



# VERMONT

---

## **VERMONT COMMUNITY BROADBAND BOARD**

**Presentation to the House Committee on the Environment and Energy**

**January 24, 2023**

Christine Hallquist, Executive Director

---

[HTTPS://PUBLICSERVICE.VERMONT.GOV/VCBB](https://publicservice.vermont.gov/vcbb)

# Budget Adjustment Act

---

**28) \$30,000,000 to the Public Service Department for the Vermont Community Broadband Board to be used to leverage federal dollars and programs, including the National Telecommunications and Information Administration (NTIA) broadband grant (Middle Mile), to reduce the overall cost of universal broadband access as described in Act71(2021).**

*EXPLANATION: \$30M represents the State match toward the \$114,164,581 NTIA grant application submitted on 9/30/22. Anticipated federal receipts are \$67,445,239 with additional cash and in-kind match provided by all VT fiber-optic networks benefiting from the Middle Mile infrastructure (FirstLight, ECFiber and NEK Broadband). The match must be secured as the time of awarding which is expected in March. If the grant is not awarded, the funds will be used to leverage other federal dollars or programs to reduce the overall cost of universal broadband access as described in Act71(2021).*

# Statewide Design & Leveraging Federal Funding

## ACT 71 § 8084a(6)

---

(6) The Board shall have all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including the power to:

(H) identify and publish State, federal, nonprofit, and any other broadband funding opportunities;

- (I) contract for a comprehensive, statewide fiber-optic engineering design to identify strategies that maximize fiber-optic buildout efficiency and ensure resiliency and interoperability of all existing fiber-optic networks built with public or ratepayer funds, and that takes into consideration all proposed publicly funded fiber-optic projects, the development of which shall not be required or impede the disbursement of grants under this chapter;

Annual Report also requires

“an update on its efforts to secure additional federal funds for broadband deployment”

# Funding Model

---

Grant funding and donations provide initial funding (~ 60%).

Rural Broadband is expensive, but on avg, statewide, every addl \$50M provided in grants reduces consumer rate by about \$10/mo.



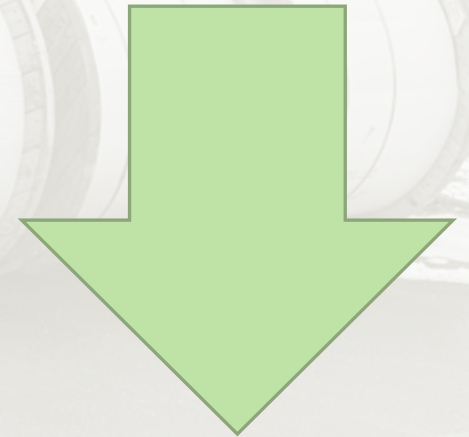
**Traditional Borrowing  
Consumer (loans, bonds)**



