

Vermont Community Broadband Board Draft Meeting Minutes
Meetings are being held virtually.
September 19th, 2022

I. Call To Order – 12:18pm

Roll call completed by Patty Richards

Patty Richards, Chair (Remote)
Dan Nelson (Remote)
Brian Otley (Remote)
Laura Sibilila (Remote)
Holly Groschner (Remote)
Christine Hallquist - Staff (Remote)
Robert Fish – Staff (Remote)
Stan Macel – Staff (Remote)
Alissa Matthews – Staff (Remote)

Patty Richards confirmed and asked to add an Executive Session for VCBB Directors only after Item III and made a motion to approve the updated agenda. Holly Groschner seconded, and the updated agenda was unanimously approved.

II. Approval of the September 6th draft minutes

The Board discussed the September 6th, 2022 draft Board Meeting minutes. Dan Nelson noted a mistake in the comment provided by Eric Hatch and Alissa Matthews revised the language to read, “Eric Hatch commented that SoVT had a debrief and is very excited and appreciative of all of the work and support provided from the Board and VCBB Staff to get to this milestone for their CUD.”

Dan Nelson made a motion to approve the updated minutes. Laura Sibilila seconded, and with three votes in favor the motion was approved. Patty Richards and Holly Groschner were not in attendance and abstained from the vote.

III. WCVT Maple Broadband USP Construction Grant Application Q&A and Decision

Christine Hallquist provided an overview of the public/private partnership in Addison County between the Maple Broadband CUD and Waitsfield and Champlain Valley Telecom (WCVT). Christine shared that they are requesting \$9,104,486 to build out 325.57 fiber miles to serve a total of 2,655 passings within the towns of Addison, Bridport, Panton, Weybridge, and Bridport; and portions of Ferrisburgh, New Haven, and Waltham.

Steve Huffaker presented an overview of the Maple Broadband CUD and its relationship to Waitsfield and Champlain Valley Telecom (WCVT):

- 20 member towns in Addison County with 17,319 E-911 addresses; 5,898 un/underserved
- The CUD has an operating agreement with WCVT
 - WCVT is responsible for universal service in its ILEC territory and Maple Broadband is responsible elsewhere in the USP
- Total Cost for Maple Broadband USP - \$51.8M; \$16.6M for WCVT area

- Throughout the USP there will be consistent fiber cable type and strand counts, termination method, pole attachment method, use of Calix platform, and active and passive cabinet manufacturer.
- Maple Broadband and WCVT have agreed that if and when needed they will loan in-stock product to each other to accommodate project schedules.
- Network management agreement key performance indicators include:
 - Voice Network Trouble Report Rate
 - Troubles cleared within 24 hours
 - Calls answered within 20 seconds
 - Installation appointment met
 - Broadband Trouble Report Rate
 - Network Uptime
- WCVT will provide the following service for Maple Broadband:
 - Start-up business operations support
 - Federal ACP program training and support
 - Construction materials warehousing and management
 - Network design support
 - Network hub construction
- Transparency
 - Regular Maple Broadband/WCVT business planning meetings
 - Regular WCVT presentations to the Maple Broadband Governing Board
 - Regular WCVT construction reporting



Semi-Annual Governing Board Progress Report

July 1, 2022

	Maple Broadband	WCVT
First year of operation	2020	1904
Fiber network launch date	2022 (tentative)	2012
Employees	0	68
Funding	Grants, loans, subscriber revenues	Grants, loans subscriber revenues
Unserved addresses	714	161
Underserved addresses	2306	2716
Total addresses	9488	7831
	Maple Broadband	WCVT / Maple Broadband
Addresses passed, Q1/Q2 2022	0	0
Addresses passed, Q3/Q4 2022		
Addresses passed, Q1/Q2 2023		
Addresses passed, Q3/Q4 2023		
Addresses passed, Q1/Q2 2024		
Addresses passed, Q3/Q4 2024		
Addresses passed, Q1/Q2 2025		
Addresses passed, Q3/Q4 2025		
Addresses passed, Q1/Q2 2026		
Addresses passed, Q3/Q4 2026		

Roger Nishi provided an overview of updates in WCVT's portion of Maple Broadband's USP:

- 80 installations to-date in the Maple Broadband towns
- 22 miles of fiber placed in "Big Hollow" which includes the area around Starksboro, another 16-18 miles remain to be built to serve 340 customers when complete
- Pole applications are complete and exchanges are being engineered
- WCVT recently met with GMP on Maple Broadband and WCVT connection point
- Early in 2023 WCVT will complete mainline construction in Addison, Bridport, Panton, and Weybridge, and customers will be added as splitter cabinet locations are tested

Following the presentation, Patty Richards opened the floor for questions from Board Members.

