



FOR IMMEDIATE RELEASE

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INNOVATIVE PUBLIC–PRIVATE EFFORT TO ACCELERATE FIBER BROADBAND CONSTRUCTION

VSECU, Vermont Community Foundation, Vermont Communications Union Districts Association (VCUDA) Deal Provides Communications Union Districts (CUDs) Access to Fiber Optic Cable in Time for 2022 Construction Season at a Substantial Cost Savings

Montpelier, Vermont – Christine Hallquist, Executive Director of the Vermont Community Broadband Board (VCBB) announced today that the Vermont State Employees Credit Union (VSECU), the Vermont Community Foundation (VCF), and Vermont’s Communication Union Districts Association (VCUDA) have partnered to purchase over 1,000 miles of fiber-optic cable in time for the 2022 construction season in conjunction with a 1,000 mile purchase by NEK Broadband, the state’s largest Communications Union District (CUD). The 2,000 miles of cable will be used to build publicly owned broadband networks across the state of Vermont.

Hallquist says that “this partnership provides the capital necessary to make the fiber optic cable purchase in advance of grants to be issued early in 2022. The substantial cost savings will also allow the Communications Union Districts to build out to more addresses providing Vermonters with access to fast, affordable, internet access.”

This purchase comes at a critical moment. Supply chain issues and the influx of federal funds to build fiber optic networks have resulted in long wait times for delivery, in some instances as long as 52 weeks. According to CCG, a telecommunications consulting firm, and discussions with distributors, pricing for domestically produced fiber, as required by the American Rescue Plan Act (ARPA), is soaring. The National Rural Telecommunications Cooperative (NRTC) is providing this fiber at a fixed price but expects their prices to increase by 35% early next year. The fiber purchased by VCUDA and NEK Broadband this month will begin to arrive in the spring of 2022.

The nearly seven-million-dollar combined purchase would not have been possible without the support of funding partners VSECU and the Vermont Community Foundation. Both institutions demonstrate their community-first values with this effort to bring high-speed internet to every Vermonter.

“Rural broadband is key to connecting individuals and communities across the state with each other and the larger world. Increasing connectivity builds opportunities for education, civic engagement, and business development,” said Greg Huysman, Director of Business Lending and Services at VSECU. “We encourage all of our members to do what they can to save money while taking on the challenges of life and business. It is a challenge to get high quality broadband access to rural Vermonters. We are here, as part of this community, to take on that challenge.”

“The Vermont Community Foundation and our family of funds are committed to expanding Vermonters’ access to affordable broadband so everyone can lead full lives in today’s connected world,” said Dan Smith, President and CEO of the Vermont Community Foundation. “It is the creative work of forward-thinking partners like the Vermont Community Broadband Board and VSECU that will make universal broadband in Vermont a reality.”

Six of the nine CUDs will be receiving fiber optic cable as part of the purchase. Each District will receive enough fiber to complete current construction plans for 2022, and in some cases the supply may hold until the 2023 construction season as well. All of the CUDs will benefit from the savings and expedited construction timeline that the bulk purchase supports.

According to F. X. Flinn, Chair of the Vermont Communications Union Districts Association (VCUDA), “We’re grateful the VCF and VSECU stepped up to help us place these orders even though our construction grants from the VCBB have not been finalized yet. This assures the CUDs who are ready to start building in the spring will have the materials they need at reasonable cost. The VCBB is fast becoming the USA’s leader in deploying the ARPA broadband funds, and their participation and encouragement in bringing this deal together is a notable achievement.”

NEK Broadband, the most rural CUD, is a member of the National Rural Telecommunications Cooperative and has contracted NRTC for design and construction management in addition to some material procurement. NEK Broadband’s 1,050-mile purchase of fiber optics, backed by a full line of credit from Community National Bank, provided the additional support for financing the statewide effort.

Christa Shute, Executive Director of NEK Broadband, stated that “NEK Broadband is very pleased that we could leverage our partnerships to help other CUDs make a larger purchase of a critical material that will in turn accelerate the provisioning of fast internet service to our state’s many underserved residents.”

According to Vermont Community Broadband Board’s Deputy Director Robert Fish, “Securing additional financing and funding is necessary to accelerate the purchase of other materials and to secure a workforce for the coming year. We’ve said from the beginning that this is an ‘all hands on deck’ moment to capture and leverage resources from the state and federal government, private

institutions, and municipalities across the state. With innovative solutions and the continued support of Vermont institutions, the effort to connect every Vermonter to affordable, high-speed internet will continue to accelerate in 2022.”

“This is only the first of many such joint purchasing arrangements VCUDA will help facilitate,” said VCUDA Program Coordinator Will Anderson. “Beyond the materials issue, we are also looking forward to partnering with these and other institutions to address two of the greatest challenges still facing the CUDs: the need for adequate capital to fund construction, and the need for an additional workforce to carry out that construction as efficiently as possible.”

According to Christine Hallquist, Executive Director of the Vermont Community Broadband Board, “Addressing labor concerns is the next challenge the partners will tackle. The Vermont Community Broadband Board and other partners are working to create a tremendous opportunity for many Vermonters to move into the growing field of technology and telecommunications, but statewide legislative support will be needed to help seed a ‘Pay it Forward’ plan to help Vermonters transition from low paying jobs – to these high paying careers.”

Towns and financial institutions interested in helping CUDs secure the next construction season and providing additional support via grants, letters of credit or supporting a Pay it Forward Fund, should contact Adam Bornstein, Mission Investment Manager at the Vermont Community Foundation at (802) 388-3355 or abornstein@vermontcf.org or Will Anderson, Program Coordinator at VCUDA at (802) 552-0273 or programcoordinator@vcuda.org.

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