From: Leslie Nulty <leslie.nulty@mcfibervt.com>
Sent: Monday, April 12, 2021 10:05 AM
To: Faith Brown <FBrown@leg.state.vt.us>
Subject: [External] more on grants v loans

[External]

I thought the Committee might benefit from the discussion below from a highly respected and experienced industry consultant.

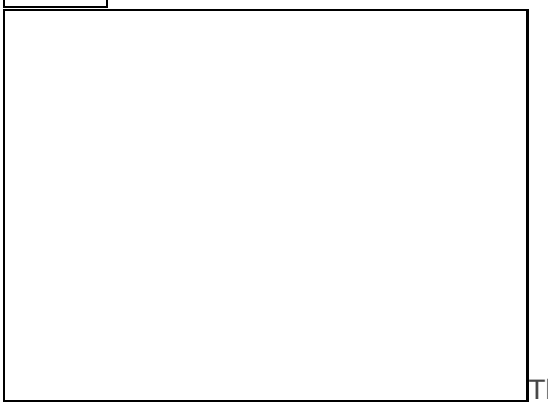
---------- Forwarded message ---------
From: **POTs and PANs** <donotreply@wordpress.com>
Date: Mon, Apr 12, 2021 at 7:31 AM
Subject: [New post] Focus on Sustainability
To: <leslie.nulty@mcfibervt.com>

CCGConsulting posted: "There are a few glaring holes in all federal broadband grants that have to do with how a grant recipient uses the network that was constructed with grant dollars. I wrote a recent blog that talks about the fact that most grants surprisingly don't have any"

New post on **POTs and PANs**

Focus on Sustainability

by CCGConsulting



There are a few glaring holes in all federal bro
network that was constructed with grant dollars. I wrote a recent blog that talks about the
grant recipient serve any customers in the grant area. For example, Starlink could take a
grant areas.

Even more amazingly, there is not any proof required that the grant money was all spent for the intended pu grants where the telcos self-report that they have completed the upgrades in each grant area – the telcos w spending. A lot of people, including me, think that the big telcos didn't make many of the required CAF II upg were really done. It would have been easy for the FCC to demand proof of capital expenditures showing the each of the grant areas. Such a requirement would have forced the telcos to do the needed work because it show up and ask to see some of the specific equipment that was claimed as installed.

Today's blog talks about the third missing element of federal; grants – grant recipients don't have to make a constructed. There is nothing to stop a grant recipient from taking the grant money, building the network, an any future capital.

All of the industry experts will tell you that a new fiber network will likely be relatively problem-free after you s or unless customer electronics go bad, there is not a lot of maintenance capital required for the first decade fiber cuts and storm damage and the inevitable things that happen in the real world, but fiber technology is s out of the box.

I wrote a blog recently that conjectured that a fiber network can be a hundred-year investment. But the key t treats a fiber network the way that the big telcos have treated copper networks, then new fiber networks will thirty years. Good maintenance means properly fixing fiber cuts with quality splices. It may mean replacing s problems that might have come from the factory or from improper handling during installation. But most impo replacing electronics.

Fiber electronics don't last forever. Manufacturers talk about a 7-year life on electronics, but they are in the b physical reason to replace customer electronics (ONT) as long as it keeps working, and we've already seen long as fifteen years. But my guess is that, on average, that electronics are going to require upgrades every

Luckily, it looks like many of the FTTP upgrades already on the market involve what we call an overlay. This new customer electronics while still being able to support the old equipment, as long as it's working well. Thi company can phase customers from old electronics to new over many years rather than going through the c lot of customers at the same time.

But back to the grants. Federal grants are going to turn out to be a total disaster if the companies receiving t build and maintain the network to keep it running for a hundred years. This won't become apparent for fiftee big problems in rural areas where customers on poorly maintained fiber networks go out of service and can't

It really bothers me to know that there are bad ISPs in the industry who are likely to take the grant money wi reinvesting in the networks. We know that cooperatives, small telco, and municipal network owners will be h

century from now. But amazingly, sustainability isn't part of the discussion or criteria in deciding which ISPs all ISPs are good corporate citizens even after some have proved repeatedly that they are not.

CCGConsulting | April 12, 2021 at 7:30 am | Categories: Regulation - What is it Good For? | URL: https://wp.me/p3kUkt-2N

Comment See all comments

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Best Regards,

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Mansfield Community Fiber believes that robust broadband is a vital necessity for community vitality and quality of life. We are dedicated to extending state-of-the art broadband communications to underserved rural areas of Vermont. We operate on the principles of a sustainable socially-responsible business, respecting the needs of people and planet as well as profit.