

Vermont Community Broadband Board Meeting

Tuesday, July 18th, 2023, 08:00am – 12:00pm

Approved Minutes

I. Meeting Call to Order, Roll Call, & Approval of Agenda

Patty Richards called the meeting to order at 08:10 and completed roll call.

- Patty Richards, Chair (Remote)
- Laura Sibilila (Remote)
- Brian Otley (Remote)
- Holly Groschner (Remote)
- Dan Nelson (Remote)
- Christine Hallquist - Staff (Remote)
- Robert Fish – Staff (Remote)
- Alissa Matthews – Staff (Remote)
- Toni Clithero – Staff (Remote)
- Steven Zubkoff – Staff (Remote)
- Britaney Watson – Staff (Remote)
- Hunter Thompson – Staff (Remote)
- Herryng Herzog – Staff (Remote)
- Lucy Rogers – Staff (Remote)
- Kristin Brynga – Staff (Remote)
- Chance Payette – Staff (Remote)

Patty Richards made a motion to approve the agenda with a suggested change of adding a section for “Ex Parte communications” by Holly Groschner. Inserting the requested topic immediately after this section.

II. Ex Parte Communication

Discussion between Patty, Holly, and Christine focused on what items should be acted on during the public meeting versus what items had been properly warned. Patty will look into the procedural aspect with Robert’s Rules of Order to assist with determining what the Board should be discussing when items for discussion have not been warned. Laura mentioned scheduling Board meetings twice a month instead of the current once a month meeting. Brian thought if more meetings were to be scheduled, they would have to be only an hour to an hour and a half in duration as the current four-hour blocks are difficult to clear, Dan echoed once a month meetings and maintaining flexibility if other meeting were needed to deal with a particular issue. Patty agreed with maintaining the once-a-month schedule and adding additional meetings if necessary. Dan mentioned the potential of sub-committees to address some of Laura’s concerns and discuss policies. Dan also mentioned adding a discussion regarding safety concerns and construction.

III. Approval of June 10th Meeting Minutes

Tabled until August 14th meeting.

IV. Accountability Policy for Grants - *Holly Groschner and Laura Sibilila*

Patty commended the effort put forth by Holly and Laura in developing this policy, Laura recognized the work done by Toni Clithero. Holly began the presentation regarding the Policy, see attached slides, noting an important part of the policy.

- Addressing the payout process as follows: 30% on execution, have a performance payments up to 30% based on the approval of the grant manager and then after completion of 50% of the projects that you can have 60% of the payments out it appears, but there is up to 90% available at 50% of the project and then 10% upon compliance and testing.
- Dan mentioned adding Indicators to Performance. Holly continued with stating page five established standards for recouping of grant funds and transferring ownership of grant-funded network assets if a grantee materially fails to comply with the terms and conditions of a grant, and it's really up to the VCBB to determine how much of the grant funds should be recouped. Of course, based on recommendation of staff, but I think one of the things we need to know and it's an item for the parking lot is what is the process staff is following for review. The Board would like to see a presentation from staff on the process of grant review. added to the parking lot.
- Open architecture is required, as this is public money, and it was the intent that the networks have an open architecture policy. This is undrafted and deserves maybe the same subcommittee that Dan is leading could pick this up. Dan commented that the policy should enable the staff to do approvals because a lease or an assignment or an IRU with the service provider in that territory, we wouldn't want that to conflict with what's intended here so that the Board does not need to approve this. Patty supports the secondary lien approach, making sure we get feedback from VCUDA and the CUDs on this item because it's imperative we don't hold up the lending capability.
- Next, continuity of service, and this requires some reporting from the CUDs and this is an obligation on our part and to make sure there's uninterrupted broadband service I think it's only appropriate that when we're looking at the standard of availability, we also have the opportunity to tap consumer complaints that are registered with the Department of Public Service. This requires an annual submission by CUDs. Staff would have to develop what that submission looks like, more than a one pager, that goes to the standards that are adopted here. Creating an operating agreement that ensures the performance meets the standards and how it will be enforced. Based on subsection B. Add this to the parking lot and please note that the CUDs and VCUDA should take an active role.
- Prohibit the sale or transfer grant funded network assets without the prior written approval of the Board for projects funded by the grant. This item should be added to the parking lot as well.
- Allow an applicant to seek reconsideration of a Board or staff decision.
- Ensure Project Completion within 24 months of the date of the grant unless the term of the grant is extended by decision of the VCBB for cause.
- Comply with Administrative Bulletin #5 and 3.5. 8086H1 requires CUDs borrow funds for personal financing and to provide written notice to the VCBB in the event that the CUD becomes aware that it's at risk of financial insolvency. This should be added to the parking lot. CUDs have annual auditing requirements.
- Sunset Provisions, a request from Holly to form a subcommittee to discuss the sunset provisions and what legislative initiatives or interagency activity needs to happen to address the sunset provisions including continued monitoring of public interest.
- The implied accountability for the VCBB to protect the public interest. The priority is given for universal service and geographic distribution of funds. This is something that staff has implemented, in the grant process, but we need to state that we're looking at 8086 B in making grant decisions across the grant making program as a whole, not on a one-to-one comparative basis, it's implied in the in the language of the act that we're going to have 12 grants lined up, and we're going to pick the ones that give priority to universal service and

geographic distribution funds. Clarification on the implication is important moving forward. Adding this to the parking lot to ensure priority is given to addresses, we have made a policy decision to prioritize addresses on the grid. That does not satisfy the totality of the directions of the act, but that's definitely within our authority to determine that grid-connected addresses are the are a priority in making the grants, and that policy has to be stated here. Dan noted that the implied accountability requirements to protect the public interest is where the language is for prioritization of on-grid locations.

- Leverage existing private resources and assets with the high priority given to partnerships between CUDs and a distribution utility. There should not be a need for a policy that's prioritizing partnerships between CUDs and distribution utilities.
- Project Readiness is incorporated already by the viable business plan requirement and is already part of the grant application process.
- Provide broadband service that complies with net neutrality and consumer protection standards. A certification of each grantee annually that it meets the service conditions described in subsection 348B and subsequent section 348V. This is currently a voluntary consumer standard certification, but we would like grant recipients to be obligated to make those certifications and incorporate in the standards that are set for 348B for all of the lifetime of those assets. The subcommittee should look more into the criteria and what is a reasonable indicator of service and also is enforceable.
- Support low income or disadvantaged communities. What we've chosen to do is to rely on universal services. So this is really a basic policy that suggests that if you feel that there is a grantee that is avoiding service to certain people or areas that seem to fit a profiling problem, you could appeal to the VCBB because this policy is in place.
- Promote geographic diversity of fund allocations is in the Statute, but it's already addressed at -8086B, noting that it's addressed.
- Provide consumers with affordable service options, this is a call to create an outreach and equity plan for the inclusion of low-income households. So, we're asking for an outreach and equity plan, and I think we're going to need to create standards for those plans. Please add to the parking lot of what those plans should entail, but this is about evolving best practices.
- Include public broadband assets that can be shared by municipal service providers that can support a variety of public purposes. Open Architecture reference.
- Under this section, VCBB Board will not accept self-certification by the applicant or grantee to establish accountability for the public interest obligations of construction and operation, assets paid for and more in part by the Community Broadband Fund. Further details will be developed in connection with the work relating to the sunset provisions.

Laura made the motion to pause grants until the VCBB adopts these policies, seconded by Holly. Discussion included set a special meeting for July 28th to specifically address this policy. There was a suggestion put forward by Christa Shute to consider we act on the NEK and the Maple Grant today, with the caveat that the issuance of the grants today, if approved, would be subject to any policies that are adopted by the VCBB.

For the special meeting on the 28th, all board members are available at 08:00 with a hard stop at 11:00 for Dan.

The Board heard from Rob Vietzke from VCUDA. Rob will work on providing a list of statements that they would want to focus on.

Laura suggested the VCBB include VCUDA and the CUDs on the subcommittees to develop VCBB Policies.

Moving forward with the scheduled special meeting on the 28th, Laura said she would be happy to withdraw and that the Board proceed with these two grant applications, hearing them and making decisions on them.

Laura withdrew her motion and Holly concurred with the withdrawal as the seconder of the motion.

The motion is no longer on the table, No further action required.

Submissions or comments to be considered on the special meeting on the 28th must arrive to Toni by the 24th by noon.

