



Testimony of VPIRG Communications & Technology Director Zachary Tomanelli on the House Energy & Technology Committee Bill on Broadband Expansion

Testimony before the House Energy & Technology Committee
February 17, 2021

Introduction

Good morning. My name is Zachary Tomanelli and I am the Communications & Technology Director of VPIRG, the Vermont Public Interest Research Group. For nearly 50 years, VPIRG has advocated for the public interest in policy debates concerning the environment, health care, consumer protection, and democracy, and so I thank you for this opportunity to share our thoughts on the House Energy & Technology Broadband Committee Bill.

I'll start by noting that VPIRG is broadly supportive of this bill and urges full enactment of this bill this year.

Before touching on the key elements of the bill, I'd like to briefly explain VPIRG's interest in the topic of broadband connectivity.

As is perfectly clear to this committee by now, too many Vermonters do not have access to reliable, affordable, high-speed internet access. VPIRG joins those who have already noted that broadband connectivity is not a luxury – in 2021, it's a necessity.

It's how we conduct job searches, make important health decisions, maintain connections with friends and families, and become active participants in our democracy. And as technology advances (e.g. telehealth, e-commerce, etc) robust, high-speed connections will be critical to our health, safety and economic well-being. If this wasn't all already clear, the COVID-19 pandemic has thrown this issue into stark relief.

VPIRG actually has a long history of fighting for connectivity for Vermonters. In the 70s and 80s that meant universal phone service. And in 2021, that means fighting for high-speed internet.

Put most simply, universal access to affordable, world-class broadband (which we would define as technology capable of 100/100mbps speed with low latency and packet loss) is in the public interest.

VPIRG sees a solution in community-owned fiber networks – which in Vermont, largely means the Communications Union Districts. Because these networks don't need to satisfy shareholders, they are better able to provide universal service (in fact, that is their mission) -- reaching the houses that "aren't profitable." As a consumer protection organization, VPIRG is also aware of the consumer benefits associated with community broadband solutions. Studies have shown that these networks are much more consumer-friendly than the giant telecoms. On average, they're more-affordable and provide

better speeds than large telecoms¹ while prioritizing bedrock consumer protection principles like net neutrality and user privacy.

It's for these reasons that VPIRG was very supportive of Act 79 and appreciates the approach the committee has taken in this draft legislation. In our analysis of the legislation, it appears the committee is primarily attempting to accomplish three objectives with this bill:

- **Increase the capital** available to startup internet service providers, in particular the CUDs that may not have access to capital that private entities, or entities with longer track records, may have.
- **Increase the accountability** over the use of public dollars for broadband by directing those dollars through CUDs who have a mission of universal service in their regions.
- **Increase the coordination** amongst all providers (and other supporting entities) throughout the state that are seeking to expand broadband access, so as to accomplish the goal of universal connectivity quickly and efficiently.

It's VPIRG's position that this is the right approach to take – and we would urge the committee to keep these three principles in mind as it refines the bill. In other words, when making final decisions around the individual sections of the legislation asking, “Does this increase access to capital? Does it increase accountability? Does it increase coordination?”

With that, I'd like to take a look at these principles and highlight the components of the bill that we think are most critical to achieving these ends.

Increasing access to capital

Getting resources to entities working to provide universal broadband—particularly capital for the deployment of broadband infrastructure *and* particularly to entities that have less access to other sources of capital—is paramount.

To that end we are very supportive of the many elements of this bill that aim to do that, and some of the proposed appropriations that are also under consideration. In particular we support:

- The expansion of the VEDA loan program
- The establishment of a complementary subordinated loan program through the VCBA
- Continued assistance in the form of grants to the CUDs to support administrative needs, technical assistance, and pre-construction costs.

Increasing accountability & coordination

It's our position that these two principles are inextricably linked. From our perspective, the elements of the bill that most seek to address the need for greater accountability and coordination are 1.) the establishment of the Vermont Community Broadband Authority and 2.) the requirement that state

¹ Talbot, David, Kira Hessekiel, and Danielle Kehl. 2017. Community-Owned Fiber Networks: Value Leaders in America. Berkman Klein Center for Internet & Society Research Publication. <http://nrs.harvard.edu/urn-3:HUL.InstRepos:34623859>

public dollars in support of broadband flow through CUDs. Both serve to ensure that public investment in broadband actually move the state toward its goal of universal service, while encouraging collaboration between private entities and the CUDs to rapidly provide world-class broadband to unserved and underserved Vermonters. It's for this reason that we support both aspects of the proposed legislation.

With respect to the creation of the VCBA, we would, however, echo some of the concerns you've heard about the need for such an entity to be operationalized quickly. However, it appears the committee is working to address these concerns in revisions to the bill, and we'd support those ongoing efforts.

With respect to the requirement that public funds in support of broadband expansion flow through CUDs, we recognize this may be the aspect of the bill most likely to draw concern and opposition. Nevertheless, VPIRG would strongly encourage the committee to maintain this requirement.

In our view, this is perhaps the best tool the legislature has at its disposal to ensure that the buildout of broadband infrastructure proceeds in an accountable and coordinated manner so as to achieve true universal coverage. The alternative risks buildout happening sporadically, or only in individual towns, or only in the "easiest" hard-to-reach locations.

While we understand the temptation to make these dollars directly available to any entity that wants to be "part of the solution" – doing so in an unaccountable and uncoordinated manner risks undermining the feasibility of regional, universal-service oriented networks, therefore making it more difficult, perhaps impossible to serve the hardest-to-reach Vermonters.

Furthermore, it takes an essential tool off the table for encouraging cooperation between private entities and the CUDs. As far as we're aware, no CUD is planning to effectively "go-it-alone" when it comes to providing service to their territories. They will need to partner with operators and other potential entities (e.g. electric utilities) to realize universal service in their territory. In our opinion, requiring public dollars to flow through the CUDs *accelerates* those partnerships.

Conclusion

In summary, VPIRG appreciates the Committee's time and attention to this matter, and we broadly support the proposed legislation, noting those areas for further consideration. We urge you pass this legislation this year. Thank you for the opportunity to present this testimony.