



Holly Groschner

Vermont Legislature

Finance Committee

April 1, 2021


Former General Counsel, VTA 2010-2014

30 Years Telecom Experience:

- Director, Downs Rachlin & Martin, utilities
- Vice President, Crown Castle International
- CEO, Vermont PBS

And nonprofit volunteer:

- Equal Access to Broadband, Board Chair
- EC Fiber (CUD), Governing Board



House 360 –
the fastest way to
change is **focus**

FOCUS: Broadband + CUDs; not the
Telecom Report or mobile service

Delivery: Annual reports;
Sunsets 2029

Performance Standards Set: §8086:
100mbps, affordability and shared facilities

CEO in Charge: Hired by the Board,
hires vendors and staff - flexibility

12 powers: aimed in the same
direction; **does not include construction!**



House 360— funding & transparency

Sections 8084 &
8087 Funding are
great for Broadband.

VEDA is key, so is
tax exemption for
electric companies

Recommendations:

1: §8087 pre-construction grants have
complicated criteria

2: §§8085(b), 3084 - no trade
secrets; no exclusivity

3: VCBA authority to fund long term
affordability planning

4: Allow VCBA Projects access to
government facilities or lands

5 - §7515b(b) Connectivity Initiative
held to same priorities as §8086



In Summary – House 360 VCBA > VTA

Improved over Original

1. Focused
2. Insulated from Politics
3. Sets Specific Grant Objectives

Recommendations:

- Affordability Planning Grants
- Access to State Property
- Transparency/Limit Secrecy



Senate 118 –
not the fastest way
to focus

(confusion=
status quo)

Too broad: broadband & mobile* telecom,
plus other assignments

Confusion: Requires sustainability &
competition; [Sunsets 2026](#)

Conflicts: Political Board includes natural
adversaries & recusals

Who's in Charge? Gov hires CEO, Board hires
vendors, staff. And, who runs the Broadband
Corps?

18 powers: Only five promote focus –
Telecom report & mapping distractions



Senate 118 – change for focus & transparency

Section 8085 Funding is great for Broadband

Recommendation 1: No grants to mobile* telecom –
Neither AT&T nor Verizon nor T-Mobile need it!

Recommendation 2: Funding should require shared
infrastructure, affordability, and information; **no trade
secrets**

Recommendation 3: Authority to Fund **long term
affordability**. (Broadband Corps is short term)

Recommendation 4: Allow VTA to **access
government facilities** (not merely “information and
cooperation”)



PUBLIC INVESTMENT IN BROADBAND should connect everyone

NEVER AGAIN!
Vermont's approach to a post-ARPA world needs a lasting system for broadband subsidies and connection to low-income households.