V. BEAD Initial Proposal & Five-Year-Plan. – *Lucy Rogers and Vernonburg Group*

See attached presentation slides.

Lucy Rogers introduced the BEAD Initial Proposal and the Five-Year plan and answered questions from the Board on the differences. Lucy introduced Breese McIlvaine from the Vernonburg Group. Breese explained Vermont is working toward this vision through coordinating, facilitating, supporting, and accelerating community broadband solutions. Outlined in the five-year action plan five goals for this effort.

- The first is mobilized resources for end-to-end fiber broadband infrastructure deployments to all unserved and underserved locations and community anchor institutions, then also ensuring sustainable community-driven solutions across the entire state.
- We also want to ensure high-speed broadband services and devices are affordable and advance digital equity for all Vermonters, and an advanced workforce development for broadband and the digital economy, and also improve socioeconomic conditions across Vermont.

As part of the plan, we include information about the current state in Vermont for our broadband access, broadband deployment, adoption, affordability and broader digital equity.

And so in the plan, you'll see some description of needs and gaps as well as assets in the state of Vermont around these areas. And just to call out a few that are familiar to you,

- about 20% of households in Vermont lack access to 100 by 20 megabits per second broadband connectivity
- of the Vermont households that are eligible for a for ACP, the affordable connectivity program, only 17% are have enrolled so far, and 23,000 approximately Vermont households have access to the Internet but can't afford it right now. This includes both mobile phone and broadband service.

Laura asked for a list of who is receiving those subsidies in the state of Vermont by company. Lucy will work with Vernonburg to pass it along to the VCBB members.

Christine and Board members commended the work from Vernonburg. Patty asked about deadlines for comments from the Board, Lucy responded with if there's any comment that you feel you absolutely need to discuss with us prior to the posting of the rough draft for public comment, we need to have that conversation by the end of the day today.

As far as comments, we will continue taking comments from Board members as we take comments from the public as well and the deadlines are August 02, 2023 for the 5-year action plan and August 18, 2023 for the Draft Initial Proposal.

VI. Workforce Development Proposal – *Christine Hallquist*

Moved to after the Grant Proposals, items VII and VIII

\$516,000 was granted by the State to the Department of Labor. Other Agencies are not able to take on this grant due to staffing issues. So we've got the training being carried out by the Fiber Broadband Association and that we're using their training package and the Wireless Infrastructure Administration already manages these apprenticeship programs. Office of Professional Regulation should be contacted. Holly pointed out that we need to approve this now because otherwise we're waiting a whole year to initiate or continue this training program that we had planned to do.

Patty Richards put a motion on the table that we approve the acceptance of a grant from the Vermont State University of \$516,000, subject to Christine pursuing the OPR Certification, Office of Professional Regulation. Holly Groschner seconded. No further discussion. Holly, Laura, and Patty all voted in favor, Dan and Brian were absent for the vote.

VII. NEK Broadband Grant Proposal- Christa Shute

Construction Grant Awarded:	\$20,865,889
Grant Amendment requested:	\$17,939,636
Total Amended amount:	\$38,805,525
Total miles of construction:	499'
Premises passed	6693 (4538 eligible)

Board discussion ensued for clarifying questions regarding expended funding, flooding, and skipped unserved addresses. Unserved addresses were intentionally left for BEAD funding.

Patty Richards put a motion on the table to approve the NEK broadband grant request of \$17,939,636 subject to VCBB policies including future policies. Motion was seconded by Holly Groschner. No further Discussion. Holly, Laura, Dan and Patty all voted in favor. Brian was absent for the vote.

VIII. Maple Broadband Grant Proposal- Ellie de Villiers

Existing Grant	\$8,686,000
Current Grant Request	\$2,157,386

Increase miles from 180.6 to 244.3.
Increase addresses passed from 1,188 to 2,748.
Add service in portions of Vergennes, Ferrisburgh, New Haven, Monkton, and Waltham.

Board discussion ensued for clarifying questions regarding expended funding, flooding, and areas that are already served are not included. Costs were reduced per mile, Ellie shared that lower construction costs were lower than projected.

Patty Richards put a motion on the table to approve the Maple Broadband grant request of \$2,157,386, subject it to being consistent or subject to VCBB current and future policy. Seconded by Holly Groschner. No further discussion. Holly, Laura, Dan and Patty all voted in favor. Brian was absent for the vote.

IX. VCUDA Update – Rob Vietzke

- Rob Vietzke reported that the public comment process that's opening up is really important, for information, VCBB sent out a 52 question RFI a month or so ago. VCUDA responded

with 43 pages of comments to those 52 questions, and frankly we were concise. But there is a lot of detail and nuance in the way these programs need to be implemented in order to protect the public trust and make sure we maintain the community broadband aspect of the programs through BEAD.

- We also sent out a RFP for a strategist to assist with BEAD commentary and to help the CUDs with that, and we have a contractor that we were planning to bring in in August as a shared service to help us through both the comment period for volume 2 with some expertise and the way the NTIA thinks about these things as well as to help us through the application process and the competitive grant process.
- We accepted an offer yesterday afternoon for an associate program coordinator, so that will be a full-time staffer joining VCUDA in mid-August, and that's kind of the first piece of the shared services infrastructure that we're working on.
- Finance Committee is working on a request for information related to the Shared Treasurer and some of the financial support services, as well as HR as an expanded scope.
- We are starting to have a number of conversations about financing that matches up to both the letter of credit and the minimum 25% match criteria for bead.
- We're talking about legislation for 2024 and of course, reactions to the five-year plan and volume one and the challenge process.
- We have received a draft MOU from Green Mountain Power related to the tariff rider credit extension, which is up next March and we have replied with comments.
- We think it's a really constructive set of agreements that will increase the partnership between Green Mountain Power and the CUDs and so that's not done yet, but it's really on a good track in terms of creating some new opportunities, extending the tariff rider credit, and increasing the way that tariff rider credit can be used across make-ready applications.

X. Staff Updates

Moved to after the Public Comments, item XII

- General Counsel - *Toni Clithero*
 - Executive session? Toni would like to recommend that the Board essentially adopt each of the proposals, the five-year plan, the initial proposal volume one and two, and then it will be the final proposal, but each one of these particular deliverables is going to ultimately constitute this new program that the Board is going to be administering. And so based on the Board's authority under 8084 A to have approval authority with respect to program design, I think it's imperative for the Board you do more than just provide comments, but to actually have a formal adoption of each of these deliverables.
- General VCBB Updates – *Rob Fish*
 - Weekly reports have been provided to the Board.
 - New staff: Steven as our broadband project developer, Chance as our Administrative services 3 and Britaney as our Digital Equity Officer. We will do a more formal introduction at a later meeting to save time today.
 - We officially received our rejection letter from the NTI Middle Mile grant program. This was expected. We are still waiting to do a feedback session with the NTIA to find out exactly why. Our initial impression is most of the grants that were approved had well over 50% match, which was way in excess of what was required.
 - This does open up the question of the Budget Adjustment Act. Last year, \$30 million was provided for the middle mile or other federal programs as match. So we are examining any changes that would be required or ways to leverage those funds to solve some of the other issues related to BEAD. Potentially also in regard to those other issues regarding BEAD with the letter of credit proposal

that we had submitted to the Treasurer for the Local Investment Advisory Committee, it's not going to be evaluated as a result of the funding. They're switching their focus entirely to housing and to flood relief, which is understandable.

- CUD Progress Updates – *Lucy Rogers*
 - We are expecting up to four applications for the August meeting.
 - Received a question if there is a possibility to transfer money from their preconstruction allocation into their construction allocation. Staff is reviewing for precedence. Ultimately, this will be decided by the Board.
- Communications & Media – *Herryn Herzog*
 - We have had a lot of media attention, and since our last meeting in June, we had several stories about our listening sessions we held across the state. We got a lot of coverage on our \$229 million federal BEAD allocation. I think I counted 16 separate stories and then there was also a lot of media attention for ECFiber's celebration of completing the network in their 23 original town.

XI. Public Comment

- No public comment.

XII. Parking Lot – *Christine Hallquist*

- Determine what restrictions exist for ex parte communications,
- Develop Construction Standards,
- Annual Report Submission List,
- Develop Grantee agreement that VCBB will operate the system in the event of failure to comply,
- Develop Lien for the VCBB funded network and components,
- Policy for certification of Grantee compliance to Performance and Operating Standards.

