

Vermont Community Broadband Board
Board Packet Executive Summary
April 25, 2022
Christine Hallquist, Executive Director
Phone – 802-636-7853
Email – christine.hallquist@vermont.gov

GIS Platform Presentation

Staff has been working closely with Stone Environmental to develop a comprehensive GIS package that can be used to;

- Keep the public informed
- Provide updates to the Board
- Simplify reporting from the CUDs
- Provide the highest quality and timely information as possible

Stone Environmental and staff have been working with the CUDs to provide feedback on data standards and reporting and has incorporated feedback into the design of the reporting platform. Stone will take feedback from the Board and we will incorporate that feedback into the design.

The next step will be to create an interface to the CUDs. Staff has been investigating a few Field Work Management systems that can be incorporated into the VCBB GIS reporting package. These systems can simplify the CUD reporting process by uploading the output of the Work Management System to the GIS reporting system.

NEK Broadband Act 71 Construction Program Phase One Grant Request

The VCBB staff recommends the Board to approve the NEK Broadband grant request of \$15,899,089 Checklist is included.

Here are some key attributes of this proposal:

- Phase 1 project 1 covers 214.5 of an estimated 2500 mile + network
- The total costs for the entire NEK network is expected to be between \$165 Million and \$185 millions
- The cost per mile for the entire NEK network is around \$67K/mile. This region has a high percentage of cross-country poles which makes construction more expensive than the average projection of \$55k/mile. That average cost is now six months old as well.
- This phase one request will provide an opportunity to connect 1479 under and un-served addresses
- The total addresses passed in this phase is 2101

Bolton/WCVT Act 71 Construction Program Grant Request

The VCBB staff recommends the Board to approve the WCVT grant request of \$421,093.69. The total network costs is \$1,918,897. The remaining funds consist of Local Fiscal Recovery (Town of Bolton) and an investment by WCVT. Checklist is included.

Here are some key attributes of this proposal:

- The network is a replacement of the WCVT copper network; therefore, make-ready is minimal.
- The total network costs are \$1,918,897.00
- The town of Bolton is contributing \$200K (10%)
- The VCBB is contributing \$421,093.69 (22%)
- WCVT is investing \$1,297,803.31 (68%)
- The network will extend to cover an additional 271 underserved addresses.
- The ARPA cost per under and unserved address is \$1816. This is roughly 1/3 of what we expect for a per address cost. Estimated state average is \$8870 (the CUDs are expected to request 60% of that cost, or \$5323).

Vermont Community Broadband Board Meeting

April 25, 12:00pm – 4:00pm

AGENDA

Meetings are being held virtually.
Join by video <https://bit.ly/3L8LIZs>
Join by Phone; +1 802-828-7667, 389833626#

Note: there may be additional executive sessions as needed

- | | |
|-------|--|
| 12:00 | 1) Meeting call to order and roll call |
| 12:05 | 2) Approval of the April 11, 2022 draft minutes |
| 12:10 | 3) GIS Platform Presentation -- <i>Stone Environmental, Staff</i> |
| 12:45 | 4) Construction Grant Reviews - <i>NEK Broadband, CTC, Staff</i>
<i>Executive Session: Premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)1)</i> |
| 1:45 | 5) Construction Grant Review - <i>Bolton/WVCT, Staff</i>
<i>Executive Session: Premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)1)</i> |
| 2:45 | 6) Staff updates <ul style="list-style-type: none">• Proposed state budget allocation for the VCBB• Legislative<ul style="list-style-type: none">○ Legislation Followed• Legal/Policy<ul style="list-style-type: none">○ Material Default○ Signature Authority• Grant Programs<ul style="list-style-type: none">○ Pre-Construction Amendments○ Eligibility & Construction Grant Applications○ Maple Broadband Proposal |
| 3:15 | 7) VCUDA update |
| 3:35 | 8) Public Input |
| 3:50 | 9) Parking Lot & Upcoming Agenda Items |
| 4:00 | 10) Motion to adjourn |

Press inquiries; please contact Rob Fish, Robert.fish@vermont.gov 802-522-2617

Vermont Community Broadband Board Draft Meeting Minutes
Meetings are being held virtually.
April 11, 2022

I. Call To Order – 12:03pm

Roll call completed by Patty Richards

Patty Richards, Chair (Remote)
Dan Nelson (Remote, stepped out of meeting from 1:01pm to 2:05)
Brian Otley (Remote)
Holly Groschner (Remote)
Laura Sibia (Remote, joined at 12:46pm)
Christine Hallquist - Staff (Remote)
Robert Fish – Staff (Remote)
Stan Macel – Staff (Remote)
Alissa Matthews – Staff (Remote)

II. Review of Agenda

Christine Hallquist made a request to postpone the WCVT Construction Grant Review to the next Board Meeting.

Patty Richards made a motion to approve the amended agenda. Brian Otley seconded, and the motion was unanimously approved.

III. Approval of Meeting Minutes

The Board discussed the March 28th, 2022 draft Board Meeting minutes. Patty Richards made a motion to approve the minutes. Dan Nelson seconded, and the motion was unanimously approved.

IV. Construction Grant Review – Bolton/WVCT (discussion)

Review postponed until April 25th 2022.