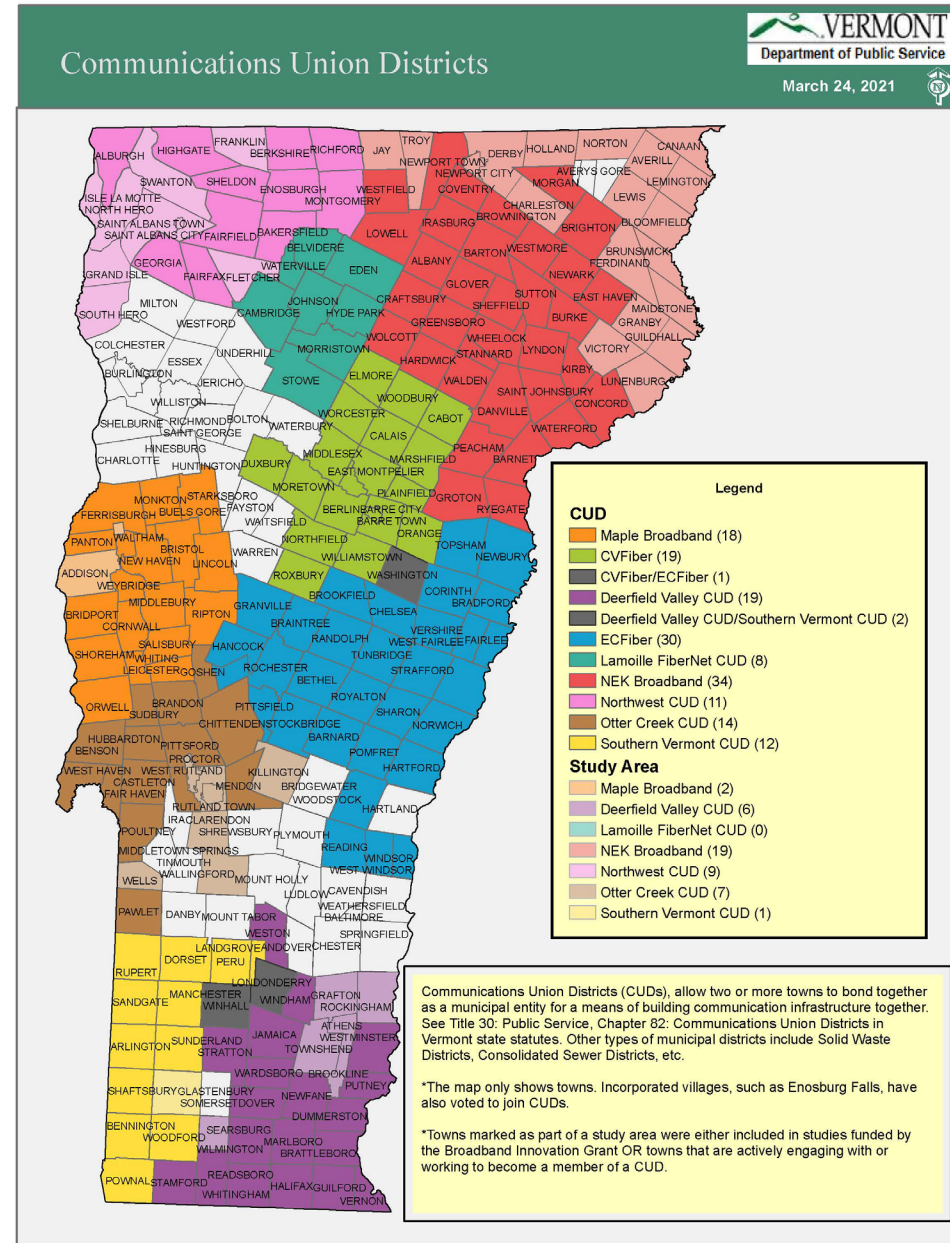
AFFORDABILITY RECOMMENDATION:

Plan and pay for
Affordability beyond
ARPA.

Partner with Community Action
Agencies and school districts
for a durable subsidy delivery
model.

Build CUD and ISP networks
with subsidy strategies that
leverage public investment.

Equal Access to
Broadband Inc.
we're not connected
until everyone can afford broadband





TODAY affordability is left to commercial carriers. There is no strategy.



WHERE, WHAT PROVIDER?

No one lets you know.



FINANCIAL MANAGEMENT
NEW COST

Fear, no guidance.



SUBSIDY UNKNOWN:

Carriers in Control of access



WAIT FOR PERMISSION:

Delivery unknown



TECH REFRESH:

Requires tech advice



A process for building a bridge to subsidized service: \$5M over 4 years

CREATE
PROCESS FOR
ENGAGEMENT

ACCESS DATA
FOR AGENCIES
& SCHOOLS

FORMALIZE
CASEWORKER
TRAINING

BUILD SUBSIDY
FUND WITH
LOCAL ISPs and
CUDs

SHARE COST OF
FUNDING &
ADMIN

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The community
action agency
RELATIONSHIP
is key

An effective Subsidy delivery
strategy addresses


Trust/ Access

Change/Technology

Confidence

Lifestyle Realities

Economic Advice



Subsidies cost
\$96 MILLION
over first 4
years.