Laura Sibilia:

- 1) It is noted that by working with Maple WCVT, they will be more than doubling the number of addresses its servicing. Is this correct?
 - a. Steve: Yes, that is correct.
- 2) Has WCVT ever had a service quality investigation by the PSD?
 - a. Roger: None that he is aware of.
- 3) What level of increased accountability does a Maple CUD customer have from your regular customer?
 - a. Roger: All customers will receive the same care and service that they bring to their current WCVT customers. As they add customers, keeping their quality of service is a priority.
- 4) Please speak to the sustainability of your CUD and your executive director. How will that position and that community representation be maintained.
 - a. Steve: There is accountability on the part of WCVT as it relate to their needs. Each delegate from the 20 towns attends the monthly board meetings and it is not unusual that they entertain questions as to when WCVT will build in their town. Other issues and concerns may be brought up as well and those are funneled to WCVT. The WCVT responses are reported back to the governing board. WCVT already seems to have a good reputation in the community.
 - b. Steve: Their mandate is to ensure all subscribers in their member towns have service. In the early years they will be focused on deployment and revenue flow. As time goes on that funding focus will shift into the municipal bond market. He thinks that by the 10 year mark all buildout will be completed. They will still be the custodians after that and will manage at that level.
- 5) Let's say that WCVT is sold to a hedge fund or investment fund and all of a sudden there are lots of problems. How will the CUD handle this.
 - a. Steve: Terms of management agreement addresses that eventuality. The way they are building their network, there are two islands of CUD presence. As part of their build the two islands will be interconnected via infrastructure that's not provided by WCVT. They want to own the totality of their subscribers in a single discreet network at which point they can move on to seek another operator.
- 6) Does the CUD have any engagement as part of your agreements with WCVT on rate increases? Are there any expectations on notification, presentation of documentation, etc.
 - a. Steve: No, there is no notification language for rate increases or changes.

- b. Roger: All customers will be provided with the same notice regardless of if they are in Maple territory or not. WCVT will also be providing updates to Maple and is willing to put written provisions in the contract.

Holly Groschner:

- 1) In the staff review it was noted that the rate charge was \$103 for 100 megabytes square. What is the base rate and is this same for Maple as other WCVT customers?
 - a. Roger: WCVT is constantly reviewing their rates and they want to condense some packages and they are looking to bring those rates down.
 - b. Steve: Maple is not in lock step with WCVT. They need to have satisfactory take rates so they can meet their overall business objectives.
- 2) Maple has made a separate application for funding and other CUDs have made other applications with a commercial provider. Why is this system not part of the Maple system in the agreement and instead included as private infrastructure?
 - a. Roger: It's something that is part of Federal Universal Service funding and in the operations of their service area, all those customers are counted as part of the funding that they receive at the federal level. So if Maple were to come in and were to overbuild WCVT and say they were separate from WCVT and those customers went away, that universal service funding could be reduced at the federal level. Now it's all in a state of flux now, but it's important for WCVT to maintain the current footprint and customers to at least keep the funding as it comes in today at those levels. He can't speak to the future on that, but that's the main intent and it makes for a system in which they're not competing for the same customers in an area that is just extremely difficult to serve and high cost in nature.
- 3) In the staff summary it suggested that 1100 of the addresses passed are not eligible. How are they not eligible if they are copper lines?
 - a. Roger: They have short enough loop distance so that they can get speeds of 25/3. They could include these in incidental overbuild but have not done so to date because the overall build is much more than the funding they are requesting. These are customers that are close enough to the OLTs or they can be brought up to speeds greater than 25/3.
- 4) The Board does not have a copy of the agreement between WCVT and Maple. What are the enforcement standards, penalty provisions and what does it look like if the parties decide to part ways. The Board expects there to be performance criteria that is outside of the control of the VCB.
- a. Roger: The gist of the agreement is that WCVT needs to build at the same or a quicker pace than Maple. That is something that as an incumbent provider, they will ensure that they build at the pace that meets the needs of Maple. There are penalties and remedies for accountability but they don't expect those to ever come into play.
 - b. Steve: They have used some of the tariff language from the PUC in their agreement to ensure WCVT delivers on the expectations.
- 5) Are there plans that are below \$103 that provide adequate service to customers?
 - a. Roger: 25/25 is \$79.95 and 10/10 is \$72.95