V. Removing Disincentives and Accelerating the Deployment of Construction Funding – Competitive Grants (discussion)

Rob Fish presented details regarding the proposal to make the allocated funding competitive for towns that are not members of CUDs. Rather than base the amount of available funding on the underserved road miles, the proposal will make the program competitive for towns who are not members of a CUD. This will help remove the disincentive for CUDs to not accept denser towns as members because there is so much overbuild required to serve few addresses. The program would still have all of the same requirements for applicants, but this would incentivize towns to pull together projects to ensure ARPA funds are deployed in a timely manner.

Patty Richards asked how a group of 50 unserved residents would access these funds. Rob clarified that they would have to reach out to an eligible service provider and put together a universal service plan. If there is a CUD willing to take on those unserved addresses outside of their CUD, they can also apply on behalf of those addresses. Brian Otley confirmed understanding that it is the same model seen from Bolton.

Holly Groschner asked about the legislative challenges and if this means that there would be reduced funds available to towns that need more time to pull a plan together. Rob responded by providing some of the issues that have been discussed in the House Energy and Tech Committee about Chittenden County and other areas and explained that this will only apply to the amount allocated to individual towns, and in many cases that allocation is not enough for a project so this enables the funds to be aggregated and accessed by projects that are ready with a universal service plan.

Patty Richards made a motion to approve the proposal as presented by staff. Brian Otley seconded the motion, and the motion was unanimously approved.

VI. Broadband Equity, Access & Deployment (BEAD) Program Presentation

Christine Hallquist presented a summary of the Broadband Equity, Access & Deployment (BEAD) Program, along with an overview of other funding opportunities and requirements that are expected from the Infrastructure Investment and Jobs Act (IIJA).

- On May 15, the NTIA will release a Notice of Funding Opportunity (NOFO) for the BEAD program.
- After the NOFO is published, States will have to file a letter of intent (LOI) with the NTIA to describe the current state of broadband in the State and must describe the State's plan for using and administering the BEAD funding. LOI to include:
 - State Broadband Office details
 - State Broadband Plan with goals and current status
 - State Broadband Grant History outlining outcomes and funding sources
 - BEAD Implementation Program covering use of funds, staffing, known barriers, additional capacity needs, partner information & subgrant award process, timeline, oversight and reporting
- States are allowed to request up to \$5 million at the time that they submit the LOI. This funding is provided to:
 - publications, outreach, and communications support to help States reach out to citizens, communities, and businesses
 - research & data collection
 - developing a budget for pre-planning activities & operating the State grant program
 - technical assistance, through workshops or events
 - broadband office employee training related staffing capacity
 - additional consulting or contracted support
- States that accept the \$5 million of funding must file a 5-Year Action Plan to the NTIA. This plan must include describe how a State will set priorities for things like economic development, telehealth, or other priorities the State feels are the most important.
- After the revised FCC maps are issued and the amount of funding to each state is known, States must file an Initial Proposal that will include a description of how it will administer the BEAD grants.
 - NTIA will judge if a State has assembled a team capable of administering the proposed grants and if a State doesn't get approved, the State won't be given any BEAD funding.
 - If the NTIA approves a State's Initial Proposal, the NTIA will then release 20% of the BEAD funding allocated to that State. Then the challenge process begins;
 - States can't award any BEAD funding the challenge process must be completed on the locations it has identified as unserved or underserved. The challenge process requires each state to:

- Advertise the challenge process to all BEAD program stakeholders – including providers and local communities – to promote engagement.
 - Set clear benchmarks for proof of service. Collect all provider, locality, and resident information as record. A technical evaluation can be a helpful addition to information that is submitted and provide objective reason for disputed territories.
 - Publish challenges lodged in the process on the state website to ensure transparency. Include challenger information, details of the disputed area, and evidence used in the final decision.
- Once the challenge process has been fully resolved, a State must submit its Final Proposal that contains the most up-to-date information on state broadband initiatives and unlocks the state’s remaining BEAD program allocation. Including:
 - Intro - update on progress since initial proposal; detail outcome of Challenge Process; and recap state broadband objectives
 - Broadband Deployment Plan
 - Known Barriers & Challenges
 - Relevant Partners

Holly Groschner made a motion that the Board authorize and approve the VCBB Staff to file a Letter of Intent to NTIA indicating Vermont’s interest and participation in All available broadband funding in the IIJA. Patty Richards seconded, and the motion was unanimously approved.

Christine Hallquist then returned to the question of if the VCBB should be designated as Vermont’s Digital Equity Office.

Holly Groschner commented that her interpretation of the language in Act 71 is that it requires universal service be available to all Vermonters and has a distinction between just passing an address and actually making service available and expressly authorizes the VCBB to coordinate and facilitate community broadband efforts and has the goal of providing affordable service. She added that taking on this role helps set the CUDs up for sustainability by managing coordination and implementation with various partners as necessary. Patty Richards shared that she doesn’t see a downside of the VCBB acting in this role. Brian Otley added that his only concern is that if the VCBB is facilitating the funding of the construction of these networks that it might make sense for another entity to provide equity oversight. Laura Sibilia shared that her concern would be around diverting any capacity and resources away from construction including staff. Patty responded that she thinks we would have to add staff and capacity for this. Laura added that this feels more consumer focused and regulatory based. Christine responded that this really ties back to affordability and access to technology, education, etc. to utilize the network once built and will allow the VCBB to provide more services and support to the CUDs. Laura added that she would like to confirm that the CUDs are supportive of these efforts and don’t have concerns. Patty asked for Christine to outline how we would plan this out and would like to see the structure of how it may work.