Annual reserve
for subsidized
service for
small systems
\$2.5 - \$15M

- 40,000 low-income VT households served
- Subsidy pegged at \$50/month or \$600/year per household*
- Carriers capitalize the cost of installations & equipment*

Vermonters need \$24,000,000 ANNUALLY in service subsidies

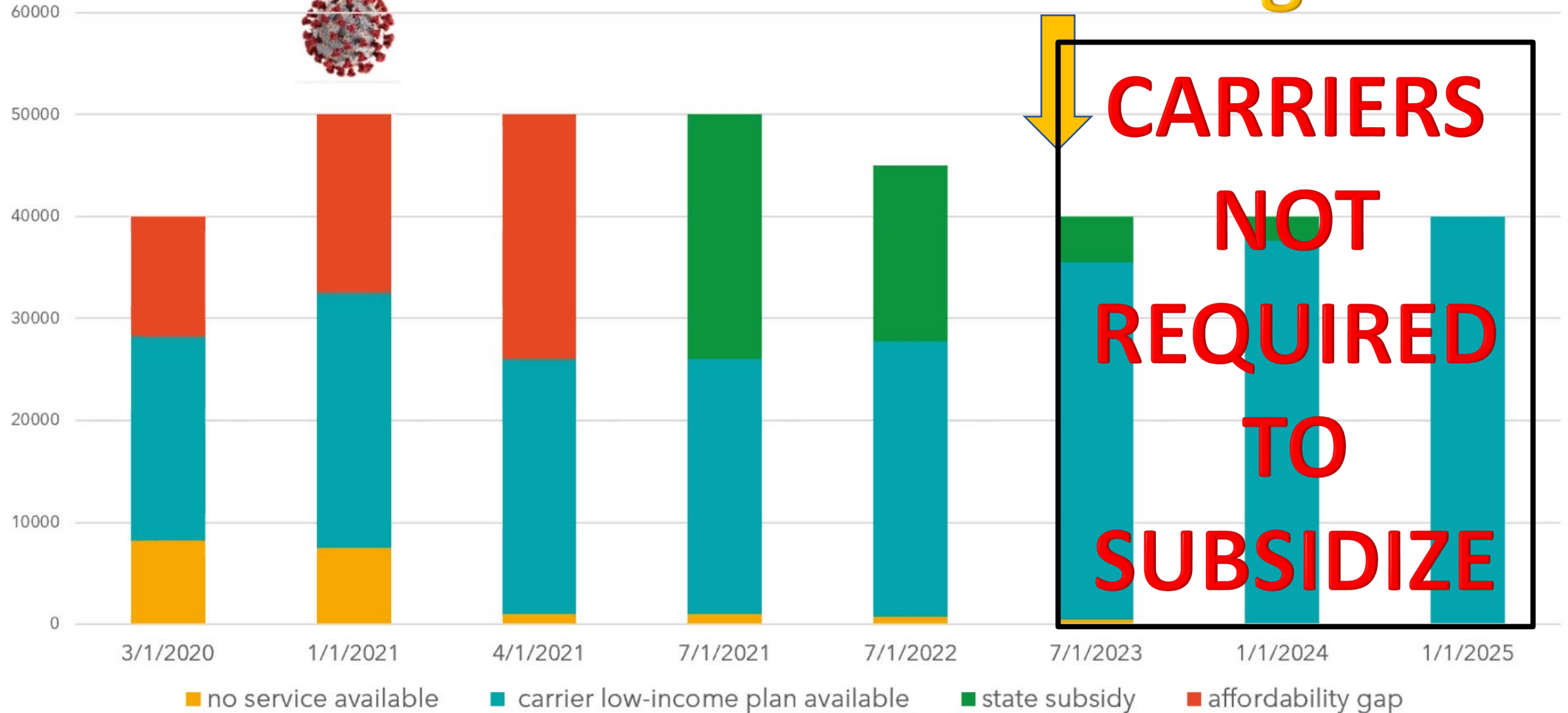
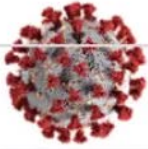
* For Starlink subsidies cost 3x more; build in preference for existing systems

- Existing commercial carriers' subsidies are voluntary and reimbursed by the FCC
- Only carriers (ISPs) that take ARPA money can be required to participate...and it increases their relative cost of service.

A planned approach ensures communities served by Vermont ISPs, independents and CUDs are included in subsidy reimbursements.

Closing the Broadband Affordability Gap

CUD fiber begins



**CARRIERS
NOT
REQUIRED
TO
SUBSIDIZE**

FCC Emergency Broadband Benefit

- A \$50/month subsidy
- Mobile providers, virtual providers, and cable providers

Vermont

Broadband Provider Name

AT&T

Champlain Broadband, LLC

Comcast Cable Communications, LLC

Cricket Wireless LLC

human-I-T

Selectel, Inc.