XIII. Confirm Next Regular Meeting 8/14, possible Special Meeting & Motion to Adjourn

Discussion about availability to attend the next Board meeting, all agreed the 8/14 meeting will work from noon to 4:00 pm. The special meeting will be held on July 28, 2023, starting at 08:00 am to 11:00 am. Patty made the motion to adjourn. The motion was approved. And at 3:46 the meeting adjourned.

Press inquiries; please contact Herryn Herzog, herryn.herzog@vermont.gov (802) 522-3396.

POLICY EXPRESSLY REQUIRED BY LAW

1. Project Readiness and Grant Accountability – Assurance.
2. Engineering Standards for Reliability, Resilience and Interoperability.
3. Recouping Grant Funds.
4. Transfer of Grant-Funded Assets.
5. Continuity of Service.
6. Authorized Ownership Transfers.
7. Anticipated Default, Notice
8. Appeal.
9. Completion Period.
10. Sunset and Transferability

POLICY NECESSARY TO PUBLIC INTEREST AND PURPOSE

1. Priority of Universal Service and Geographic Distribution of Funds.
2. Consumer Standards Certifications.
3. Low Income Inclusivity.
4. Affordable Service Planning and Reporting.
5. Prioritization of On-Grid Locations.
6. Prioritizing Fiber Plant.
7. [Additional Recommendations]

VCBB Staff Contact: Toni Clithero, Esq.
7-6-2023

Vermont Community Broadband Board - Working Draft 1 July 12, 2023

VCBB Accountability Policies 2023

Ensuring accountability for the public interest obligations of receiving grant funding pursuant to Act 71

Table of Proposed Accountability Policies - July 12, 2023

Accountability Policies of the VCBB

Purpose: This set of policy statements of the VCBB intends to address its obligations to protect the public interest as anticipated by the Vermont Legislature in its passage of Act 71 (Chapter 91A of Title 30, Vermont Statutes Annotated), from the specific requirements of construction of a reliable broadband network to the broader objectives of municipal service. This set of policies addresses three questions:

1. What standards guarantee “public accountability for serving all Vermonters” applicable to the infrastructure built, in whole or in part, by the Vermont Community Broadband Fund?
2. What is the definition of accountability under Act 71 and who is held accountable?
3. How will the VCBB, or the State of Vermont, implement these policies to protect the public interest, and how can these accountability policies be enforced now and in the future?

Authority of the Board. The authority of the VCBB to enact this policy derives expressly and implicitly from 30 VSA §§8081, 8084, 8085, 8086, and 8089a.

Application of these Policies. The VCBB began awarding grants in 2021. These policies are intended to aggregate the obligations of the Community Broadband Fund grantees in one place and to clarify the policies of the VCBB. The obligation to hold grantees accountable for the public interest described in Act 71 is inherent in all grants issued by the VCBB under Act 71. Any exceptions or limitations to the application of these policies and the obligations for performance that they create are noted.

Accountability. These policies are designed to describe the scope of the public interest addressed by the legislature in Act 71, and clarify who is accountable for those results. The responsibility of the VCBB for administering the Community Broadband Fund requires that the VCBB plan for the intended public interest results and identify who will be accountable. Generally, those who receive distributions from the Community Broadband Fund will be accountable for the public interest the Fund is designed to deliver. The VCBB is accountable for ensuring that the Fund recipients are accountable for the public interest.

Duration and Transfer. Section 8089a of Title 30 expressly requires that the VCBB plan, by January 15, 2029, for the transfer of its legal obligations, including its obligation for the accountability of grant recipients or their successors, by recommending a designated State entity to assume such legal obligations or by recommending an extension on the statutory sunset clause applicable to the VCBB. While that recommendation is not made here, the VCBB recognizes accountability oversight is one of the legal obligations it must plan for.

Definitions. Unless defined in the policy statement or referenced standard, all terms in this policy statement have the meanings assigned to them in Act 71. The term “VCBB Board” is used throughout to indicate that the arbiter of application of this policy is a majority of the board of directors of the VCBB, appointed as provided in Act 71, unless such authority is expressly delegated to VCBB Staff or another designee.

Table of Proposed Accountability Policies - July 12, 2023

Act 71 Provision requiring Accountability	Current Practice: Grant Terms, RFP Certifications or Application Attestations	Proposed Board Policy
Express Accountability Requirements to Protect the Public Interest:		
Construction Grant Conditions- 8086(c)		
<p>(1) Payment schedule ensuring accountability And 8086 (d) (business plan) and (g) (sustainability requirement)</p> <p>Minor change: consistency of payment schedule for grantees</p>	<p><u>Maple Attachment B-Payment Section 4:</u></p> <ul style="list-style-type: none"> a. Provides for payment of 30% on execution b. Provides for performance payments of up to 30% upon submission and approval by Grant Manager of a detailed construction engineering design where x%=fiber miles included in the portion of the design c. 30% is reimbursable for approved expenses with remaining amount of this 30% to be issued on completion of first 50% of project miles d. Construction completion payment of 8% based on grant agreement re compliance at completion (all testing and submission of required reporting data) e. Final payments totaling 2% upon submission of 6 and 12 month post project reporting and all required data <p><u>SoVT Attachment B-Section 4</u></p> <ul style="list-style-type: none"> a. Provides for payment of 1.7% on execution b. 90% due on completion of project; c. Final 10% upon submission post-project reporting after 6 months <p>The Construction RFP requires applicants constructing private infrastructure to accept a maximum contract price and no payment until work is certified complete, whereas applicants building publicly owned infrastructure awards use an estimated price and provide for performance payments (see details above re Maple vs SoVT)</p>	<p><u>Project Readiness and Grant Accountability – Assurance.</u> The Board prefers to set a consistent grant disbursement program using incremental payments that are consistent among all grantees. Grant disbursements for construction grants require proof of project readiness and the financial preparedness of the grantee. (Construction and planning preparedness is the subject of grants under the Broadband Pre-construction Grant Program.) No grant funds shall be distributed without demonstration to VCBB staff of project readiness and financial preparedness, including acceptance of a viable business plan pursuant to Subsection 8086(d). Thereafter, grants shall be distributed according to the following (Maple) schedule:</p> <ul style="list-style-type: none"> - 30% on execution - 30% on VCBB approval of the total engineering design for the approved construction - After completion of 50% of the project fiber miles, up to 30% of the grant funding is available to reimburse verified construction costs - 10% upon compliance with testing of the approved network, proof of service and

Table of Proposed Accountability Policies - July 12, 2023

		<p>revised approved business plan, and documentation requirements.</p>
<p>(2) Adopt industry-accepted engineering standard promoting reliability, resiliency and interoperability</p> <p>Minor change: State a policy for the intended results of engineering standards</p>	<p><u>Attachment A-Section 4b. Detailed Design-Both SoVT and Maple</u> Requires compliance with Act 71 Outside Plant Design Standards; also restated in Section C (1) of Attachment A. Attachment A, 3(f) requires inclusion of industry-accepted standards for sustainability, redundancy or resiliency. These requirements are also listed at https://publicservice.vermont.gov/content/outside-plant-design-osp-requirements.</p> <p>NOTE: the above OPD provides guidance, but does not set specific standards.</p>	<p><u>Engineering Standards for Reliability, Resilience and Interoperability.</u> The VCBB requires that all Community Broadband Fund grant-funded networks meet engineering standards that ensure reliable and resilient networks for delivery of broadband speeds of at least 100/100 gbps per location and ensure the network as constructed shall meet availability requirements of 99.9% or greater. Grantees shall also comply with applicable ANSI standards, construction regulations, and electrical codes adopted by the State of Vermont, and the Outside Plant Design standards (OPD) set by the VCBB as published at the time of the grant approval and incorporated into the grant. OPD standards shall provide engineering guidance and numeric technical standards for network construction to achieve resiliency, reliability, interoperability and open architecture, including but not limited to standards for the minimum number and type of fiber strands,</p>