VII. Staff Updates

- Legislative –
 - VCBB staff is monitoring H.739 and H.740, bills that will provide broadband funding to the VCBB
 - Christine is monitoring the Workforce Bill and may be called in to testify
 - The VCBB received notice that the ACT 71 language changes related to the

reversion of assets to the State is being attached to H.738 which is in the Senate Finance Committee

- Legal – The VCBB is close to signing an agreement for the consultant to provide Regulatory Legal Counsel to CUDs
- Budget – Christine requested to wait to discuss the FY23 Budget until the end of the legislative session to provide more clear overall picture of available funding
- Grants – Staff are expecting applications this week from NEK and at least one more CUD and are collecting a few updates from an ISP. Staff also continue working on updating guidance to assist CUDs with their applications.

Patty Richards added a suggestion that as the VCBB matures the Board consider reducing the frequency of Board Meetings as a topic to be revisited later.

VIII. VCUDA Update

Will Anderson provided an update for VCUDA. He shared that CUDs legislative priority is keeping an eye on the Budget Bill.

Will stated that VCUDA is appreciative of the workshop that the VCBB staff hosted last week and any further clarification on expectations will continue to be helpful.

Will expressed that the CUDs are supportive of the VCBB efforts in relation to BEAD and the Digital Equity Act and building capacity would be a way to provide additional support to the CUDs and to ensure affordability of service for the networks that are being built.

Will shared that VCUDA is neutral to the discussion on the proposal regarding the funding for non-CUD towns.

Will commented on the continued materials supply discussion emerging as the principal challenge, along with labor and financing.

Will appreciated the GIS Atlas and the training provided by Stone Environmental and sees continued support needed in that area.

IX. Public Input

Two members of the public provided input:

- Maureen Hopkins, Associate General Counsel for OTELCO, asked for clarification around the ability for an ISP like themselves to apply for funding. The VCBB confirmed that eligible providers can apply if they have a Universal Service Plan and recommended OTELCO review the Construction Grant RFP for the process and the rules outlines in Act 71.
- Christa Shute, NEK Broadband, expressed support for VCBB to incorporate affordability programming and shared that it is critical to the CUD business model as a way to increase the take-rate in lower-income areas. She also shared that material supply issue is both seeing longer lead times 7-10 month timeline and also seeing pricing increasing every day.

X. Parking Lot Review & Agenda for Next Meeting

Parking Lot Review

Christine Hallquist reviewed the five open topics in the parking lot:

- Develop policy around signature authority – will have update next meeting
- Can the Board hire staff without Legislative or State approval – plan to tie that into the BEAD program discussion
- Recommendation for designation for Digital Equity & Affordability – will continue to discuss
- Material default policy – Stan Macel confirmed he should be able to provide an update at the next Board meeting
- VCBB Dashboard – this is ongoing and Stone Environmental will present progress at the next Board meeting

Agenda for Future Meetings

Christine Hallquist reviewed the additions for the future agendas:

- Grant Reviews
- Material default policy update
- Designated entity for affordability and State’s Digital Equity Office
- GIS platform presentation from Stone Environmental

XI. Executive Session

Patty Richards made a motion to move into Executive Session as premature general public knowledge would clearly place the public body or a person involved at a substantial disadvantage (1 V.S.A. Section 313). Dan Nelson seconded the motion. The Board approved the motion and went into executive session.

XII.

Patty Richards confirmed that no action was taken in the Executive Session. Dan Nelson made a motion to adjourn. Patty Richards seconded, the motion was unanimously approved and the meeting was adjourned at 2:42pm.

