



Vermont Community Broadband Board

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Board Packet Executive Summary

October 9, 2023

Christine Hallquist, Executive Director

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Board meeting quorum is questionable

We are planning the meeting to be brief with one item for Board approval. Two Board members have indicated they will not be able to attend, with one saying, “odds are I will not be able to make it.” The Board chair has requested that the Board members send a short paragraph updating the status of individual policy groups. We will post those as we receive them, and we have set aside an agenda time for updates from those Board members present. Staff will provide updates on BEAD and Digital Equity as part of the ongoing agenda items.

Town ARPA match proposed resolution

Last Spring, the VCBB board committed to matching the local funds approved by towns. Staff set the deadline for the towns to be October 20, 2023. Fifty towns have donated a total of \$2,837,916 in ARPA Local Fiscal Recovery Funds to their respective CUDs or the WCVT Universal Service Plan. The towns have been notified that the final deadline is fast approaching. Staff has included a proposal to re-allocate the balance of the funds that were allocated to the program.

Vermont Community Broadband Board Meeting
Monday, October 09, 2023, 12:00pm – 4:00pm
AGENDA

Meeting is being held virtually.

[Click here to join the meeting](#)

Join by Phone; [+1 802-828-7667, 5004879#](#)

Note: there may be executive sessions as needed.

- 12:00 1) Meeting Call to Order, Roll Call, Approval of Agenda
- 12:05 2) Approval of August 14 and September 11 Meeting Minutes
- 12:10 3) Policy Updates from Board Members
- 12:30 4) ARPA Local Fiscal recovery Town Match -*Robert Fish*
- 12:45 5) BEAD Updates -*Christine Hallquist & Lucy Rogers – Presentation at meeting*
- 1:15 6) Digital Equity -*Christine Hallquist & Britaney Watson – Presentation at meeting*
- 1:45 7) VCUDA Updates – *Rob Vietzke*
- 2:00 8) Public Comment
- 2:10 9) Parking Lot – *Christine Hallquist*
- 2:15 10) Confirm Next Regular Meeting 11/13 & Motion to Adjourn

Press inquiries: please contact Herryyn Herzog, herryyn.herzog@vermont.gov (802) 522-3396.

Vermont Community Broadband Board Meeting

Monday, August 14th, 2023, 12:00pm – 4:00pm

Draft Minutes

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

Patty Richards called the meeting to order at 12:05 and completed roll call. Patty would like to meet new staff at the September meeting.

- Patty Richards, Chair (Remote)
- Laura Sibilia (Remote)
- Brian Otley – (not present – family emergency)
- Holly Groschner (Remote) *Arriving late @ 12:10*
- Dan Nelson (Remote) *leaving at 1:30*
- Christine Hallquist - Staff (Remote)
- Robert Fish – Staff (Remote)
- Toni Clithero – Staff (Remote)
- Steven Zubkoff – Staff (Remote)
- Herryng Herzog – Staff (Remote)
- Lucy Rogers – Staff (Remote)
- Chance Payette – Staff (Remote)

Patty Richards made a motion to approve the agenda Seconded by Dan. No further discussion.
Unanimously approved by Patty, Laura, and Dan.

II. Approval of Minutes (June 12, July 18, July 28)

Patty Richards made the motion to approve all three sets of minutes, June 12, July 18, and July 28th, seconded by Laura. Discussion and agreement that the language in the minutes concerning the NEK and Maple Construction Grant amendments in item VII (NEK) (subject to VCBB policies including future policies) and VIII (Maple) (subject to being consistent or subject to VCBB current and future policy) in the July 18 draft minutes did not require revision. *Voted unanimously by Patty, Laura, Dan, and Holly.*

III. State of Vermont Emergency Board Decision Regarding Match Appropriation

Will Anderson, from the Department of Finance and Management, discussed the State of Vermont's Emergency Board's decision to reallocate \$20 million of the \$30 million allocated to the VCBB from the General Fund as match funds under Act 145, Section B (a)(28) based upon the understanding that these matching funds were not currently being used and would be returned in the 2024 Budget Adjustment Act in time for use by the VCBB in the BEAD program in mid-2024. Will expressed confidence that the amount will be available given the current revenue forecast, which anticipates a \$78.4 million surplus. Will agreed to report back to the Board concerning the status of the remaining \$10 million allocated by Act 145 and on which other appropriations had been considered when the Emergency Board determined to allocate the VCBB appropriation.

