formal public-private partnerships with CUDs and/or local municipalities. This approach would take advantage both the deep community knowledge, equity principles, and accountability CUDs bring to the table while also drawing on the existing technological expertise, experience, and business acumen of ISPs.** This would not only accelerate and incentivize fruitful partnerships but help give CUDs the tools needed to assist their communities long-term.

Thank you for your consideration of these comments. VBSR would like to offer our qualified support for this bill provided the Committee adopts the suggested changes outlined above. We are happy to answer questions and provide additional testimony as needed.

Sincerely,



Jordan Giaconia
Public Policy Manager