**= Higher  
Prices**

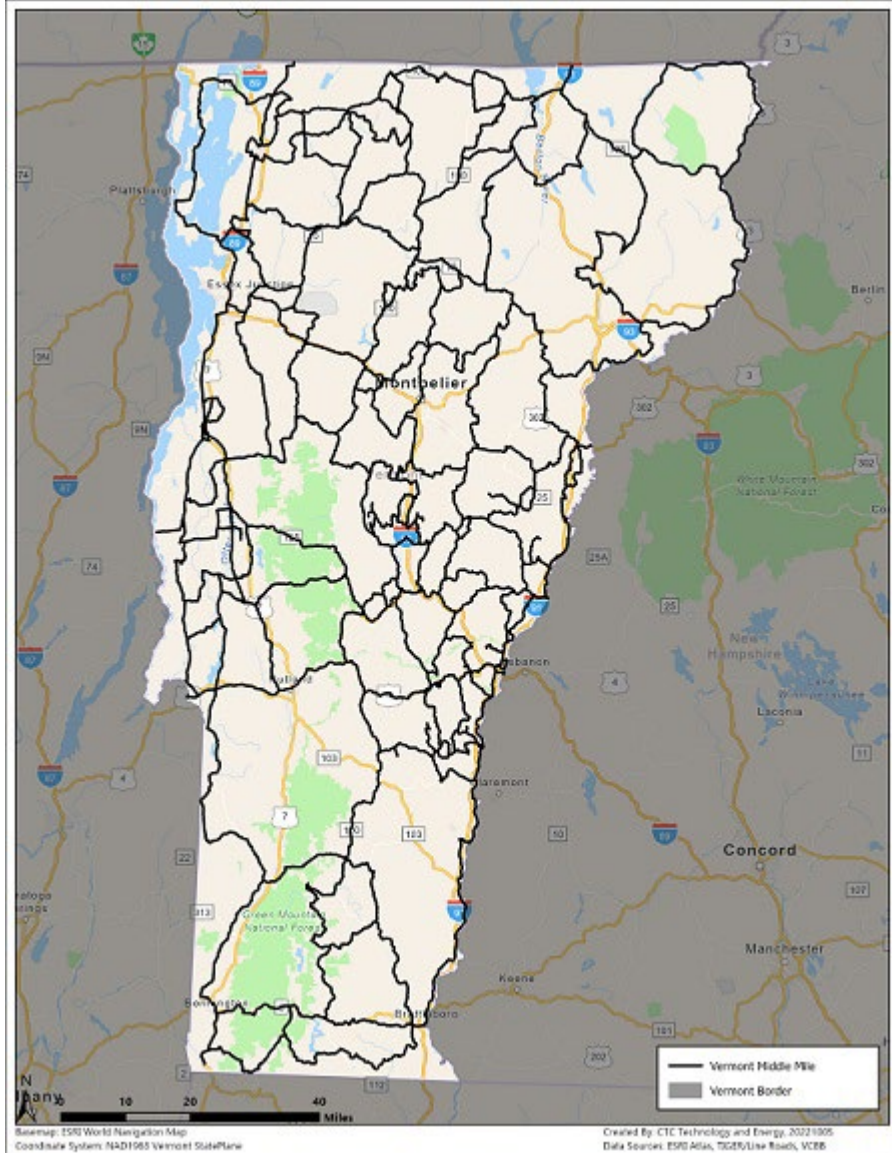


**Grants &  
Creative Finance**



**= Lower Prices for  
Consumers**

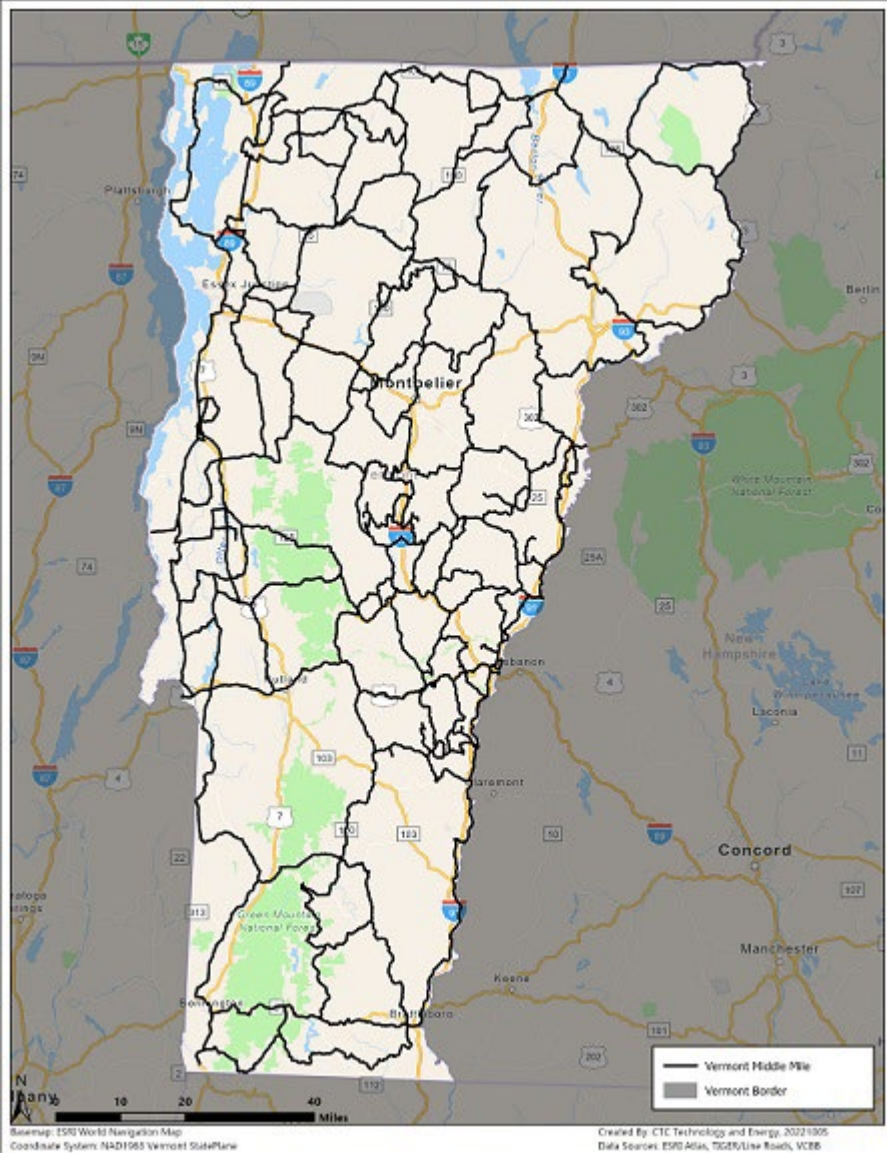
# Middle Mile



- As defined in Section I.B.9 of the NOFO, middle mile infrastructure means any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution; and includes— (i) leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services.