Patty:

- 1) Would you consider some performance standards similar to what was voted on by the Board for Southern Vermont and CCI? If we have created a standard for one grantee than shouldn't we do that for all?
 - a. Steve: Not fully aware of those provisions so can't comment.
 - b. Roger: The things included in those provisions are what WCVT does on a regular basis anyway. There is nothing in those provisions that Roger finds insurmountable or objectionable.
 - c. Laura: There is no record of poor performance for WCVT, in contrast to CCI. There is also a plan for the CUD to continue into the future to maintain the connection and that accountability. This creates a significant difference between this application and the one with CCI.
- 2) Patty wants to note that it is WCVT applying and not Maple.
 - a. Steve: When this was originally discussed, the general indication at the time was that it was the CUDs responsibility to submit the application. The application is a huge undertaking so WCVT took the lead on it. This approach was the result of some of Maple's challenges to get that application work done.

Brian noted that he is in full agreement with the discussion and it appears to be consistent with previous discussions the Board has had on enforceability.

Patty Richards made a motion to approve WCVT's request for \$9,104,486 contingent on an agreement between WCVT and Maple Broadband CUD on consumer protection provisions at least equal to or more stringent than what was approved in the Southern Vermont grant application and the inclusion of provisions regarding advance notification of rate changes. The motion was amended to also require that those provisions must be produced in writing and are subject to staff review. Laura Sibia seconded, and the amended motion was unanimously approved.

IV. VCBB Executive Session

Per Board Chair request, the Board entered into Executive Session to discuss personnel matters where general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)3).

Patty Richards confirmed that no actions were taken in Executive Session.

V. NTIA BEAD Middle Mile Application Update

Christine Hallquist provided an overview of the status of Vermont's Middle Mile application that would improve statewide resiliency and redundancy and shared that CTC, the consultants helping to prepare the application are present to share the maps. Christine noted that with various partners, pieces are still coming together but a draft of the narrative will be ready to send to the Board and June Tierney, Commissioner of the Department of Public Service for review by Wednesday September 21st. Christine made the point that the main goal of any additional federal grants the VCBB applies for will be focused on increasing affordability since the more money the VCBB receives in grant funding, the lower the end price will be for Vermont customers. She explained that the cost for the CUDs to provide service is all driven by the average revenue per unit (ARPU)

so the VCBP Staff have aggressively gone after this opportunity for a \$100 million Middle Mile Grant and have found tremendous support from different Vermont Agencies recognizing its importance. Christine explained that the project is taking advantage of this once-in-a-lifetime opportunity to build a highly reliable and redundant statewide network including the CUDs along with ISPs like FirstLight, Consolidated, Vtel, and Waitsfield Champlain Valley Telecom as partners to put in their route needs, plan for Interstate connections, and provide in-kind match.

Christine then requested any additional details and questions be addressed in Executive Session as this is a very competitive grant and partners are still in negotiations.

Holly Groschner commented that she cannot understand why CUDs would have objections except for the idea that some federal funding would be spent on Middle Mile that could be used for incumbent carriers and because of that she expressed concern about going into executive session to discuss this public application if talking about the VCBP's approach to this federal funding.

Christine provided clarification that any discussions we have in Executive Session will be solely about the route map being negotiated between partners and the business information provided by private telecom carriers through signed NDA's. Christine confirmed everything else would be public and added that the CUDs are supportive, but with the challenging timeline of the application there will be more details to continue working on once initially submitted.

Holly Groschner commented that there is a requirement in Act 71 that the VCBP do a State Plan and asked if this helps the VCBP consolidate that effort. Christine confirmed that this is leveraging funding to come up with a statewide design, but not all carriers have participated in the planning so far. Laura Sibilio corrected the statement that the statewide plan is required to the fact that it is allowed. Laura read the language in Act 71, "the Board shall have the power to contract for comprehensive statewide fiber optic engineering design to identify strategies that maximize fiber optic buildout efficiency and ensure resiliency and interoperability of all existing fiber optic network built with public or ratepayer funds and that takes into consideration all proposed publicly funded fiber optic projects, the development of which shall not be required or impede the disbursement of grants under this chapter."

