

Testimony Before the Vermont House Committee on Ways and Means
H.360. Section 3802
March 10, 2021

My name is David Healy. Thank you for this opportunity to appear before you today. I am CVFiber's delegate from the Town of Calais. I chair the Planning and Development Committee. CVFiber is Central Vermont's Communication Union District. This 20-town district was established at various town meetings in 2018. Our mission is to bring very high-speed broadband to all our residents, businesses, and organizations.

This is the equivalent of bringing an essential service to all our communities as been proven in the current pandemic. As part of our planning efforts, we realized that the costs of building this network to everyone would take us a decade or more and cost \$30 million. We sought out WEC as a partner to help us speed up our efforts. It was a natural for us. Our mission mirrored their mission of 50 years ago of bringing electricity to everyone. In H.360 Creating the Vermont Community Broadband Authority, Section 3802. contains the provision that would exempt a utility's future fiber construction from the property tax if leased to a communications union district.

This exemption is critical to CVFiber's planned rollout of fiber to all premises. WEC can borrow \$23 million at 1.5% interest paid back over 30 years. CVFiber cannot borrow money like this. The current interest rate from a loan from VEDA is over 6%. This would greatly expedite bringing high-speed broadband and lower the cost to our residents and businesses as they could build the fiber network it in 3 years to their 41 communities. Without a property tax exemption, WEC would have to pass on those extra costs to us in a higher lease payment. This would increase the cost of providing the service and maybe make it unaffordable for our members. It is important to note that since CVFiber is considered a municipal entity we would no pay property taxes if we paid for the fiber network. From our position we think the provision in the bill is a reasonable and justifiable provision.

This partnership will also play a significant role in WEC's smart grid plan in managing its electrical service to all its premises.

Regarding potential broadband funding in the about to be passed American Rescue Plan I want make sure that the Committee is aware that even with the potential for \$10 million dollars that CVFiber might receive, we would still need to raise \$20 million to complete the network. So, our partnership with WEC is still essential to our success.

Thank you for your time.

Respectfully,

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