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		<p>fiber sparing, allowable loss budget, growth planning, designated power supply and backup, PON splitter and OLT port per location, and the minimum drop budget. Grantees shall provide accurate as-built documentation and specifications for each network incorporating grant-funded assets.</p>
<p>new policy related to engineering</p>		<p>See Open Architecture Policy at 8086(b)(7)</p>
<p>(3) Establish standards for recouping of grant funds and transferring ownership of grant-funded network assets if a grantee materially fails to comply with the terms and conditions of a grant See also 8086(c)(5)</p> <p>Change: Implement a policy for both recoupment and transfer that include more enforceability through a lien or assignment that can be subordinated at the discretion of the VCBB Board.</p>	<p><u>Attachment B-Payment Section 6-Both SoVT and Maple</u> If Grantee does not fulfill its obligations or violates the Agreement the State shall notify of the breach; 30 day cure period; State may set off and hold payments until cured. If no cure in 30 days, State may require grantee to immediately reimburse the State any portion of grant funds not expended or improperly expended, or retain any portion of grant or other funds due grantee equal to the reimbursement amount and may terminate with written notice <u>Attachment D-SoVT-Contractor Breach, Errors and Omissions</u> provision, any breach has to be corrected at no cost to the State</p>	<p><u>Recouping Grant Funds:</u> The VCBB is obligated by law to ensure each grantee is accountable for the expenditures authorized in the grant, and to provide a means for recoupment in the event of nonperformance. If at any time prior to distribution of up to 100% of grant funds, VCBB staff determine that a grantee fails to meet the terms and conditions of a grant, staff shall provide written notice to the grantee and to the VCBB Board identifying the subject nonperformance. There shall be a cure period of 30 days from the date of the notice during which time grant funds shall not be distributed to the grantee. Grantee’s failure to cure nonperformance may result in cancellation of the grant or recall of up to 100% of grant funds at the discretion of the VCBB Board and the sale of the network assets to another public network operator. The grantee may appeal staff decisions of grant noncompliance or nonperformance to the VCBB Board at a regularly scheduled public meeting within 60 days of the written notice.</p> <p><u>Transfer of Grant-Funded Assets.</u> The VCBB is obligated by law to ensure that the assets constructed by each grantee meet the public interest objectives of Act 71, including but not limited to universal service and continuous operation of the assets constructed using the Community Broadband Fund. The grantee is accountable for the public interest results set by the policies of the VCBB Board and Act 71. The VCBB is</p>

Table of Proposed Accountability Policies - July 12, 2023

		<p>obligated by law to provide a means to reclaim and transfer assets constructed using Community Broadband Funds if the terms of the grant are not met, including but not limited to the operation of the network in a manner that meets the public interest described in the VCBB's policies and Act 71.</p> <p>Therefore, prior to distribution of grant funds, the VCBB shall file a form UCC 1 with the Vermont Secretary of State, designating the name of the grantee, the miles of fiber and municipal location of the network construction, and specifying the State of Vermont as the lien holder subject to the terms of the grant and these accountability policies. It is the policy of the VCBB to subordinate its lien interest to the interest in title for purposes of securing financing that, in the discretion of the VCBB, is reasonably likely to meet the terms of the grantee's business plan and promote the sustainability of grant-funded network.</p> <p>The lien shall be released upon twenty years of operation of the network by grantee or such third party as the VCBB Board shall approve. The VCBB will summarize the grant terms and public interest accountability policies of the VCBB that attach to the operation of the network in the lien, and provide grantees with a form of agreement that provides the terms and effect of the lien. Should the VCBB exercise its rights under the lien, it shall have the right to transfer title to the network assets to a third-party public entity that is a communications union district or other public interest operator of broadband networks in lieu of recoupment of the grant funds. The grantee may appeal staff decisions of grant noncompliance or nonperformance to the VCBB Board at a regularly scheduled public meeting within 60 days of the written notice.</p>
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Table of Proposed Accountability Policies - July 12, 2023

<p>(4) Establish a continuity of operations plan applicable to a network owned by a CUD that, among other things, contemplates the Board assuming operational control of a network if necessary to maintain uninterrupted broadband service</p> <p>See also 8086(h) – notice of default</p> <p>Change: Adoption of a Continuity Policy Requirement and notice of default.</p>	<p>TBD</p>	<p><u>Continuity of Service.</u> Reliability and interoperability are stated objectives of Act 71. The VCBB is obligated by law to provide an operations plan that assures operations of each network controlled by a CUD and funded by the Community Broadband Fund. Each grantee that is a CUD shall (a) annually prepare and submit to the VCBB a continuity plan that reasonably sets forth the operating requirements of the network, and (b) sign an agreement with the VCBB to allow the VCBB to assure operation of network assets in the event of a default on the obligations of the CUD or its operator of the network that threaten the continuity of service provided to customers, including but not limited to the right to designate a third party operator, at VCBB’s discretion, to ensure operation of the network for a reasonable fee until continuity of service is assured and the reliability/ availability standards adopted by the VCBB are met. It is the policy and obligation of the VCBB to take such reasonable steps as it determines necessary, at the grantee’s expense, upon ten days written notice from the date the VCBB Board determines that operation of the assets funded by the Community Broadband Fund do not deliver broadband service to the service area designated in the approved grant application that meet the VCBB availability/reliability standard of 99.9% or the VCBB receives notice of default pursuant to Subsection 8086(h). The VCBB Board shall receive any notices issued under Section 8086(h) of Title 30. The VCBB may consider consumer complaints of service outages received by the Department of Public Service as well as other third-party testing to determine continuity of service. Grantees shall prioritize service delivery during periods of default or bankruptcy, which obligation to operate shall survive the duration of the grant payout for a period of twenty years from the date of the grant award.</p>
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Table of Proposed Accountability Policies - July 12, 2023

<p>(5) Prohibit the sale or transfer of grant-funded network assets without the prior written approval of the Board; See also 8086(c)(9)</p> <p>Change: Policy for Transfer required (Current certification is not likely to be binding or actionable, and does not set standard for approval of transfer)</p>	<p>The Construction RFP requires applicants to certify this requirement. See Eligibility Screening, Part 2, Section 6.</p>	<p><u>Authorized Ownership Transfers.</u> In order to ensure that ownership of grant-funded network assets are not sold, assigned or licensed without the written authorization of the VCBB Board, ownership of all assets constructed with grants of the Community Broadband Fund will be held in the name of the grantee and the assets shall be subject to a lien held by the VCBB or the State of Vermont (see VCBB policy 30 VSA 8086(c)(3)).The VCBB Board, in considering a request to transfer any interest in title to the assets , shall act on the request within 30 days by review of the transferee’s ability and agreement to meet the public interest obligations and surviving grant contractual obligations that apply to assets funded by the Community Broadband Fund. Such transfer shall be subject to a new lien of the VCBB or the State of Vermont securing its interest pursuant to its policy granted by the transferee. It is the policy of the VCBB to subordinate its lien interest to the transfer of an interest in title to the funded assets for purposes of securing financing that, in the discretion of the VCBB, is reasonably likely to meet the terms of the grantee’s or transferee’s business plan and promote the sustainability of grant-funded network. This obligation to receive approval of transfer of an interest in title (of any kind) and the lien shall be released upon twenty years of operation of the network by grantee or such third party as the VCBB Board shall approve.</p>
<p>(6) Allow an applicant to seek reconsideration of an adverse Board decision</p> <p>Change: Adoption of Appeal Policy Required</p>	<p>The Construction RFP provides for an appeal of an adverse Board decision within 30 days</p>	<p><u>Appeal.</u> Unless otherwise provided herein, it is the policy of the VCBB to hear an appeal by a grant applicant of any adverse decision of the VCBB (including but not limited to the Board) at the next regularly scheduled meeting of the VCBB Board that is at least 30 days, but not more than 60 days, from the date of such adverse decision.</p>

