

VERMONT COMMUNITY BROADBAND BOARD

House Energy and Digital Infrastructure - January 29, 2025

Christine Hallquist, Executive Director Rob Fish, Deputy Director

HTTPS://PUBLICSERVICE.VERMONT.GOV/VCBB



<u>Connected Documentary Teaser – YouTube</u> Connected Documentary: Full Film (youtube.com)

Community Broadband is about Vermonters.

Led by experts and hundreds of community volunteers, Vermont and its Communications Union Districts are on the move, delivering world class broadband where it has never been available before.





VERMONT COMMUNITY BROADBAND BOARD

The VCBB was created to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.





Patty Richards, Chair

- Patty.Richards@partner.vermont.gov
- President of Richards Innovative Services in Energy





Members



Dan Nelson, Vice Chair

- Dan.Nelson@partner.vermont.gov
- serves as Chief Technology Officer for Vermont Electric Power Company (VELCO)



Brian Otley

- Brian.Otley@partner.vermont.gov
- served as Chief Operating Officer at Green Mountain Power



Laura Sibilia

- Laura.Sibilia@partner.vermont.gov
- serves as a State Representative and **Director of Regional Economic** Development Strategies at the **Brattleboro Development Credit** Corporation



Sarah Hofmann

- Sarah.Hofmann@partner.vermont.gov
- served on the Vermont Public Utility Commission, the National Association of Regulatory Utility Commissioners Board of Directors, the Telecommunications Committee and the Subcommittee on Nuclear Issues

Act 71 (2021) - 30 V.S.A §§ 8081 - 8089

- Intent direct public resources to the development of public broadband and develop mechanisms to support the CUDs and the broadband buildout in VT.
- **Purpose** –support policies and programs that accelerate community efforts that advance universal access to broadband. Also establishes the VCBB to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.
- Powers includes an illustrative list of powers for the VCBB that does not preclude the Board "exercising all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter."

Additional Authority



Approved Grants

- Broadband Equity, Access, and Deployment (BEAD) Program
- Digital Equity Capacity Grant
- Northern Border Regional Commission Rural Forest Economy Grant Leveraging Funds/Creative Financing
- Northern Border Regional Commission State Capacity Grant

Other Legislation

- Broadband Financing Program (Sec. B.11100 FY 2021 One Time General)
- 30 V.S.A. § § 3051-3085 Creation of CUDs (2015)
- BAA (2024) Restoring \$30M in Match for Federal Grants
- Act 79 of 2019 An act relating to broadband deployment throughout VT Grant programs and Rural Broadband Technical Assistance Specialist

Meeting the Intent and Goals of Act 71

"Universal Service" -Connect every underserved on-grid Vermonter to 100 Mbps symmetrical broadband Provide funding, shared resources, and facilitate partnerships on behalf of the Communications Union Districts

Provide grants for the preconstruction and construction costs of broadband projects for eligible providers;

Ensure all Vermonter Benefit – Digital Empowerment and Digital Opportunities

Address workforce and material shortages

Identify State, federal, nonprofit, and private broadband funding opportunities

Ensuring all projects become independent & sustainable over time



Sources of Funds

- American Rescue Plan Act (ARPA) \$253M obligated *includes \$8M in ARPA interest
- Broadband Equity, Access, and Deployment (BEAD) - \$229M *plus \$30M VT General Funds for Match
- Digital Equity \$5.8M

Other Sources of Funds:

- \$3.5 million in NBRC grants (Capacity, Shared Services SPISES, Finance)
- ~\$3 million through USF for VCBB Capacity
- \$1.242M through USF for Connectivity Initiative
- \$1.2 million in CUD Leveraging Financing (VT General Funds)

Note: NEKCV has leveraged \$17.5M in USDA ReConnect Grants and \$2.8M USDA Community Connect Grants

In total the state has received \$545 million in Broadband Funding

Board Approved 2024 Grant Programs and Grantees

Programs

- Act 71 Construction Grant Program
- Act 71 PreConstruction Grant Program
- ARPA Town Match Program
- BEAD Potential Subrecipient Support Program
- Leveraging Federal Funds (\$30M State match)
- Broadband Financing Program
- Securing the Public Interest through Shared Expertise and Services (SPISES) Program