Patty Richards made a motion and Dan Nelson seconded and Patty invited the Board, VCBP Staff, and CTC consultants into Executive Session to discuss the specifics of the application as 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).

Patty Richards confirmed that no action was taken in Executive Session.

VI. Subsequent Overbuild Hearing, Discussion & Public Comment (1:06 into meeting)

Stan Macel provided an overview of the Subsequent Overbuild DRAFT Policy:

- Act 71 defines "served" as service of at least 25/3. Identifying locations that are served begins with the Interactive Broadband Map which is maintained and updated by the Vermont Department of Public Service. The Department of Public Service updates this map annually using information voluntarily provided to it by internet service providers. The VCBP makes a single adjustment to this map to align our data with the Board approved definition that requires a wired connection of at least 25/3 to be considered served.
- Regarding probable extensions or upgrades, a provider must submit a signed statement identifying the addresses to be served, specified service speed and completion date. In considering the

probability that the proposed extension or upgrade is completed on time, the VCBB staff will give weight to the provider's track record at providing service in a timely manner and the project's location in the project pipeline in determining the likelihood of probable builds.

- **Act 71 8086(f) Three-Prong Test**

Act 71 provides that the Board may provide a grant to an eligible provider to deliver broadband service in a currently served area subject to a three-prong test, as described in paragraph 8086(f). That paragraph requires that:

1. The proposed project is a cost-effective method for providing broadband service capable of at least 100/100 speeds to nearby unserved and underserved locations;
 2. Any overbuild is incidental to the overall objectives of the universal service plan required for funding under the Construction Grant Program; and
 3. Before awarding the grant, the Board makes a reasonable effort to distinguish served and unserved/underserved locations within the area, including recognition and consideration of known or probable service extensions or upgrades.
- **Known or Probable Service Extensions or Upgrades:** Once a grant has been awarded, the grantee, the VCBB staff and/or the VCBB may become aware of known or probable service extensions or upgrades in the grantee's proposed service area. Such service extensions or upgrades are to be expected as existing private providers in the area in question compete for business and upgrade their services.
 - **Incidental Overbuild:** The existence of additional building in a grantee's territory is likely to affect the amount of area that is considered "overbuild." VCBB staff has previously issued guidance regarding what it considers "incidental overbuild" at the time of a construction grant application using a general limit of twenty percent of overbuild as "incidental."³ We note that the twenty-percent guidance applies at the time of the application, and we realize that this percentage may change based on subsequent building by other providers. However, if possible, we urge grantees to strive to keep overbuild funded by grants to approximately twenty percent, and to follow previously-issued guidance regarding overbuild.
 - Stan noted that he believes that incidental overbuild is really a separate issue and proposes that that language be removed from the final policy once enacted.

Additional questions and comments were provided by the Board and during a public comment session and were inclusive of the following:

- 1) **New England Cable Telecom Association:** The 20% number is too high and they also questioned the challenged process.
 1. Stan: 20% is consistent with other state policies and FCC policies. This was approved as part of the proposal that was put out for the construction grant program and grantees were held to this standard.
 2. Stan & Christine: There is no current state policy for challenges. VCBB does not control the maps. Those are controlled by the PSD. The VCBB does not have a challenge process because they are not responsible for those maps.
- 2) **Laura Sibilia:** Laura questioned the mission of the VCBB as noted in the policy. Her position is that it is not the VCBB's job to connect every single address. The job of the VCBB is to assist the CUDs in providing universal service
 1. Stan: We can propose some additional language to further clarify the VCBB's role to provide universal community-based solutions.