Table of Proposed Accountability Policies - July 12, 2023

<p>(7) Ensure project completion within a reasonable period of time and consistent with applicable federal law and guidance Minor change – extension process</p>	<p>Grant duration terms are reasonable and customary; RFP requires construction to be completed within 24 months</p>	<p><u>Completion Period.</u> It is the policy of the VCBB that grants made under the Community Broadband Fund will be completed, including all requirements made for final payment and compliance with all federal and state grant requirements, within 24 months of the date of the grant unless the term of the grant is extended by decision of the VCBB Board for cause.</p>
<p>(8) Comply with Administrative Bulletins No. 5 (Grant Agreements) and 3.5 (Contracts) No policy required</p>	<p><u>Attachment B Section 9</u> for both SoVT and Maple imposes Administrative Bulletin 5 provisions with respect to Subgranting; Attachment C , Standard State Provisions for Contracts and Grants is included in all VCCB Grant Agreements.</p>	<p>No VCBB policy is required. These State contract provisions are incorporated into VCBB grants as required by law. In the event that the State Provisions conflict with federal grant requirements, the VCBB staff will seek guidance from the Attorney General and will advise the grantee and the VCBB Board in writing of any deviations from state protocols.</p>
<p>8086(h)(1) Requires CUDs that borrow funds for the purposes of financing a broadband project to immediately provide written notice to the VCBB Board in the event the CUD becomes aware that it is at risk of financial insolvency or of defaulting on the payment of principal and interest</p>	<p>TO BE ADDED TO RFP/GRANT AGREEMENTS</p>	<p><u>Potential Default, Notice and Recommendations.</u> It is the policy of the VCBB to promptly provide written notice to the Governor, the Treasurer and the Joint Fiscal Committee upon receipt of such notice from a CUD, and to prepare recommendations and advice to ensure continued operability and potential transfer of title in the event that the potential default occurs and is not cured. The VCBB’s policy is that in the event that such default results in the transfer of title to the funded network assets, the VCBB will consider the transfer of title subject to its policies as if the CUD or grantee had requested the transfer of title.</p>
<p>Sunset Provisions (and Policy Implementation – 8089(a))</p>		
	<p>TBD: Requirement: plan for transferring its assets, liabilities, and legal and contractual obligations to another appropriate State entity. The Board may include in its report a recommendation regarding the continued existence of the Board beyond its statutory sunset date.</p>	<p>This provision impacts who holds the right/obligation to oversee accountability and exercise contractual rights.</p>

Table of Proposed Accountability Policies - July 12, 2023

Implied Accountability of the VCBB for the Public Interest		
Grant Evaluation Priorities 8086(b)		
<p>“The Board shall give priority...”</p> <p>Change: Policy statement for how to deal with Subsection (b) “priorities” is needed – as proposed.</p>	<p>Each of these is included in the Construction RFP, Project Prioritization Number (3) is also included in Attachment A, Section 4(f)-Retail Broadband Service requirement for no data caps, or throttled data for at least 5 years from date of award for SoVT and Section (B)(4)(g) for Maple</p> <p>In addition, as part of the Master Services Agreement between SoVT and Consolidated, Schedule C includes additional consumer protection measures and also incorporates the FCC’s affordability program.</p> <p>These provisions of Subsection 8086(b) require information to be collected in the grant process so that it can be considered. However, in order to “give priority” the VCBB would be required to consider Grant applications <i>against</i> each other. That has not been the reality of the grant process or the development of the CUDs.</p>	<p><u>Priority of Universal Service and Geographic Distribution of Funds.</u> The policy of the VCBB is to consider the priorities stated in Subsection 8086(b) in making its grant decisions, and to examine them across the grant program as a whole, not on a comparative basis. All construction grants require a Universal Service Plan. [8086(a)] In order to address the over-arching objective of Universal Service as well as to ensure geographic diversity of Community Broadband Fund allocations the policy of the VCBB is to reserve an allocation for each geographic area represented by CUDs existing as of June 30, 2021, and to review grant applications in the context of those allocations in the order they are presented and designated by the VCBB as project ready and consistent with VCBB policy. In its annual report to the legislature the VCBB shall report on the application of these priorities through analysis of the grant funds awarded.</p>
<p>(1)Leverage existing private resources and assets, with a high priority given to partnerships between a communications union district and a distribution utility;</p> <p>No specific policy required</p>		<p>No new policy required. No applications have been presented that address this priority. All grant projects require collaboration with distribution utilities and are subject to Public Utility Commission pole attachment rules.</p>
<p>(2) Demonstrate project readiness</p>		<p><u>Project Readiness.</u> Incorporated by reference into Board grant accountability policy at Subsection 8086(c)(1). Note that board policy incorporates a</p>

Table of Proposed Accountability Policies - July 12, 2023

<p>Policy implemented</p>		<p>viable business plan as part of the demonstration of project readiness.</p>
<p>(3) Provide broadband service that complies with the net neutrality and consumer protection standards of 3 V.S.A. 348 Change: This is an operations requirement that survives the grant payout.</p>	<p>[The status of the certification <i>process</i> by the Secretary of Administration proposed by 3 VSA 348 (2017) is unknown.]</p>	<p><u>Consumer Standards Certifications.</u> The policy of the VCBB, to meet the public interest in consumer protection and service standards, is to require certification of each grantee annually that it meets the service conditions described in Subsection 348(b). The grantee receiving Community Broadband Funds, and any owner of assets paid for in part by such funds, shall certify to the Secretary of Administration, with copy to the VCBB or its designee, the terms and conditions of 3 VSA 348(b) for a period of 20 years from the date of the grant award. [NOTE: this does not address maintenance/ customer response time, etc.]</p>
<p>(4)Support low-income or disadvantaged communities; Change: This is both a design and operations requirement that survives the grant payout.</p>	<p>No activity supports this objective</p>	<p><u>Low Income Inclusivity.</u> The policy of the VCBB is to implement Universal Service as required by the Act, including construction of broadband networks and provisioning of broadband service to all locations regardless of income or property value. No construction utilizing Community Broadband Funds shall avoid locations based on the actual or projected income of potential customers at such locations or to choose a design to overbuild existing service when an efficient design serving locations may be less profitable.</p> <p>The submission of proof of avoiding locations that are reasonably determined to be low income to the VCBB (or on its own investigation) may be grounds for violation of a grant agreement or disregard for the public interest obligations that survive the duration of the Community Broadband Grant for a period of _ years from the date of the grant award.</p>

Table of Proposed Accountability Policies - July 12, 2023

<p>(5) Promote geographic diversity of fund allocations.</p> <p>Change: See above (Policy statement for how to deal with Subsection (b)– as proposed.)</p>	<p>This priority is addressed by the regional allocation of grant funds by CUD.</p>	<p>SEE policy proposed at 8086(b): ...the policy of the VCBB is to reserve an allocation for each geographic area represented by the existing CUDs and to recognize and review grant applications in the context of those allocations as they are presented and designated by the VCBB as project ready and consistent with VCBB policy.</p>
<p>(6) Provide consumers with affordable service options</p> <p>Change: This is a policy that implements an operations priority and survives the grant payout.</p>	<p>This priority has not been addressed except by generalized certification in the application process.</p>	<p><u>Affordable Service Planning and Reporting.</u> It is the policy of the VCBB to require broadband service providers utilizing assets funded by the Community Broadband Fund to create an outreach and equity plan for the inclusion of low income households prior to the completion of funded construction, and to participate in and promote to all consumers any applicable subsidy programs available to reduce service costs to low income households served by the grantee. The grantee shall annually produce for the review of the VCBB an audited balance sheet and shall include (a) the rate tiers offered to consumers, (b) the total number of customers in each rate tier, (c) the number of customers for that reporting year receiving subsidies, and (d) the total amount of subsidies received for that reporting year. Within twelve months of generating revenue from broadband service utilizing assets funded by the Community Broadband Fund that exceed operating expenses by five percent, the participating service provider shall also include in its annual report a proposal for offering reduced rates to qualified customers. This obligation of the grant agreement shall survive the delivery of grant funds for a period of ___ years from the date of the grant award.</p>
<p>(7) Include public broadband assets that can be shared by</p>	<p>This priority is inherent in the growth and link budget standards stated in the OPD</p>	<p>No separate policy is required given the construction/engineering criteria. Consider, however,</p>

Table of Proposed Accountability Policies - July 12, 2023

multiple service providers and that can support a variety of public purposes		whether an operations policy that implements interoperability and shared infrastructure is advised?
Implied Accountability Requirements to Protect the Public Interest Legislative Findings and Intent		
Section 8081		
(1)... the Vermont Community Broadband Fund to support policies and programs designed to accelerate community efforts that advance the State’s goal of achieving universal access to reliable, high-quality, affordable, fixed broadband	The Construction RFP includes numerous accountability measures. These were incorporated into both the Maple and SoVT Grant Agreements at Attachment F; SoVT-Attachment G-1, respectively. Named Act 71 Attestations requirement from Construction RFP, Section (l)	In order to tackle the enormity of the objectives of Act 71, and to ensure acceleration of community broadband efforts, the VCBB has adopted the following policies for purposes of Construction Grant awards: (a) <u>Prioritization of On-Grid Locations</u> . In support of accelerating community efforts that advance the State’s goal of achieving universal access through support of grantees offering a universal service plan pursuant to Subsection 8086(a) and prioritizing the use of existing private resource pursuant to 8086(b) the policy of the VCBB is to prioritize grant funding for broadband service to locations that are served by the electric grid.
		(b) <u>Prioritizing Fiber Plant</u> . While the definition of fixed broadband under the Act, as amended, includes retail service by wire or radio that delivers service at speeds of at least 100/100 gbps, it is the policy of the VCBB to prioritize the funding fiber networks that use existing infrastructure, including the use of utility poles and power in the public right of way, and provide the highest standard of reliability, resilience and interoperability to accelerate the delivery of broadband service. Radio fixed wireless is an acceptable means of delivering broadband service where it meets the VCBB’s standards for accountability for the public interest, including but not limited to reliability, resiliency, and interoperability.