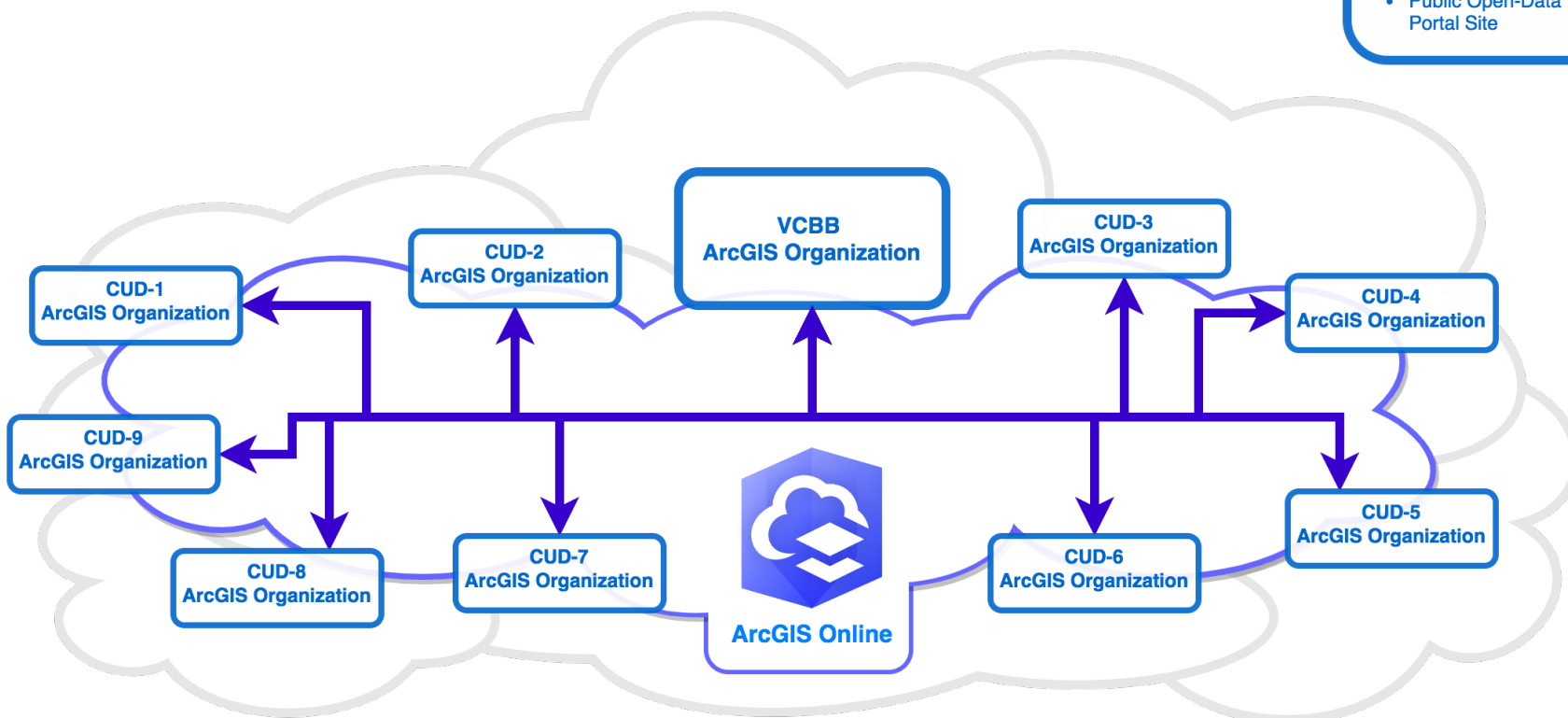
CUD Content

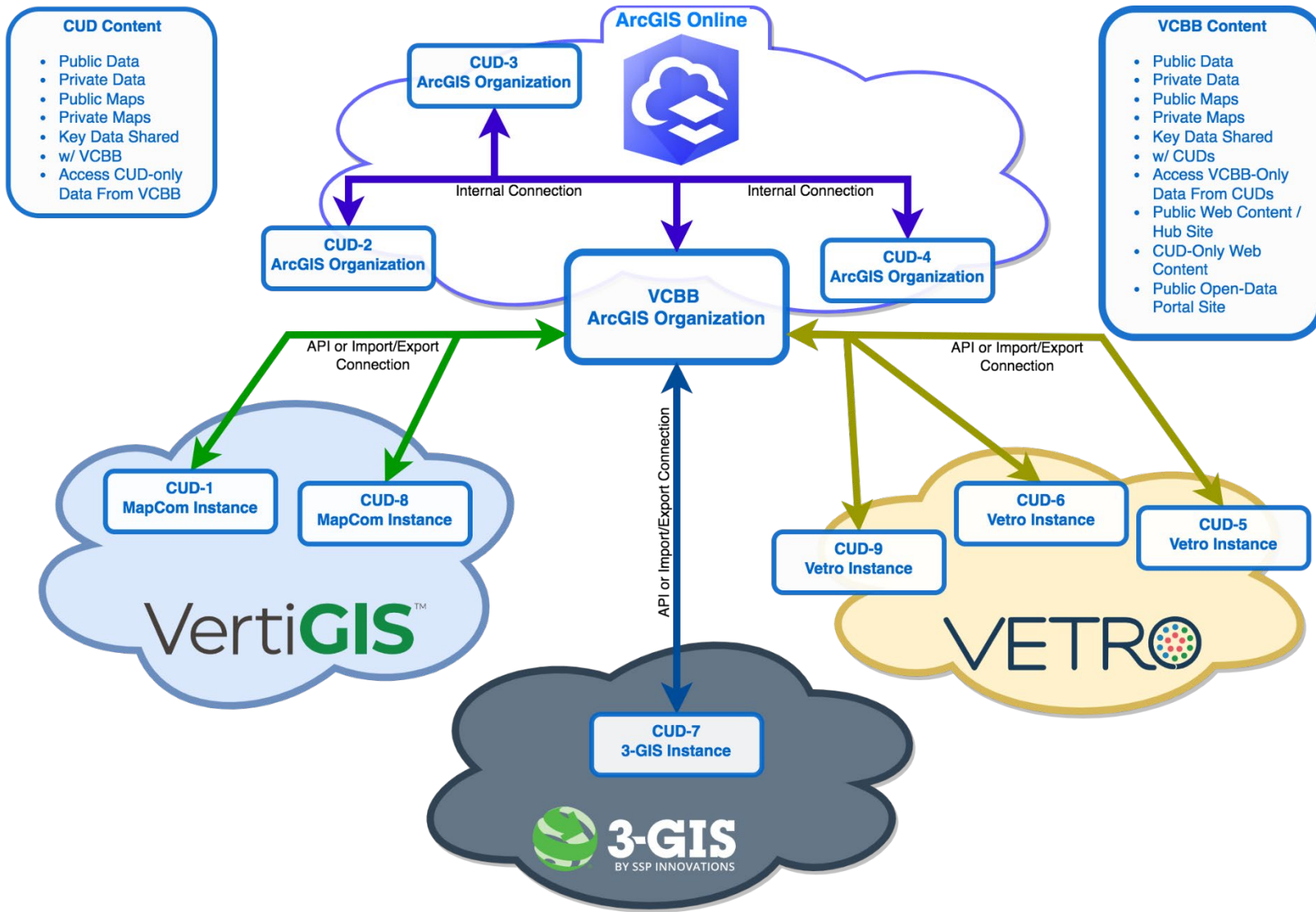
- Public Data
- Private Data
- Public Maps
- Private Maps
- Key Data Shared
- w/ VCBB
- Access CUD-only Data From VCBB