The Board indicated it would prepare a letter to the Chairs of the House and Senate Appropriations Committees concerning the VCBB's interest in the prompt reallocation of these match funds, which is to be added to next month's agenda and to the Parking Lot.

IV. Lamoille FiberNet Construction Grant Application

Staff and CTC recommended approval of both the Pre-Construction and the Construction Grants. Lisa Birmingham, Chairperson of Lamoille FiberNet (LFN), presented the applications and, along with VCBB's consultant, CTC Technology and Energy (CTC), addressed questions from the Board. The discussion concerned the enforceability of an agreement to the retroactive application of future Board policies. LFN could not agree to the same at the meeting, and the Board agreed to postpone its consideration of LFN's Construction Grant application until the next Board meeting. Holly requested staff to provide a redacted copy of CCI and Lamoille FiberNet's agreement in hopes of helping create/drive policy discussions moving forward.

Holly made a motion to grant Lamoille FiberNet's Pre-Construction Grant without caveat in the amount of \$1,369,478 seconded by Patty. No further discussion. Voted unanimously by Patty, Laura, Holly, and Dan.

V. Otter Creek Construction Grant Application

Given the commonalities between the Lamoille and Otter Creek (OCCUD) Construction Grant applications and OCCUD's indication that it would also need to postpone its agreement to the applicability of future Board policies, OCCUD agreed to present its construction grant application at the next Board meeting.

Dan left the meeting at 1:55 pm.

Patty asked if Otter Creek would like to go through their Pre-Construction application. Laura Black explained they were applying for an amendment to their Pre-Construction grant from June of 2022.

Holly Groschner made a motion to approve the Pre-Construction Grant for Otter Creek CUD in the amount of \$1,314,650 without the contingency regarding the accountability policy. Seconded by Patty. No further discussion. Voted unanimously by Patty, Laura and Holly.

Patty noted that the construction grant is tabled, if the CUD would agree to the policy provision, it could be voted on later.

VI. ECFiber Construction Grant Application

Discussion concerning whether Holly should recuse herself given that she previously served on ECFiber's Board, resolved to be unnecessary. F.X. Flinn presented the application and agreed to the application of future Board policies.

Discussion concerned whether applicant had considered what percentage of operating surplus would be put toward construction or lowering costs for consumers, which the applicant considers addressed by the business plan requirement for sustainability rather than surpluses. Holly cautioned that VCBB grant funds should not be used for elevated capacity.

Patty made a motion to approve the construction grant for ECFiber in the amount of \$13,227,657 subject to future policies being developed by VCBB related to accountability. Seconded by Laura. No further discussion. Unanimously approved by Patty, Laura, and Holly.

VII. VCUDA Updates

Moved after VIII

Rob Vietzke introduced their new Program Manager Andrew Tarley. Rob had a constructive comment to have the Board and staff map out what the next few months look like as this policy is developed and provide some predictability. Rob commented about the Emergency Board's decision and how to move forward. VCUDA has filed comments on the Five-Year Action plan. As far as Volume II, one month does feel a little tight for public comment.

VIII. BEAD Update & Intro to Needs based program to Boost the Ability of Potential Sub-Grantees to Participate in BEAD

Rob Fish discussed the needs-based program originally called the CUD Assistance Program. It is open to all applicants with financial needs to conform with the neutrality requirements on the BEAD program. Technical Assistance must be provided to all applicants including small telecom companies, CUDs, and individual Towns. VCUDA is supportive of this program. Would ask for a competitive versus first come first served basis. *No action is needed as the VCBB heard a proposal from staff to change the \$1,000,000 CUD assistance program to a non-restricted application, open to anyone in the state with a bidding process and an RFP process. This was a change directed by the federal funding Agency, not the VCBB.*

Lucy Rogers discussed the BEAD Five-Year Plan. Public comment period has closed. Lucy asked if there were any further questions from the VCBB, they come to her in the next couple days as the Board will be voting on the Five-Year Plan at the next scheduled Special Meeting. The Five-Year Plan is a high-level review of the State's plan. Initial Plan Volume II is where more of the details would be included. Initial Plan Volume I, public comment period closes on Friday of this week. The intent is to have Board and public comment available at the regular September Board meeting. Holly asked that these large documents coming forward not be included in the Board packet, just a link provided to the documents.

