



**To:** Senate Committee on Finance, Sen. Ann Cummings, Chair  
House Committee on Commerce and Economic Development, Rep. Michael Marcotte, Chair  
House Committee on Energy and Digital Infrastructure, Rep. Kathleen James, Chair

**CC:** Kerrick Johnson, Commissioner, Department of Public Service

Cassie Polhemus, CEO, Vermont Economic Development Authority

**From:** Sam Buckley, Director Energy & Broadband Lending, Vermont Economic Development Authority

**Date:** February 24, 2025

**Re:** Report on Broadband Expansion Loan Program (Act 79) – Calendar Year 2024

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Act 79 (H.513) enacted in June 2019 created The Broadband Expansion Loan Program within the Vermont Economic Development Authority (VEDA). Among the requirements of the Act, VEDA must submit a report annually on its Broadband Loan portfolio to the above-named committees of jurisdiction. This report serves to comply with the reporting requirements of the Act.

The relevant section of the Act is copied here for reference:

*No. 79. An act relating to broadband deployment throughout Vermont (H.513)*

*(d) On or before January 1, 2020, and annually thereafter, the Authority shall submit a report of its activities pursuant to this section to the Senate Committee on Finance and the House Committees on Commerce and Economic Development and on Energy and Technology. Each report shall include operating and financial statements for the two most recently concluded State fiscal years. In addition, each report shall include information on the Program portfolio, including the number of projects financed; the amount, terms, and repayment status of each loan; and a description of the broadband projects financed in whole or in part by the Program.*

**Summary of lending activity since last report:** During the calendar year 2024, VEDA closed one Broadband Expansion loan to NEK Community Broadband for \$4,000,000. No disbursements have been made on this loan to date.

The table below provides key loan terms for the loans and commitments in the portfolio:

<b>Borrower</b>	<b>Closed Date</b>	<b>Approved Commitment</b>	<b>Balance Outstanding at 12/31/2024</b>	<b>Term (Years)</b>	
1. MCF	12/20/2019	\$405,000	\$410,619	10.5	
2. MCF	7/9/2020	\$837,000	\$883,976	10	
3. Town of Fletcher (MCF is Guarantor)	5/20/2021	\$480,200	\$505,746	10	
4. MCF	4/15/2021	\$2,077,000	\$2,169,054	10	
5. NEK Community BB	6/24/2024	\$4,000,000	\$0	10	
<b>Total:</b>		<b>\$7,799,200</b>	<b>\$3,262,062</b>		

All loans are performing as agreed. It should be noted that the loans to Mansfield Community Fiber (1,2 & 4) were granted an additional 14 month principal deferral from 4/1/2024-6/1/2025 to address cash flow issues created from previous delays and competition from Consolidated Communications. The company has been making monthly interest payments and capacity for resuming principal payments will be evaluated prior to the expiration of the principal deferral period.

1. The **\$405,000 loan** to MCF is part of a \$676,000 project to expand approximately 21 miles of fiber to the premises (FTTP) to 276 potential customers currently unserved or underserved by fiber broadband access in the towns of Cambridge and Fletcher.

2. The **\$837,000 loan** to MCF is part of a \$1 million project to complete approximately 39 miles of FTTP to 507 potential customers in Fairfax who are currently unserved or underserved by fiber broadband access.

3. The **\$480,200 loan** to the Town of Fletcher is part of a \$1 million project to extend FTTP to unserved or underserved addresses in the town. MCF will build and operate approximately 28 additional miles reaching 240 additional potential customers and will guarantee VEDA's loan to the Town of Fletcher. A grant from the Northern Border Regional Commission will provide a portion of the project funding.

4. The **\$2,077,000 loan** to MCF is partial financing of a \$2.9MM project to extend MCF's fiber-to-the- premises (FTTP) network in the towns of Fairfield, Sheldon, Waterville, and Belvidere. The Project will also further build-out networks in towns in which MCF already has an existing network including the areas of northeastern and southwestern Cambridge. The total Project will result in 106 miles of network infrastructure built out passing approximately 1,272 premises. MCF's total network following the completion of the Project will encompass 228 miles of fiber infrastructure passing approximately 2,617 premises.

5. The **\$4,000,000 approval** to the NEK Community Broadband CUD is part of a \$20 million project to build out 350 miles of fiber passing 5,128 homes in the least populated areas in the Northeast Kingdom. The \$4MM commitment along with an additional \$1.821MM loan commitment under VEDA's Subchapter 5 program allowed NEK to obtain \$17.5MM in matching grant funds from the USDA.

(Please note: As required by 10 V.S.A. § 280ee (c) 3, VEDA consults with the Department of Public Service on every loan application.)