VCBB Content

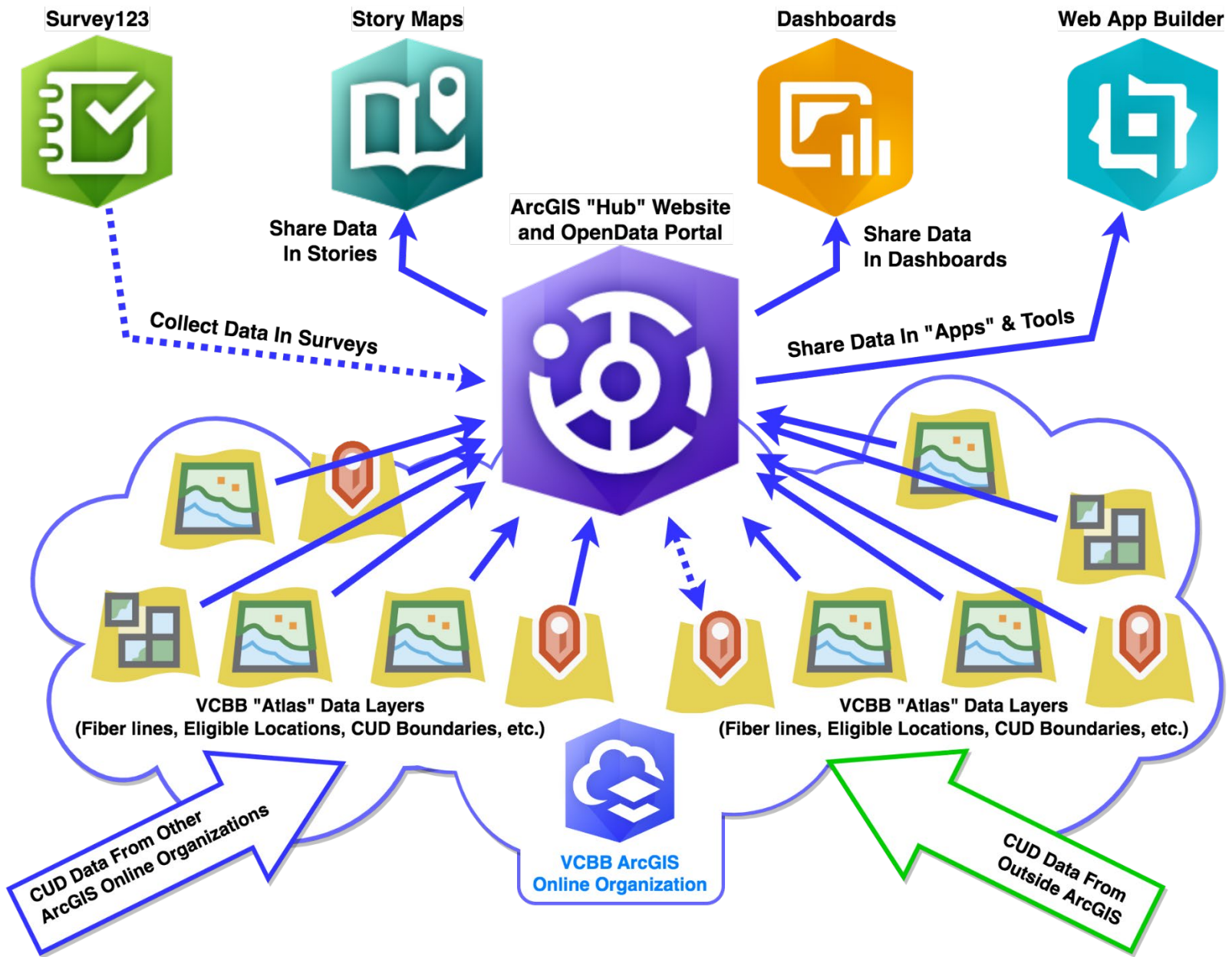
- Public Data
- Private Data
- Public Maps
- Private Maps
- Key Data Shared
- w/ CUDs
- Access VCBB-Only Data From CUDs
- Public Web Content / Hub Site
- CUD-Only Web Content
- Public Open-Data Portal Site

What We Envisioned At The Start





Reality of CUD Data Sharing



Memorandum

Vermont Community Broadband Board

To: Vermont Community Broadband Governing Board
From: Stan Macel, General Counsel
Subject: Criteria for Construction Grant Approval in Act 71
Date: April 25, 2022

Act 71 established the Broadband Construction Grant Program to finance the broadband projects of eligible providers that are part of a universal service plan. 30 V.S.A. § 8086. Paragraph (b) of Section 8086 provides seven criteria that the Board should “give priority” to in evaluating grant proposals. It provides as follows:

(b) In evaluating grant proposals under this chapter, the Board shall give priority to broadband projects that:

- (1) leverage existing private resources and assets, with a high priority given to partnerships between a communications union district and a distribution utility;*
- (2) demonstrate project readiness;*
- (3) provide broadband service that complies with the consumer protection and net neutrality standards established in 3 V.S.A. § 348;*
- (4) support low-income or disadvantaged communities;*
- (5) promote geographic diversity of fund allocations;*
- (6) provide consumers with affordable service options; and*
- (7) include public broadband assets that can be shared by multiple service providers and that can support a variety of public purposes.*

These seven criteria are factors that the Board should “give priority” to when evaluating proposals; they are not requirements, and all projects are not likely to meet all criteria. Nevertheless, this serves as a useful list of criteria for the Board in its deliberations.