IX. Public Comment

Irv Thomae wanted to thank the Board for their support and also wanted to thank F.X. and all the ECFiber Board members for their work. Irv mentioned he believes the BEAD process will not be timely and flow well due to the bureaucratic process.

Lisa Birmingham would like to thank the board for approving their pre-construction grant and would like to schedule their Construction Grant

Laura Black also thanked the Board for its approval of the OCCUD preconstruction grant and requested the opportunity to present its construction grant application at the next Board meeting.

X. Parking Lot

Sub-Committee Assignments.

VCUDA will come back with a list of which CUD members would like to participate and on which sub-committees. Christine will get a list of names of Staff that should be listed on the sub-committees as well. Patty will pull all names from VCUDA and Christine and circulate this list hopefully on Monday, challenging committee members to get a meeting scheduled by the end of next week. Holly mentioned Rob Vietzke's request to have a timeline and Holly was hoping Patty could set some benchmarks to help move everything forward. Patty mentioned she has been working on the ex parte communication policy in consultation with Toni for the next Board meeting. Holly mentioned on that note, she received an email with information on the Otter Creek application from GoNet.

XI. Executive Session

Holly made the motion to enter executive session referencing 1 VSA § 313 a(3).

Staff members Christine Hallquist, Toni Clithero, and Rob Fish are invited to discuss. Patty seconded. Vote was unanimous by Patty, Laura, and Holly. Meeting is adjourned and entered Executive session at 3:35. No action was taken.

XII. Confirm Special Meeting Date and Regular Meeting 9/11 & Motion to Adjourn

Confirming the special meeting for Friday August 25 from 12:00 to 1:00 for approval of the Five-Year Plan for BEAD. September 11 will be the next regularly scheduled VCBB Board Meeting.

Vermont Community Broadband Board Meeting

Monday, September 11th, 2023, 12:00pm – 4:00pm

Draft Minutes

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

Patty Richards called the meeting to order at 12:01 and completed roll call.

- Patty Richards, Chair (Remote)
- Laura Sibilia (Remote)
- Brian Otley (Remote)
- Holly Groschner (Remote)
- Dan Nelson (Remote)
- Christine Hallquist - Staff (Remote)
- Robert Fish – Staff (Remote)
- Toni Clithero – Staff (Remote)
- Steven Zubkoff – Staff (Remote)
- Herryng Herzog – Staff (Remote)
- Lucy Rogers – Staff (Remote)
- Chance Payette – Staff (Remote)
- Alexei Monsarrat– Staff (Remote)
- Kristen Brynga– Staff (Remote)
- Alissa Mathews– Staff (Remote)

Patty Richards made a motion to approve the agenda Seconded by Brian. No further discussion.
Unanimously approved by Patty, Laura, Holly, Brian and Dan.

II. Approval of Minutes (August 14 and August 25th Special Meeting)

Patty Richards noted that Brian was not present for the August 14th meeting and asked him to abstain. Patty made the motion to approve the minutes for August 14th, seconded by Holly. Discussion from Laura was concerned around language, narrative, framing and consistency section 4 & 5. Patty withdrew her motion and Laura will work on changes until the next meeting on October 9.

Dan was not present for the August 25th meeting and will abstain. Patty Richards made the motion to approve the minutes for the August 25th meeting, seconded by Laura. No further discussion
Voted in favor of the motion by Patty, Laura, Brian, and Holly. Dan Nelson abstained.

III. Lamoille FiberNet Construction Grant Application

Staff recommended approval of the Lamoille Fibernet Construction Grant in the amount of \$13,588,636, Christine mentioned Lamoille had written a letter agreeing to comply with the VCBB's future policies. Holly questioned a statement in the Board packet regarding "Fidium is taking all risk" Brian mentioned staff should be factual not biased and the statement should be stricken from the staff report as it is biased and may not be accurate. Staff can recommend without bias. Holly commented that she had reviewed all of the prior grant approvals and they were not as limiting as Lamoille's language and all applications should be consistent. Using the language "Subject to future policies being developed by the VCBB related to accountability." Language under the second condition regarding a future plan for sustainability of the CUD should be considered. Lisa Birmingham, Chairperson of Lamoille FiberNet (LFN), addressed questions from the VCBB Board regarding the CUD's sustainability plan.