*For illustrative purposes only*

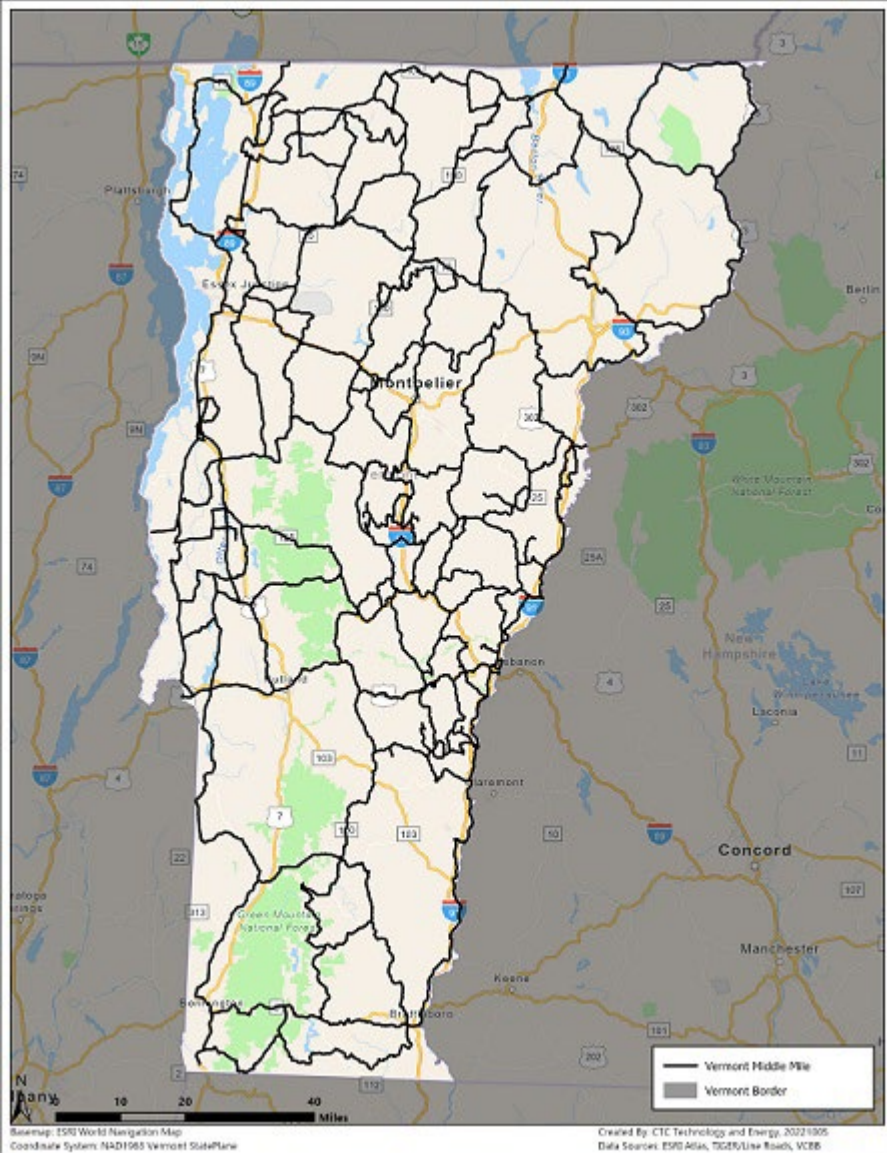
# Middle Mile Buildout



- Necessary infrastructure that accelerates deployment of last mile, reduces end cost to consumer.
  - Stretches ARPA funds
  - Reduces borrowing → Reduces financing costs → More affordable
  - Lowers bulk data costs
- Assures resiliency and redundancy of all networks.
  - Addresses public safety concerns around remote host isolation
  - Multiple interlinked connections within VT and across New England
  - Energy and Climate
  - Transportation
- Developed via discussions with CUDS and Private Telecoms
  - Public control via a Special Purpose Vehicle
  - Benefits all providers

*For illustrative purposes only*

# Middle Mile Application to NTIA



- \$114 Million federal grant to National Telecommunications and Information Association (NTIA) for Fiber-Optic Middle Mile Network
- Part of IJA's broadband programs
- \$30M cash match; \$16M in-kind match
- 1,663 miles total
  - 1,107 new miles
  - leverages previous state fiber
  - IRUs from telecoms and utilities
- This network must be built whether grant is received or not!

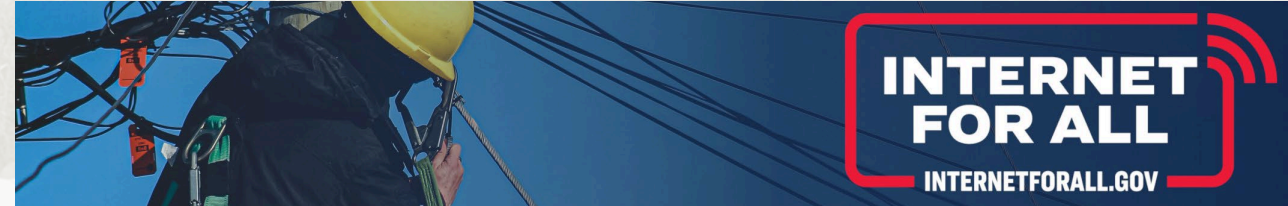
*For illustrative purposes only*

# Leveraging Other Federal Programs

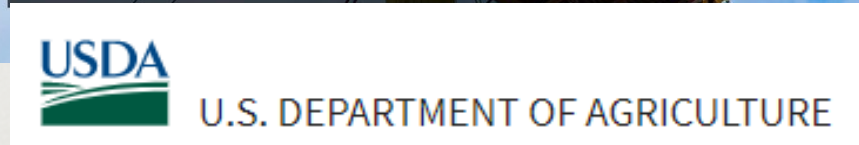
Grant funding to provide more initial funding

CUDs incur lower borrowing costs or borrow for less

Since CUDs are non-profit municipalities the capital savings are passed on to Vermonters



**ReConnect Loan and Grant Program**



**Grants &  
Creative Finance**

**=**



**Lower Prices for  
Consumers**



# Vermont Community Broadband Board

- *Questions?*

Christine Hallquist, Executive Director  
Vermont Community Broadband Board  
[Christine.Hallquist@vermont.gov](mailto:Christine.Hallquist@vermont.gov)

Communications Union Districts  
Contact info:  
<https://publicservice.vermont.gov/content/vermont-communications-union-districts>