ACT 71 Construction Grant Review Sheet – NEK Broadband

SUMMARY SHEET

PLAN

Total Estimated Cost of Universal Service Plan: \$185M

Total Miles Required: 2760

Total # of eligible addresses: 15,368

PROJECT

Cost of proposed project (amount of grant): \$15,899,089

Miles to be constructed: 214.5

Total # of eligible addresses: 1479

Total Addresses passed: 2101

Towns with addresses to be served this phase: Newark, Sutton, Burke, Lyndon, Kirby, Concord, Waterford, Barnet, Wheelock and East Haven

Public Ownership: Yes

CHECKLIST

Business Plan

Note: The business plan is a stand-alone document. Do not refer to documents elsewhere.

Is the Plan Act 71 Compliant? (PASS/FAIL)

Does the business plan include a Universal Service Plan? Yes No

Does the business plan include the following?

High-level design plans Yes No Conversion of Existing Network

Market analysis Yes No N/A Existing ISP

Take-rate assumptions Yes No

Cash flow positive date (as relevant) Yes No Not Applicable

Expected loan payoff date(s) Yes No Not Applicable

Financing models Yes No Not Applicable (fully funded)

Pro forma financial projections Yes No

Estimated construction costs Yes No
Ideal operational models Yes No Existing Model

Does the Business Plan evaluate the following risks:

Labor needs and availability Yes No
Supply-chain contingencies for equipment and materials Yes No
Make-ready work Yes No
Additional other relevant capital and operational expenses. Yes No
Contract management including safety/house-keeping Yes No Existing Record

What is expected for a HLD? A high-level design consists of a route map. Addresses passed and interconnection points for backhaul. The HLD should also show the planned phases of construction. We understand that these phases may adjust over time.

High Level Design Route Map

- Proposed Construction Phases
- OLT/Distribution Areas (DA)
- Span Routes
 - o Backbone Route (that can be part of the span route)
- Passings by Type – (underserved or served/ not on grid)
 - o ESite ID, E911 Address, Current level of Service, Phase
- Interconnection Points for Backhaul
 - o Location

What is necessary for the spreadsheet: All addresses in the plan with the current level of service. Must include ESite ID, E911 address, Phase

Overview:

Provided an estimated cost for Universal Service Plan: Yes No
Provided cost breakdown for proposal project within that plan: Yes No
Community Match: Yes No How much?
Estimate Ratio of VCBB funding to other funding – Universal Service Plan - (Goal – minimum 60/40 for private) 56/44
Cost per passing to be constructed or upgraded for addresses included Universal Service Plan: \$7165
Certification of Acceptance of Conditions: Yes No
Provided list of subcontracts: Yes No
Act 71 Compliant Business Plan: Yes No

Universal Service Plan: (PASS/FAIL)

Demographics of community: Yes No
Map showing the phases of the universal service plan: Yes No
Who owns the infrastructure public private

Does the applicant account for all underserved addresses? Yes No

Will they serve them all directly? Yes No

If not, did they include letters of commitment or other supporting materials for the remaining addresses? Yes No

Will all addresses in a community be served via this proposal? Yes No

Are there other funding sources? Town Bonds NTIA Grant USDA ReConnect (Pending)

Evidence of Community Engagement and Support? Yes No

Project Description

Narrative and map showing the project proposed for funding. The map should show the route and current level of wireline service at each address (showing cable lines or fiber lines is acceptable) to be served in the phase to be funded with this grant proposal.

Retail Price: \$89.95 100/100 Concerns? No

Reasonably detailed budget: Yes No

Plan for monitoring the network: Yes No

Spreadsheet detailing all locations (ESite ID, E911 Address, Current level of Service, Phase (if applicable), and overbuild rationale for any addresses currently served. Yes No (Attachment)

Act 71 Criteria

Evidence of collaboration? Yes No

Steps to address resiliency and ensure redundancy? Yes No

Is the project designed to provide service to unserved and underserved? Incidental overbuild is at or under 20% and the proposal passes the overbuild "tests" - Yes No

Sustainability – If more than a single phase, does the business plan support achieving universal service? Yes No

Affordability – Has the applicant certified it is participating in the Affordable Connectivity Program or the equivalent? Yes No

Technical and Security Approach Yes No

Attachments:

Act 71 Compliant Business Plan Yes No

Letters of Support Yes No (required for nonCUD)

Documentation of Community Match Yes No Not applicable

Response to Service Quality Complaints: Yes No Not applicable

Operating agreements: Yes No Not applicable

Maps, Spreadsheets and High-Level Network Design: Yes No

ACT 71 Construction Grant Review Sheet – WCVT

SUMMARY SHEET

PLAN

Total Estimated Cost of Universal Service Plan: \$1,918,897

Total Miles Required: 12.45

Total # of eligible addresses: 271

PROJECT

Cost of proposed project (amount of grant): \$1,918,897

Miles to be constructed: 8.14 miles aerial, 4.31 buried. 12.45 Total.

