

PHILIP B. SCOTT  
GOVERNOR



State of Vermont  
OFFICE OF THE GOVERNOR

September 28, 2022

Alan Davidson, Assistant Secretary of Commerce for Communications and Information  
Herbert C. Hoover Building (HCHB)  
U.S. Department of Commerce  
National Telecommunications and Information Administration  
1401 Constitution Avenue, N.W.  
Washington, DC 20230

Dear Assistant Secretary Davidson:

As part of my ongoing initiative to connect every Vermonter to the highest standard of internet access available in the United States, I'm writing to indicate my strong support for the application of the Vermont Community Broadband Board to the National Telecommunications and Information Administration's Middle-Mile grant program. My Administration is committed to the success of this application, and in order to ensure it meets federal matching requirements, I pledge to include a \$30,000,000 general fund appropriation in my budget recommendation to the General Assembly, and to fully endorse the swift passage of that appropriation.

The proliferation of the internet over the past 20 years has made broadband connection an increasingly desirable service across America, and Vermont was no exception to this trend. However, our difficult geography, small population, and isolated location led our rural state to lag behind in the deployment of fiber networks.

With the COVID-19 pandemic, that desirable resource became an absolute necessity for anyone who wished to keep up with their education, healthcare and often, their employment. Thankfully, the federal government was keenly aware of this, and Vermont set about deploying federal funding for broadband to its full potential.

My Administration has led the development of a statewide broadband plan that aims, realistically, to connect every on-grid premise in our state to world-class, high-speed internet. The plan is distinctly Vermont in character, where groups of towns around the state have formed Communications Union Districts – public entities dedicated to building internet networks connecting every household within their county-sized territories. These democratic organizations are already off and running thanks to the support and oversight of the Vermont Community Broadband Board, which has been entrusted by the Legislature with over \$245,000,000 in state and federal ARPA funds.

Alan Davidson, Assistant Secretary

September 28, 2022

Page Two

The Communications Union Districts could take on debt in order to finance the completion of their networks, but this will necessitate higher rates to their consumers. This Middle-Mile grant represents an opportunity for us to invest even more public money in our community fiber networks, reducing their need to go to the bond market. It would enable us to connect different Districts together, and then to internet hubs in more connected areas beyond the borders of our state. This network provides Vermont a once in a generation opportunity to build a state-wide reliable and resilient backbone to ensure we can withstand future weather events, handle new demands for electricity and enable smart transportation systems. Above all, it would accelerate our plan to achieve universal service, at rates Vermonters can afford. This is particularly important to me because we have some of the highest energy and heating costs in the nation, and the ability to provide affordable high-speed internet can help offset the burden for those who live in this region.

These factors reflect my priorities for broadband deployment so clearly, I'm committed to including a \$30,000,000 matching appropriation in my budget. I will present this budget to the General Assembly in January. We are only able to make this investment because of an extremely rare surplus in our General Fund. The value of federal funding has never been lost on Vermont, and I'm happy to make use of this opportunity to invest in further federal support. Above all, I'm convinced providing this match will represent a step forward towards achieving universal broadband internet in our state – a necessity for the future success of Vermont.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Scott", with a long horizontal line extending to the right.

Philip B. Scott  
Governor

PBS/kp

cc: Christine Hallquist, VCBB Executive Director