

VCBB Board Resolution Instructing Staff to Develop a Long and Underground Drops Program

(Adopted September 9, 2024)

WHEREAS, the Vermont Community Broadband Board (VCBB) surveyed Act 71 Eligible Providers with approved Universal Service Plans (Providers) and determined that concern with respect to the ability to cover the cost of nonstandard long and underground drops (Long Drops) beyond the standard drop is a top priority for most CUDs; and

WHEREAS, Act 71 of 2021 indicates a legislative intent that a broadband project financed under the Broadband Construction Grant Program demonstrate an economically sustainable business model that will ultimately be eligible for financing in the private or municipal bond market; and

WHEREAS, VCBB staff have found that there are nearly 1,000 locations (likely more) along constructed Provider broadband routes where a customer would have requested service, but cannot afford to fund the construction of the Long Drop necessary to do so; and

WHEREAS, Staff anticipate that the alleviation of this affordability barrier will positively impact Provider business plans by increasing take-rates and converting pre-sign-ups to paying customers; and

WHEREAS, Staff expect that covering the cost of Long Drops will bring the State closer to meeting its universal service goals under Act 71 by improving business plans and increasing customer satisfaction; and

WHEREAS, Act 71 expressly authorizes the Board to “develop policies or recommend to the General Assembly programs that promote access to affordable broadband service plans” and requires the Board to prioritize grant applications that “provide consumers with affordable service options” and “support low income or disadvantaged communities (See 30 V.S.A. § 8084(a)(6)(F)” and 30 V.S.A. § 8086, respectively.)

NOW THEREFORE, the Board hereby resolves the following:

1. The extra expense associated with Long Drops is a barrier to affordable service; and that
2. Covering the cost of aerial and underground drops is a best practice that supports the implementation of universal broadband service, is a requirement of upcoming federal programs and should be encouraged and incentivized; and that

3. The Board therefore authorizes Staff to develop a Low-Income Long and Underground Drop Program using up to \$2.5 million in ARPA CPF funding (and the remaining funds in the Connectivity Initiative) for Board approval as soon as possible open to all entities with approved Universal Service Plans (ARPA CPF) and all CUDs (Connectivity Initiative).
4. Furthermore, the Board authorizes staff to further prioritize consideration of funding for the following addresses:
 - Manufactured home communities
 - Pre-signed up customers at eligible addresses who commit to a service contract of at least 6 months by December 30, 2024.
 - Low Income Vermonters eligible for other state assistance programs.