Total # of eligible addresses: 271

Total Addresses passed: 498

Towns with addresses to be served this phase: Bolton

Public Ownership: No

Business Plan

Note: The business plan is a stand-alone document. Do not refer to documents elsewhere.

Is the Plan Act 71 Compliant? (PASS/FAIL)

Does the business plan include a Universal Service Plan? Yes No

Does the business plan include the following?

High-level design plans Yes No Conversion of Existing Network

Market analysis Yes No N/A Existing ISP

Take-rate assumptions Yes No

Cash flow positive date (as relevant) Yes No Not Applicable

Expected loan payoff date(s) Yes No Not Applicable

Financing models Yes No Not Applicable (fully funded)

Pro forma financial projections Yes No Not applicable

Estimated construction costs Yes No
Ideal operational models Yes No Existing Model

Does the Business Plan evaluate the following risks:

Labor needs and availability Yes No
Supply-chain contingencies for equipment and materials Yes No
Make-ready work Yes No
Additional other relevant capital and operational expenses. Yes No
Contract management including safety/house-keeping Yes No Existing Record

What is expected for a HLD? A high-level design consists of a route map. Addresses passed and interconnection points for backhaul. The HLD should also show the planned phases of construction. We understand that these phases may adjust over time.

High Level Design Route Map

This does not apply because WCVT is replacing its copper infrastructure and extending its lines to reach the underserved.

- Proposed Construction Phases
- OLT/Distribution Areas (DA)
- Span Routes
 - o Backbone Route (that can be part of the span route)
- Passings by Type – (underserved or served/ not on grid)
 - o ESite ID, E911 Address, Current level of Service, Phase
- Interconnection Points for Backhaul
 - o Location

What is necessary for the spreadsheet: All addresses in the plan with the current level of service. Must include ESite ID, E911 address, Phase

Overview:

Provided an estimated cost for Universal Service Plan: Yes No
Provided cost breakdown for proposal project within that plan: Yes No
Community Match: Yes No How much? \$200K
Ratio of VCBB funding to other funding (Goal – minimum 60/40 for private) 22/78
Cost per address to be constructed or upgraded: \$1554
Certification of Acceptance of Conditions: Yes No
Provided list of subcontracts: Yes No Not applicable
Act 71 Compliant Business Plan: Yes No

Universal Service Plan: (PASS/FAIL)

Demographics of community: Yes No
Map showing the phases of the universal service plan: Yes No
Who owns the infrastructure public private

Does the applicant account for all underserved addresses? Yes No

Will they serve them all directly? Yes No

If not, did they include letters of commitment or other supporting materials for the remaining addresses? Yes No

Will all addresses in a community be served via this proposal? Yes No

Are there other funding sources? Town Bonds Applicant contribution

Evidence of Community Engagement and Support? Yes No

Project Description

Narrative and map showing the project proposed for funding. The map should show the route and current level of wireline service at each address (showing cable lines or fiber lines is acceptable) to be served in the phase to be funded with this grant proposal.

Retail Price: _____ \$102.95 for 100/100 _____ Concerns? _____ This is expensive _____

Reasonably detailed budget: Yes No

Plan for monitoring the network: Yes No

Spreadsheet detailing all locations (ESite ID, E911 Address, Current level of Service, Phase (if applicable), and overbuild rationale for any addresses currently served. Yes No (Attachment)

Act 71 Criteria

Evidence of collaboration? Yes No

Steps to address resiliency and ensure redundancy? Yes No

Is the project designed to provide service to unserved and underserved? Incidental overbuild is at or under 20% and the proposal passes the overbuild "tests" - Yes No

Sustainability – If more than a single phase, does the business plan support achieving universal service? Yes No

Affordability – Has the applicant certified it is participating in the Affordable Connectivity Program or the equivalent? Yes No

Technical and Security Approach Yes No

Attachments:

Act 71 Compliant Business Plan Yes No

Letters of Support Yes No (required for nonCUD)

Documentation of Community Match Yes No Not applicable

Response to Service Quality Complaints: Yes No Not applicable

Operating agreements: Yes No Not applicable

Maps, Spreadsheets and High-Level Network Design: Yes No

LEGISLATION FOLLOWED

4/25/22

Bill	Issue	Committee	Status
H.738	Act 71 Changes regarding receivership – The Board shall establish policies and standard grant terms and conditions that: ... (3) establish standards for recouping grant funds and transferring ownership of grant-funded network assets, <u>which shall remain subject to any outstanding bondholders’ or creditors’ liens, if applicable, to the State</u> a court-appointed receiver if a grantee materially fails to comply with the terms and conditions of a grant; ; <u>the State shall have the ability to buy the remainder of a grantee’s assets in the event a grantee materially fails to comply with the terms and conditions of a grant; ...</u>	Sen. Cummings – Senate Finance	Staff testifying before Senate Finance on Friday.
H.703	Workforce Development	Senate Economic Development	Staff proposed changes to Senate Committee on Appropriations regarding the Pay-It-Forward cross-sector career development initiative. The VCBB worked with Social Finance, NEK Broadband and Vermont Technical College to create the recommendation. Bill currently in readthrough in Senate Economic Development
H.740	FY 2023 Big Budget Bill. Provides \$95m for broadband (Section G.500)	Passed by House	
H.739	Capital Construction and State Bonding Budget Adjustment. (Section 17c).	Senate Appropriations	Money previously in this bill moved to H.740 (total monies to VCBB remain the same, \$95m)
H.712	Bill proposes to expand the definition of “eligible provider” to include a municipality that is not part of a communications union district and that contracts with an Internet service provider that agrees to provide universal broadband service to all unserved and underserved locations in the municipality.	House Energy and Tech	No current activity

Proposed Language Changes to 30 VSA 8086c3

Dear Sen. Cummings,

The VCBB is proposing a minor change to Act 71, as discussed in more detail below.

