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Testimony Before House Energy and Technology
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DVFiber - Overview of our Progress and Plans Going Forward

DVFiber chose to enter into a public/private partnership to extend 100/100 high speed fiber optic broadband to our underserved and unserved residences and business. DVFiber will own the network and has committed to universal service to all our 24 towns.

Universal service to us means

- availability of the fiber network to all
- strategies to keep costs to the customers as low as possible
- strategies for financial assistance for customers who need it

Progress to Date

1. After an RFP process, DVFiber has entered into agreement with Great Works Internet (GWI) to be our partner. Our job is to fund their work, and to oversee and hold them accountable for the work for which they are responsible:

- building the network
- operating the network
- helping us to develop our customer base
- DVFiber will be the ISP of record, but GWI will support us in that effort.

2. Working together, DVFiber and GWI have accomplished (WE HAVE BEEN BUSY!!):

- Negotiating our contractual relationship
- Applying for and being awarded Pre-Construction Grant by the VCBB
- Developing the high level design, nearly complete
- Beginning negotiations with GMP for make ready
- Building a Customer Relations Management platform
- Developing a variety of operating policy statements which the Governing Board has or will approve.
- Issuing an RFP for an Executive Director. Currently interviewing Candidates
- Issuing an RFP for Grants and Financial Management provider. Selected Brattleboro Development Credit Corp (BDCC), presently in contract negotiations. Previously BDCC provided grant management for the H.315 grant.
- Supporting the work of VCUDA
- Exploring strategies to provide financial support to qualified customers, possibly including:

- Joining with EAB, Equal Access to Broadband, a 501(c)(3) born out of the work of ECFiber.
- Private donations
- Possible work with Towns to use their ARPA funding

Next Steps

Near term we will complete pre-construction work and begin construction of the network with the intention of serving initial customers in 2022, depending on favorable timing and work force and materials availability. Specifically we will with our partner:

- Complete detailed engineering for Phase One of construction
- Coordinate with GMP to manage completion of Make Ready
- Go to bid for construction
- Work with VCUDA or independently to pre-order materials as much as possible to overcome long lead times
- Write and seek approval from the VBCC for a construction grant
- Establish internal operating and financial protocols with Executive Director and Grants Manager

Long Term Goals

Our long-term goal is to have sufficient customer revenue for a positive EBITA that will allow us to access Capital Markets for continued funding. VCBB has set the expectation that grant funding will cover 60% of costs with other sources of funding, primarily long-term debt, providing the rest.

Significant Concerns

- We are providing service where no commercial carriers have wanted to invest. Our markets are not commercially attractive.
- Our key strategic challenge had been start-up financing. The availability of significant grant funds has now changed the game.
- Our costs are increasing due to supply chain issues and inflation.
- When we have to issue debt to supplement grant funding, repayment of principal and interest will be a significant factor the prices we must charge.
- The more grant funds we have, the less we will have to charge customers.
- Marketplace competitors will expand slowly and selectively into our currently unserved and underserved areas. We are here to provide universal service precisely because they are slow and selective. But their increasing presence will be a competitive challenge. Keeping prices low will help us to succeed over the long term. Maximizing the amounts of grant funds will be one of the keys to our success.