Patty made a motion to grant Lamoille FiberNet's Construction Grant in the amount of \$13,588,636 the approval is conditioned on and subject to future policies developed by the VCBB based on accountability. As well as development of a sustainability plan within one year or prior to Phase 2 construction grant application, whichever comes first. And execution of an operator agreement consistent with the grant requirements. Holly asked to amend the motion to read *a motion to grant Lamoille FiberNet's Construction Grant in the amount of \$13,588,636. The approval is conditioned on and subject to future policies developed by the VCBB related to accountability. As well as development of a sustainability plan as described in the letter from Lamoille Fibernet, within one year or prior to Phase 2 construction grant application, whichever comes first. And execution of an operator agreement consistent with the grant requirements.* Holly seconded the amended motion. Laura noted that many of the other CUD applications that have come in have in fact had sustainability plans through viable business plans. No further discussion. Voted unanimously by Patty, Laura, Holly, Brian and Dan.

IV. Otter Creek Construction Grant Application

Staff recommended the approval of the Otter Creek Construction Grant in the amount of \$9,952,273 and Christine turned it over to Laura Black, chair of the Otter Creek Communication Union District (OCCUD) Board for presentation and questions from the VCBB Board. Laura started with a brief history and description of the 17 town CUD. She then proceeded in explaining their relationship with Lamoille Fibernet and how this helped to negotiate an agreement for a 20 year contract with Consolidated Communications. Patty had questions around speed testing and remedy for failure. Laura answered that if the contract defaulted, they could negotiate with another provider if they chose to. Laura asked about the proposed pricing and how long those prices would be guaranteed? Laura responded that although the prices are not guaranteed, the prices must remain in the same tier as other places in Vermont like Rutland and Burlington where there is significant competition in those areas. Further discussion was held regarding similar sustainability issues as Lamoille. Identical terms and conditions would be accepted by OCCUD.

The board asked about the similarities or differences between the two contracts between Consolidated and Otter Creek versus the contract between Consolidated and Lamoille Fibernet. Laura Black responded that the only difference in the contract was around construction terms regarding liquidated damages assessed on the double funding of what was left for the final 2% and Otter Creek cannot not do that on the out of territory area. Holly mentioned getting more details from staff regarding process of organization of the CUDs.

Patty made a motion to grant Otter Creek's Construction Grant in the amount of \$9,952,273. The approval is conditioned on and subject to future policies developed by the VCBB related to accountability. As well as development of a sustainability plan as described in the letter from Otter Creek, within one year or prior to Phase 2 construction grant application, whichever comes first. And execution of an operator agreement consistent with the grant requirements. Seconded by Holly. Laura Sibilia asked why Otter Creek and Maple broadband aren't working together. Ellie de Villiers explained there were discussions around 4 towns and a full merge was never discussed. Ellie said that Otter Creek declined working with Maple due to Maple's higher consumer rates. Laura believes we are creating a problem on the western part of the state and are actively participating in problem creation and extending the issue that has been plaguing Vermonters with the deterioration of our legacy landline phone provider and she is really concerned about that. No further discussion. Patty, Holly, Brian and Dan all voted in favor, Laura opposed. Motion approved on a 4 – 1 vote.

V. BEAD Initial Proposal Volume 1 – Board Approval

Lucy Rogers led Discussion concerning the BEAD Initial Proposal Volume 1 and requested Board approval for submission to the NTIA, having conducted the 30 day public comment with any board input.

Patty made a motion to approve the BEAD Initial Proposal Volume 1 as presented in the Board Packet, with the understanding that there will be some additional language explaining the Fixed Wireless challenge process by staff. Seconded by Laura. No further discussion. Unanimously approved by Patty, Laura, Holly, Brian and Dan.