Currently, Act 71 requires that certain assets be returned **to the State** if a grantee (typically a CUD) materially fails to comply with grant terms.

30 V.S.A. 8086(c)(3) (p. 17 of text of Act 71), regarding the Construction Grant program, provides that the Board “shall establish policies and standard grant terms and conditions that ... establish standards for recouping grant funds and transferring ownership of grant-funded network assets to the State if a grantee materially fails to comply with the terms and conditions of a grant.”

The Issue: We understand from discussions with CUDs, state officials and professionals in the bond market that this provision may make it difficult for CUDs to access the bond market; creditors want assurances that they will be able to obtain a CUD’s assets through liens before entering into financing agreements. While it is not expected that this provision would be invoked frequently, if at all, in the unlikely event that a grantee materially failed to comply with grant terms, we propose that assets would be transferred **to a receiver rather than the State** to protect the assets. In this way, assets could be protected and remain subject to outstanding bondholders’ or creditors’ liens, if applicable.

Proposed Changes: Below are the edits proposed by the VCBB to 30 V.S.A. 8086(c), marked against original text to show proposed changes:

The Board shall establish policies and standard grant terms and conditions that: ...

(3) establish standards for recouping grant funds and transferring ownership of grant-funded network assets, which shall remain subject to any outstanding bondholders’ or creditors’ liens, if applicable, to the State a court-appointed receiver if a grantee materially fails to comply with the terms and conditions of a grant; ...

I am happy to provide more background for your consideration.

Proposed Changes: Below are the edits proposed by the VCBB to 30 V.S.A. 8086(c), marked against original text to show proposed changes:

The Board shall establish policies and standard grant terms and conditions that: ...

(3) establish standards for recouping grant funds and transferring ownership of grant-funded network assets, which shall remain subject to any outstanding bondholders’ or creditors’ liens, if applicable, to the State a court-appointed receiver if a grantee materially fails to comply with the terms and conditions of a grant; the State shall have the ability to buy the remainder of a grantee’s assets in the event a grantee materially fails to comply with the terms and conditions of a grant; ...

#	Priority	Item	Date entered	Assigned to	Resolution and date
18	1	Signature Authority of Executive Director	03/28/22	CH	Will present policy to Board on 05/09 meeting
19	1	Policy around hiring staff	03/28/22	CH	Will present policy to Board on 05/09 meeting
20	3	Recommendation for designation of an entity for Digital Equity & Affordability Office	03/28/22	CH	On-going discussion
8	2	Policy on "Material Default" see §8086(c)(2)	11/1/21	board	Language proposed in H.738. Testimony from VCBB last week.
5	3	VCBB Dashboard – to be shared monthly to show progress. What are the milestones?	11/1/21	CH	Stone Environmental presented progress of the online Atlas and template dashboard 4/25.
16	1	Provide Board with impact of Commitment letter	02/14/22	CH	Closed with material pre-purchasing proposal.
17	2	Statewide marketing collaboration with VCUDA	02/14/22	CH	Closed. VCUDA is not interested.
15	2	Provide Benchmarks for what telecom companies spend on Marketing	02/14/22	CH	Will research and present back on 3/14/22 Board meeting
1	1	Budget	10/18/21	CH	Completed. 2021 budget approved. 2022 will be presented in March.
2	1	Overbuild – what is the standard (20% of total served?)	11/1/21	CH	Completed. See Construction RFP Definition
3	2	Business Plans – what is the scope? Will they be updated before construction grants?	11/1/21	CH	Completed. The updated business plans will be included in the Construction RFP responses.
6	3	Fiber purchase – VCBB involvement? authorization? Status?	11/1/21	CH	Completed
7	1	Make Ready Construction – policy: part of §8085 grants or not?	11/1/21	board	Policy established. Make ready construction will be part of the construction grant program.

9	2	Revisiting timeline for VCBB – construction RFP & reporting timelines	11/22/21	RF	Completed. Part of the construction RFP. RFP approved by the Board on 01/03/22
10	2	Sequence assumptions for preconstruction and construction & reporting timelines	11/22/21	CH	Completed. Part of the Construction RFP. RFP approved by the Board on 01/03/22
11	2	DPS 2021 Map – Unserved	11/1/21	CH& board (LS)	Completed
12	1	Confidentiality. Grant Agreement Art 5 (state standard). Is the product of a grant a “public document” – e.g. will we post construction plans?	11/1/21	CH/Legal	The RFP and construction schedules will be public.
13	2	USP & contiguous CUD construction-policy	11/22/21	Board LS/HG	Completed. Addressed in the Construction RFP.
14		Legislative Consideration – Purchase of consolidated services/goods	11/29/21		Not needed.