Grantees

- Northwest Fiberworx
- Maple Broadband
- DVFiber
- CVFiber
- Lamoille FiberNet
- ECFiber
- NEK Broadband
- Chittenden County CUD
- Otter Creek CUD
- Southern Vermont CUD
- WCVT

Funding Dashboard https://vcbb.maps.arcgis.com/apps/dashboar ds/75eb5dd3e4454c18a31ef25d97b3d3da



Accountability - Construction Grant Review

CUD

- 3rd party review
- Confirmation of a sustainable business plan (cash flow positive by year 4)
- Consumer Protections
- Confirmation of Universal Service
- Compliance with Outside Plant Design Standards
- Ensure minimal "overbuild"
- Final inspection before final payment

CUD + Private Partner

- 3rd party review
- Private match required (60/40%)
- Preference for public ownership of grant funded infrastructure
- Enforceable consumer protection agreements
- Capacity Support from Internet Service Provider
- Compliance with Outside Plant Design Standards
- Work with other existing providers to ensure universal service
- Final Inspection before final payment





Communications Union Districts



Progress

• 9 Districts

Broadband Board

- 216 Member Towns
- 428 Volunteer Board Representatives & Alternates
- More than 76% the state's population
- 93% of premises statewide without access to 25/3
- 76% of all serviceable addresses
- All CUDs awarded construction grants
- 3 nearing universal service
- 4 in construction
- 1-2 starting construction in 2025



VERNONT VCBB Act 71 Grant Funding



https://vcbb.maps.arcgis.com/apps/dashboards/75eb5dd3e4454c18a31ef25d97b3d3da

\$199.24M

Total Awarded for Construction Grant

\$30.38M

Total Awarded for Pre-Construction Grant

\$9.8M

Total Awarded for Pre-Project Material

\$92.01M

Progress



PDS data as of June 2024 (construction continued throughout Summer &



What's Next at VCBB

Broadband Equity, Access, and Deployment (BEAD)

- \$42.45 billion nationwide to expand high-speed internet access by funding planning, infrastructure, deployment, and adoption programs
- \$229 million for VT (VT expected ~ \$125M!)
- Competitive program
- Cover BOTH On and Off Grid Address
- 100/20 Mbps required; Fiber first!
- Funds must first cover All Unserved (including off-grid); then Underserved; then Community Anchor Institutions (CAIs)
- Funds likely available late 2025*



What's Next – Digital Empowerment





- The State of Vermont seeks to ensure every individual in Vermont has high-quality, accessible, affordable technology resources.
- Key elements of program:
- Research
- Grants to organizations
- Devices
- Digital navigator program
- Workforce Training

What's Next at VCBB Affordability and Sustainability



Long Drop Program

- Cover extra cost to connect low-income Vermonters who live more than ~400 ft from the fiber along their road, including underground drops.
- Costs up to several thousands of dollars for aerial drops and more for underground drops where required, such as in manufactured home communities.
- Increases affordability and assists CUD business plans by removing a barrier to getting more customers to sign up for service.

Flexible Financing

- Exploring ideas to leverage funds to ensure sustainability, affordability, and longevity of Vermont's community broadband expansion.
- Aligns with the NBRC Leveraging Financing Grant and Auditor Recommendations.
- Aligns with the intent of the VCBB "all projects become financially self sustainable" –

Grants → Favorable Financing → Market Financing/Bonds → Revenue

Ensuring All Vermonters Benefit from Broadband Expansion







Additional Policy Issues



 Regulation – Performance, Privacy, and Consumer Protections



 Approaches to Affordability – End of the Affordable Connectivity Program, NY State approach, USF



 The End of Copper – Carrier of Last Resort implications, Battery Back Up, etc.



Key Takeaways

- \$545 Million in Broadband grants
- Vermont will achieve Universal Service ahead of schedule*
- Now working to maximize the social benefits of broadband for all Vermonters
 - > Telehealth
 - Reducing climate change
 - Smart agriculture
 - > Workforce development
 - Digital Empowerment





Thank you!

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