Table of Proposed Accountability Policies - July 12, 2023

		<p>VCBB Board will not accept self-certification by the applicant or grantee to establish accountability for the public interest obligations of construction and operation of assets paid for in whole or in part Community Broadband Fund.</p>
<p>(2) to establish the Vermont Community Broadband Board to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.</p>		<p>The Agency of Administration of the State of Vermont, in its opinion regarding the Creation of Broadband Programs Using Federal Funds, dated March 13, 2023, has determined that new programs funded through the federally funded BEAD grants are subject to the policies and procedures of the VCBB Board. The VCBB Board will apply its existing policies as possible and develop new policies as required. Subgrant programs under BEAD or DEI federally funded programs will be subject to policy review by the VCBB Board.</p>



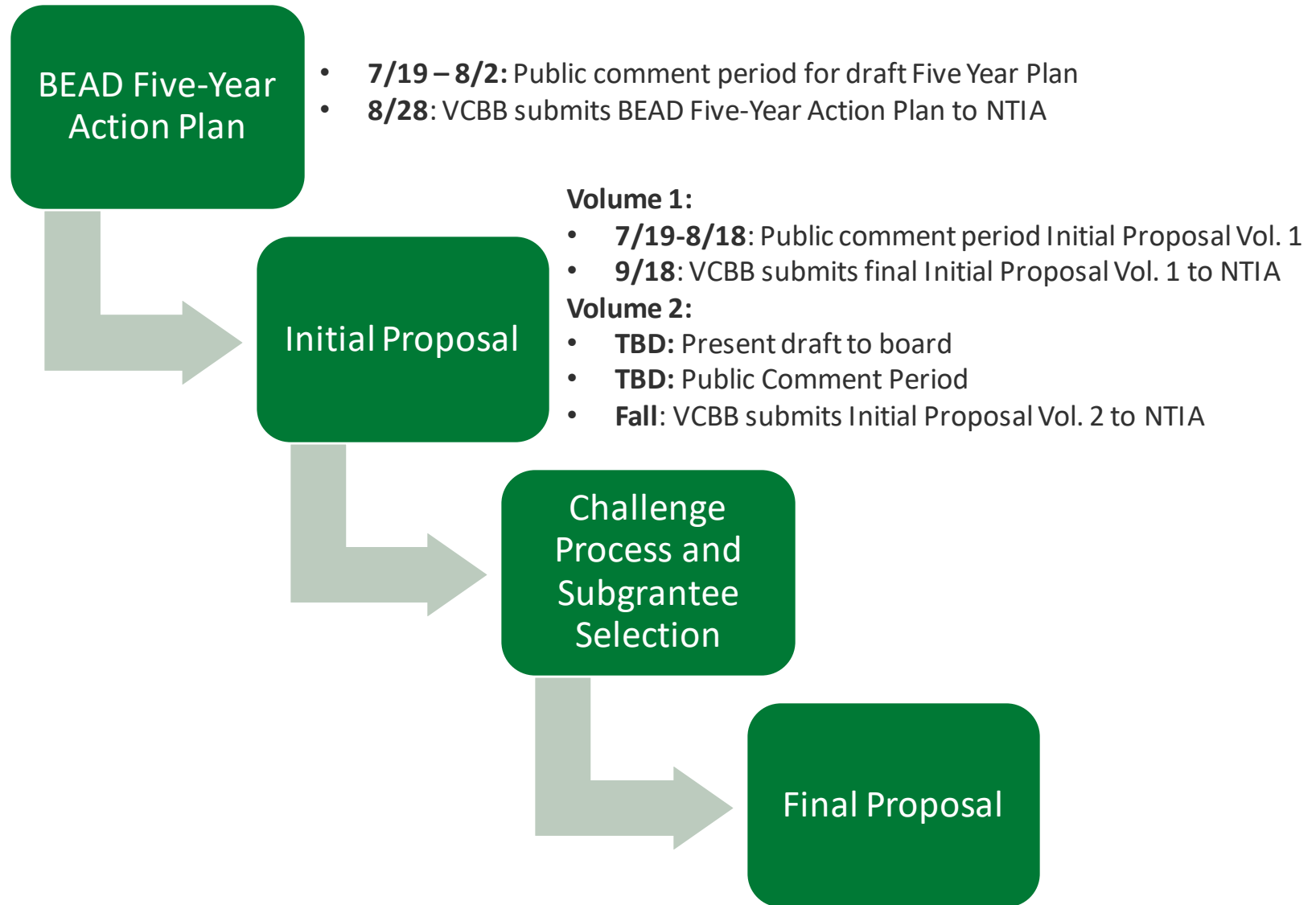
Vermont's Draft Broadband Equity, Access, and Deployment Plan

**DRAFT Five-Year Action Plan and Initial Proposal
Volume 1**

Agenda

- Overview of Vermont's Internet for All Plans
- Summary of the BEAD Five-Year Action Plan
- Summary of the BEAD Initial Proposal Volume 1
- Discussion
- Next steps

BEAD Parts and Process



	BEAD Five Year Action Plan	BEAD Initial Proposal Volume 1	BEAD Initial Proposal Volume 2 (forthcoming)
What's included (summary)	<ul style="list-style-type: none"> • Vision, goals, objectives • Current state of broadband and digital inclusion • Challenges to overcome for successful implementation of the plan • Summary of stakeholder engagement activities • Implementation Plan 	<ul style="list-style-type: none"> • Initial identification of unserved and underserved locations • Definition of community anchor institutions classification applied • Proposed pre-challenge process location modifications (e.g., the proposed deduplication process) • Proposed challenge process 	<ul style="list-style-type: none"> • Long-term objectives • Stakeholder engagement process • Detailed plan for use of BEAD funds, including competitive subgrantee process, workforce development, and climate risk assessment. • Intended use of the 20% of total funding allocation that is made available upon NTIA's approval of the Initial Proposal

Important Notes for Context

- These drafts continue to evolve. There is feedback we have received from NTIA that we are continuing to address; it will evolve further during the public comment period.
- These drafts will be updated with the most recent FCC and survey data prior to their release for public comment.
- The subgrantee selection process is established in Initial Proposal Volume II. It is not included in these documents.
- The Digital Equity Plan will go into much greater detail on proposed solutions to address affordability and accessibility barriers to Internet adoption and use.

Draft BEAD Five-Year Action Plan

Draft for Board Feedback

Vision

Every Vermonter in an unserved or underserved area gains access to broadband at speeds of at least 100/100 Mbps, and that Vermonters understand the value Internet connectivity can offer and have the devices and skills they need to meaningfully take advantage of it. Vermont is working toward this vision through coordinating, facilitating, supporting, and accelerating community broadband solutions.

Goals



Mobilize resources for end-to-end fiber broadband infrastructure deployments to all unserved and underserved locations and community anchor institutions



Ensure sustainable, community-driven solutions across the entire State.