- 3) Holly Groschner: Holly has 12 comments to provide clarification on the policy. She finds the memo circular and unclear. Some of the comments are more about form and those do not need to be discussed by the board and will be sent to Stan separately. However, some of the more substantial items she wanted to acknowledge were:
 1. Who is a provider?
 2. What is the methodology by which a provider gives information to the VCBB? There must be a request for response.
 3. 20% of what? It isn't clear whether that is addresses or funding.
 4. The memo implies that the Board is in favor of competition, however, that has not been explicitly discussed.
- 4) Dan Glanville (Comcast): Restated that the comments reflected in their September 14th 2022 filing do outline the specifics of their position with regard to this matter. It did identify some 637 locations that will be serviceable as a result of their builds in recent months. That information was also provided in greater detail on a July 1st, 2022 letter that was sent into the board as well.
- 5) Rob Vietzke (VCUDA): VCUDA feels that the policy draft is a good start and the questions that they sent over to staff were to strengthen it and provide some clarity.
 1. They do think that the overall broad intent of ACT 71 could come through more clearly.
 2. There should be more clarification on the way that the information from providers is gathered. They could also provide a performance bond to the VCBB or the towns that you are servicing to provide further assurance that the projects will be completed as expected.
 3. Service prices and installation prices. Will these be in line with other providers?
- 6) Clay Purvis (PSD Director of Telecommunications): He had a discussion with the VCBB about the mapping and subsequent builds. This is an issue that is difficult to address on a continuous basis because the process is quite involved. It can be difficult to get the information from the providers in order to update the maps. This makes it difficult to update it throughout the year rather than only once.
- 7) Rick Rothammer (Stowe Cable Systems): They would like to be on the record as opposing the 20% overbuild funding. Competition in low density areas will make it challenging to provide service in those areas.

VII. Legislation Policy Proposals (initial discussion)

Christine Hallquist explained that Staff see this as an opportunity for the Board to provide input as the Administration has asked the VCBB to provide an update in terms policy to address during the next legislative session. Christine shared that one of the issues that VCBB Staff have been discussing which have been shared in weekly updates is in relationship to multi-dwelling units and low-income housing held by private providers that have exclusive contracts with a telecom provider and this creates a problem for universal service. As a national problem, the VCBB

reached out to other states and found that a number of them including Illinois and Indiana have passed legislation or are in the process like Connecticut and Staff recommend developing language modeled off of states that have successfully addressed this issue.

Staff also wants to consider replacing the current availability of service standard of 25/3 with 100/20 as being considered served to align with the upcoming BEAD program. Patty Richards asked if that will increase the number of underserved and expressed concerns that it could make it more difficult for the CUDs to reach their goals to serve the underserved.

Laura Sibilia asked whether there have been any discussions related to the Vermont Universal Service Fund. Christine responded that the staff are working closely with the administration to develop a budget in alignment with the state's budget process that will then be brought to the Board for approval. Laura highlighted that the VCBB should work to better understand the commitment and source of funding to cover VCBB budget.

Patty Richards confirmed that the purpose of this initial discussion was to request the Board gather thoughts relative to potential legislative changes. Holly Groschner added the thought that it might be time to start thinking about the use of funding for subsidies for service and to add a placeholder to think about affordability.

VIII. Staff Updates & Parking Lot

Christine Hallquist noted that updates were mostly covered in other discussion and in the weekly updates to the Board.

IX. Confidential Contract Negotiations and effects on NEK business plan

Christa Shute shared that NEK Broadband applied for a \$21.5 million ReConnect Round 3 grant that was rejected but after feedback from USDA-RD Staff, the CUD has been encouraged to reapply during ReConnect's Round 4 grant period for which applications are due November 2nd. She explained that there are items related to NEK Broadband's confidential negotiations with other parties and the CUD's strategy in regards to a grant application and she would like to discuss those items with the Board.

Patty Richards made a motion, and Holly Groschner seconded to move into Executive Session and invited the Board, Staff, and NEK Executive Director as 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).

Patty Richards confirmed that no action was taken during Executive Session.

X. Public Comment

There were no public comments provided.

XI. VCUDA Update

Rob Vietzke provided an update for VCUDA, stating that the biggest change includes him being an addition to the team and while he has past broadband experience he is still learning the various details about each CUD and welcomes outreach from anyone wanting to know more. Rob reported that VCUDA received another \$250,000 worth of fiber and delivered it to the CUDs from the shared cooperative buying program. He explained that a major focus this month was on the

subsequent overbuild policy subcommittee and VCUDA will be discussing a strong letter of support for the middle mile proposal at the VCUDA meeting Tuesday. He also commented that there has been lots of activity across the state with several CUDs transitioning from pre-construction to construction.

XII. Confirm Next Meeting & Motion to Adjourn

Patty Richards confirmed the next meeting will be October 3rd and made a motion to adjourn. Laura Sibilia seconded, the motion was unanimously approved, and the meeting was adjourned at 4:03pm.

DRAFT