Verizon Communications Inc.

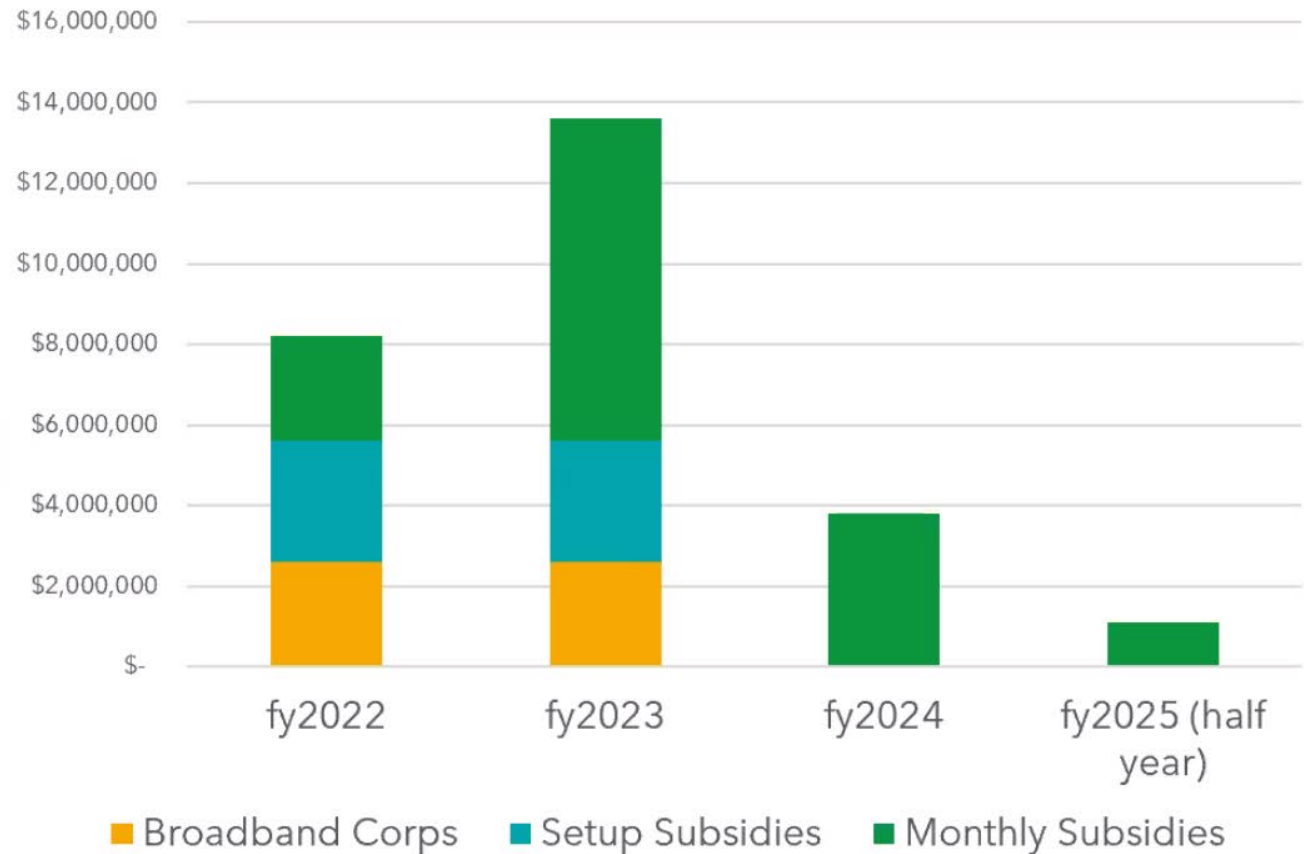
<https://www.fcc.gov/emergency-broadband-benefit-providers>

Broadband Equity

Now

Broadband
Subsidies
Sunset at the
End of 2024

State Expenditures from CARES and ARPA Funds



Subsidies Can't Sunset and include CUDs.



If building the broadband network is job one, making it affordable is job two.... and the job is **never** done.

Of the households that do not have access to the internet, **77% believe that internet service is too expensive or is not necessary for school**

US Dept of Ed

https://nces.ed.gov/programs/coe/indicator_cch.asp

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until everyone can afford broadband