Ensure high-speed broadband services and devices are affordable and advance digital equity for all Vermonters



Enhance workforce development for broadband and the digital economy



Improve socio-economic conditions across Vermont

Current State

Access

- Approximately 20% of households (70,034 out of 352,588 households) lack access to 100/20 Mbps or better broadband connectivity

Deployment

- Greatest concentration of unserved and underserved communities are in southern and northeastern Vermont
- Anticipated labor shortages in several positions that will be critical to successfully deploy BEAD funds

Adoption

- 73% of Vermont households have a fixed broadband Internet subscription
- Lower rates of subscription among certain demographics (e.g., 60+ years old)

Affordability

- 17% of eligible Vermont households have enrolled in the ACP
- 23,260 Vermont households have access to the Internet but cannot afford it

Digital Equity

- Less than 10% of the VCBB's public survey respondents identified affordability of devices and confidence in digital skills as a barrier
- 18.8% of Vermonters lack access to a computer at home.

Indicators of Success

- **Goal: Mobilize resources for end-to-end fiber broadband infrastructure deployments to all unserved and underserved locations and CAIs in Vermont.**
 - Indicators of success by December 31, 2028
 - 100/100 Mbps broadband or better available in 100 percent of currently unserved and underserved on-grid locations.
 - 100/20 Mbps broadband or better available in 100 percent of currently unserved and underserved off-grid locations.
 - One Gbps symmetrical broadband is available to 100 percent of CAIs.
- **Goal: Ensure sustainable, community-driven solutions across the entire State.**
 - Indicators of success by December 31, 2028
 - 100 percent of BEAD subgrantees have documented meaningful community support or partnerships.
- **Goal: Enhance workforce development for broadband and the digital economy**
 - Indicators of Success by December 31, 2028
 - 100 new jobs in broadband created in Vermont.
 - 80% of new jobs in broadband filled by Vermont residents.

Indicators of Success for Goals

- **Goal: Ensure high-speed broadband services and devices are affordable and advance digital equity for all Vermonters**
 - Indicators of success by December 31, 2028
 - 80 percent of households subscribe to fixed broadband.
 - 60 percent of eligible households signed up for a broadband service subsidy (e.g., ACP).
 - 95 percent of households own a laptop, tablet, or personal computer.
 - 80 percent of population surveyed reports confidence in their digital literacy.
 - 80 percent of ACP eligible households own a laptop, tablet, or personal computer.
 - All Vermonters can choose from multiple service plan options and price points.
 - Indicators of success by December 31, 2030
 - 90 percent of households subscribe to fixed broadband.
 - 70 percent of eligible households signed up for a broadband service subsidy (e.g., ACP).

Indicators of Success for Goals

- **Goal: Improve socio-economic conditions across Vermont**
 - Since this is a long-term goal there are no 5-year indicators/metrics to assess, but VCBB will monitor indicators in multiple sectors to gauge indirect impact of broadband expansion on socio-economic conditions. These include:
 - Economic:
 - Unemployment rate.
 - Number of remote workers.
 - Household income level.
 - Population change (gain/loss).
 - Health:
 - Utilization rates of telehealth services.
 - Life expectancy.
 - Education:
 - High school graduation rates.
 - Student performance on standardized test scores.

Existing Funding

Broadband Related Category	Total	Committed/ Expended	Available	Remaining % of Available
Approved Deployment and Non-Deployment Activities	\$559,185,933	\$165,088,621	\$394,097,312	86.7%
Affordability Programs	\$41,770,080	\$7,575,840	\$34,194,240	7.6%
Planning, Administrative, or Overhead	\$18,000,000	\$0	\$18,000,000	4.0%
Public Connectivity	\$10,792,000	\$2,721,919	\$8,070,081	1.8%
Grand Total	\$629,748,013	\$175,386,380	\$454,361,633	100%

Inclusive of Vermont's \$228.9M BEAD allocation, the State has approximately \$394.1M in existing funding which is available for extending high-speed broadband infrastructure to unserved and underserved locations and CAIs.

Stakeholder Engagement Summary (as of July 10, 2023)

- 6 VCBB-organized in-person events (80 attendees total)
- 2 virtual events (65 attendees total)
- 4 community events attended
- 44 RFI responses
- 150+ pieces of email feedback received
- 1,975 survey responses received
- 60+ individual meetings held with stakeholder organizations including all CUDs and major ISPs, other relevant departments and agencies, and interested community-based organizations

Issues to Overcome for Successful Implementation

- While all reconcilable, Vermont faces three main categories of issues in implementing its BEAD plan:
 - Institutional: Serving historically marginalized and difficult-to-reach populations, ensuring CUDs have capacity to deploy networks and can provide affordable service in a commercially-sustainable way
 - Legal: Balancing compliance with federal statutory requirements to conduct an open and competitive subgrantee selection process while staying true to the municipal CUD structures and community-driven vision of Act 71
 - Economic: Supply chain challenges and labor shortages, tracking and maximizing all available sources of broadband funding, limited funding coupled with Vermont's challenging terrain and low population density



Estimated Timeline

Timing is dependent on approvals from NTIA

August 28, 2023: BEAD Five-Year Action Plan submitted to NTIA

- Vision, goals, objectives
- Strategy

Dec. 2023 – March 2024
(Pending approval from NTIA):

- Process approved modifications and de-duplication of funding
- Conduct challenge process

September 2024: NTIA approval of Final Proposal and award subgrants

Fall 2023: BEAD Initial Proposal submitted to NTIA.

- Eligible locations
- Challenge process
- Extremely High Cost Per Location Threshold
- Subgrantee and project eligibility requirements
- Scoring criteria

March – August 2024: Conduct subgrantee selection process and submit Final Proposal to NTIA.

2024 – 2028: Ongoing monitoring, reporting, and performance management

Dec. 31, 2028: Affordable high-speed broadband available to all Vermonters

Estimated Cost

The estimated cost of extending fiber to Vermont's 49,773 unserved and underserved locations (excluding RDOF funded locations) is \$500-700M.

BEAD, ARPA, subgrantee matches, and other funding sources will cover this cost.

Three important variables for ensuring that sufficient funds are available:

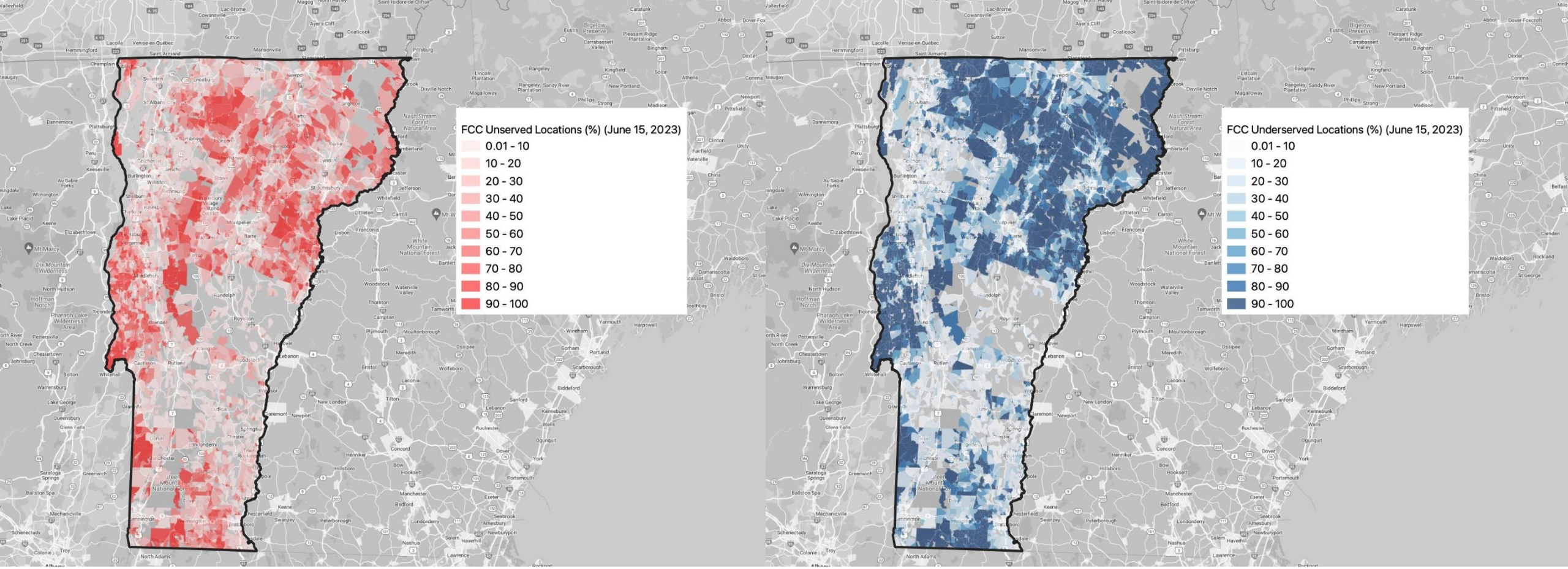
- The cost of extending end-to-end fiber connectivity to each unserved and underserved location in the State;
- The amount of matching funds that will be offered by prospective BEAD subgrantees (i.e., how much subgrantees will offer above the statutory minimum of 25% and if the State of Vermont can contribute any additional resources); and
- The amount of funds that the State will set aside to cover any cost overruns (i.e., to account for inflation, supply chain challenges, labor shortages, etc.) or encourage subgrantees to include in their proposed budgets.

This approach prioritizes quality, scalability, and reliability.

Draft Initial Proposal Volume 1

What's in Volume 1

- Initial identification of unserved and underserved locations
- Definition of community anchor institutions classification applied
- Proposed pre-challenge process location modifications (e.g., the proposed deduplication process)
- Proposed challenge process



FCC Maps of Unserved and Underserved Locations (as of June 15, 2023)

Community Anchor Institutions

Vermont's List of Community Anchor Institution Types:

K-12 schools

Higher education institutions (such as University of Vermont, and Community College of Vermont)

Workforce development organizations (such as VT Department of Labor locations, Working Fields, and Pathways VT)

Adult education agencies (such as VT Adult Education, and Central Vermont Adult Basic Education)

Libraries

Health clinics, health centers, hospitals, and other medical providers

Public safety entities (such as police departments, fire departments, and EMS headquarters, Red Cross emergency shelter locations)

Public housing (such as housing and urban development-assisted housing)

Neighborhood organizations and community centers, including community centers and neighborhood gathering spaces located on Tribal lands

Houses of worship (such as churches, synagogues, mosques, and temples)

Local and/or state government buildings (such as town halls, city halls, town clerk offices, and courthouses)

Housing shelters (such as COTS)

Social service agencies (such as Age Well)

Correctional facilities and juvenile detention centers

Public outdoor spaces (such as community gardens and Park and Rides)

Public access television station facilities

Challenge Process

Prior to Challenge Process: VCBB Challenges FCC Data on Unserved and Underserved Locations

This effort yielded corrections and improvements to the data, adjusting the State's allocation of BEAD funding.



Phase 1: Publication of Eligible Locations

Prior to beginning the Challenge Phase, the broadband office will publish the set of locations eligible for BEAD funding, which consists of the locations resulting from the activities outlined in Modifications to Location Classifications and Deduplication of Funding.



Phase 2: Challenge

A representative of one of the permissible challengers submits a challenge to VCBB, using an online portal maintained by VCBB. Challengers will have 30 calendar days to submit a challenge from the time the initial list of unserved and underserved locations, CAIs, and existing enforceable commitments are posted.



Phase 3: Rebuttal

The challenged service provider may rebut the reclassification of a location or area with evidence, causing the location(s) to enter a "disputed" state. If a challenge is not rebutted, it is substantiated. If a provider agrees with the challenge, it moves to the "sustained" state.



Phase 4: Final Determination

If the challenge for a location is in the "disputed" state, VCBB will make the final determination of the classification of the location, either declaring the challenge "sustained" or "rejected".

Thank you. We look forward to your feedback.



MAPLE
BROADBAND

District Update June 2023

- Completed 25.7 miles/304 passings
 - Service launched in February 2023
 - 60 customers installed to date
 - Take rate 19.7% after 4 months (vs projection 19.4% after 12 months)
 - Actual ARPU within \$1 of 2022 projections
- 129.9 miles in progress in Cornwall, Shoreham, Orwell, Whiting, Salisbury, Leicester
- Phase 1 total of 155.6 miles will be active by Q1 2024

Impact of Competition

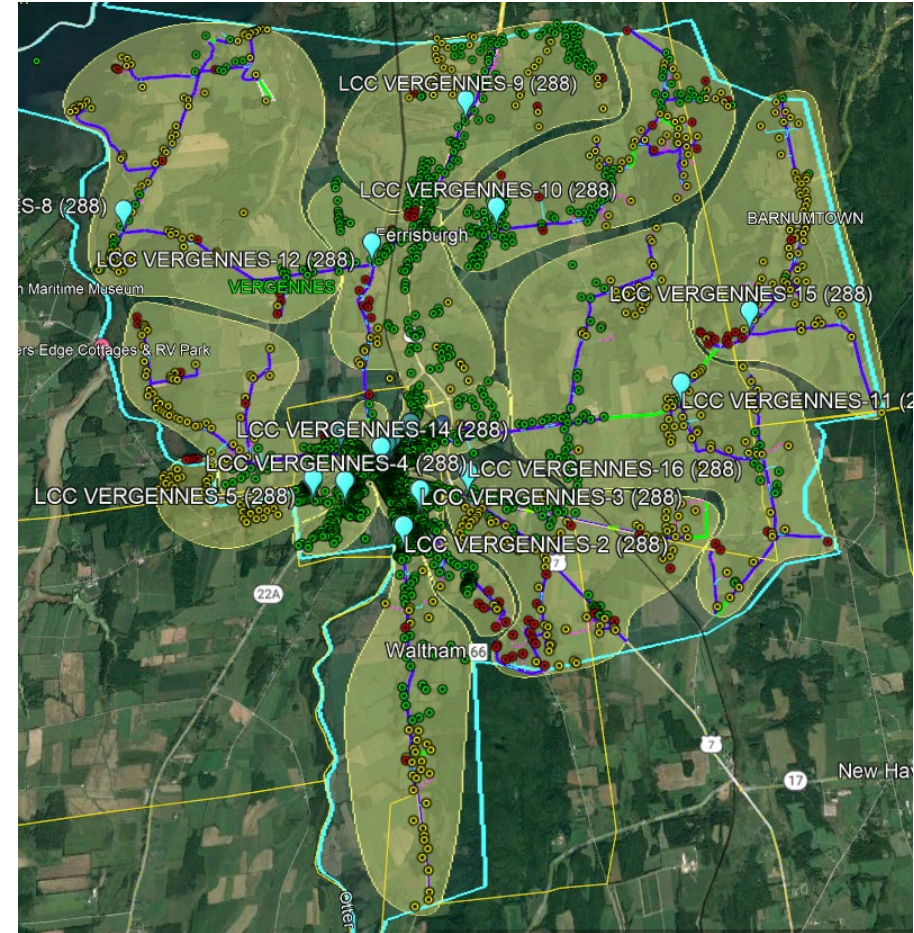
- GoNetspeed has extended service to portions of Cornwall and Shoreham
- Fidium (Consolidated) is in the final stages of service activation in Middlebury and Ripton
- **The majority of planned Maple Broadband Phase 3 will be served in the near future by Fidium**

Impacts to Business Plan

- Size of planned network reduced to avoid overbuild of new fiber
- Smaller footprint
 - 374 miles (reduced from 595)
 - Remaining footprint lower cost (more aerial, less complex make-ready)
 - Mainline capex requirement reduced by \$10M
 - Cost per mile lower as a result
- Projections updated with actual costs
 - Actual construction costs +/- 10-15% lower than expected
- Net results
 - Plan to complete remaining 218.6 mainline miles with Act 71 construction funds by mid-2024
 - Remainder of build to be completed with BEAD in 2025
 - Staff levels will be reduced in 2026
 - Strong, viable business

Planned Phase 2

- Underserved areas of Ferrisburgh, Waltham, Monkton, and New Haven
- 88.7 miles
- 612 unserved/underserved passings



Grant Request

- \$2,157,386 (remainder of Act 71 allocation)
- Increase miles from 180.6 to 244.3
- Increase addresses passed from 1,188 to 2,748
- Add service in portions of Vergennes, Ferrisburgh, New Haven, Monkton, and Waltham

Updated Budget

Sums in 1000's	Current Grant	Proposed Amendment
Capex (make-ready, mainline, hubs & electronics, drops, quality assurance/OPR)	\$8,535	\$9,911
Maintenance capex	\$62	\$133
Construction-related operating expenses (pole rentals, network insurance, etc)	\$89	\$95
Phase 3 materials	\$0	\$577
Contingency	\$0	\$490
Total	\$8,686	\$11,206

Thank you