VI. BEAD Initial Proposal Volume 2 – Board review

Lucy Rogers began by explaining the process and timeline for BEAD Volume 2. The BEAD 5 year Action Plan was submitted on August 28th, BEAD Volume 1 was just voted on by the Board and now the board is reviewing BEAD Volume 2. Next steps for Volume 2 include a public comment period from September 15th to October 15th. We will work to incorporate the comments from the public comment period and bring the draft for submission to the NTIA to the November Board meeting. After that, the Challenge Process can begin once Volume 1 is approved by NTIA and Volume 2 has been submitted. We will hopefully begin subgrantee selection in late spring 2024, and then everything goes back to the NTIA for approval of the BEAD final proposal in the middle of next year. Lucy explained the Challenge process will take place over 120 days from November to March if Volume 1 has been approved by November. Digital Equity's timeline may need to be adjusted some, as we have asked for a 180 day extension for a March submission with a Board presentation to the Board in December. Holly voiced concern over the amount of work that will have to come through board meetings with BEAD and Digital Equity. Lucy introduced Greg from Vernonburg Group to lead a brief overview of Volume 2. Greg began by describing this as a high level look at the guidance from the NTIA. Greg then summarized the content of the draft Volume 2 plan for each of the NTIA requirements, starting with Local Broadband planning process(#2), Local coordination(#4) and Subgrantee Selection (#8). Holly asked How do the local ISPs get incorporated into the planning process? Alexander Jeffery from Vernonburg Group responded that they have been working with the local ISPs individually and receiving their input during the stakeholder discussions. Greg continued explaining Subgrantee Selection by adding that based on discussions with the NTIA, Vernonburg recommends not setting the high cost threshold in the beginning regarding the 100/100 fiber for extremely high cost per location, but setting it after bids have come in for potential subgrantees. The NOFO has a directive that 75% of the BEAD scoring criteria come from 3 categories. 1st is minimal BEAD outlay, so it's sort of upping the matching funds. 2nd is around affordability and 3rd is fair labor practices. As you'll see in the proposal, we've rated affordability higher than minimum BEAD outlay, and that's based on some information we have around matching that they could be very difficult and a number of locations throughout Vermont to get something in excess of 25% match. And so we've tried to put some weight around affordability and still bring some opportunity for bids to distinguish themselves on minimum BEAD outlay, but not sort of overweighting that given the on the ground realities in Vermont. There are requirements for the 25% match and Vernonburg is having discussions with the NTIA on any flexibility regarding meeting this match of 25% on a statewide basis versus a per proposal. A national letter containing over 200 signatures raising concerns over the proposed letter of credit requirements was submitted to the NTIA. Greg explained that under eligible entity implementation activities, 2% of the grant funding is eligible for VCCBB to use in terms of its administration and the proposal reiterates that we intend to use up to that 2%. Holly inquired how much that would be and Christine responded this year we utilized about 3 million but would be looking around 2 million dollars a year moving forward. Holly questioned whether this extra implementation money might be used towards CUD sustainability to help with the lack of revenue for CUDs. Laura pointed out that most CUDs have revenue, there are only a few that lack a source of revenue. Lucy mentioned The BEAD funding will only last for 5 years but the conversation around sustainability is an important

one and will have to go further than that. Greg agreed this is a great flag to raise. Greg continued with Cost and Barrier Reduction (#14) and noted a lot of the work conducted in the state over the last decade. Like the Pole attachment is good news for Vermont and will be noted as already undertaken to reduce cost and barriers to deployment. Requirements 16 and 20 address low cost broadband option and middle class affordability. The proposal recommends the low-cost broadband service option recurring cost not to exceed \$45.00 for low-income families. And that the Affordable Connectivity Program and is going to be a requirement for participation in the program. For the middle-class affordability, potentially utilizing the median income and allowing flexibility and guidance for the providers to develop their middle-class affordability plan with a diversity of speed offerings of some slower and some faster than the 100/100. Holly wanted to point out that the \$45.00 cost may not be suitable for rural Vermont providers, regardless of whether it meets the NTIA guidance. Staff will need to try and come up with a suitable creative solution for this. Greg shared the language from NTIA guidance showing each subgrantee is supposed to put forward how they will address low cost service options in their area. So it could vary. NTIA is suggesting that their variation would look like this and if you're not going to have this, then it needs to be explained. The board suggest a couple different options to consider instead of the \$45.00 flat fee, perhaps a range or percentage might be more successful for providers. Staff and Vernonburg will continue to write a draft that may allow for more flexibility and still adhere to NTIA guidance. Holly asked if ARPA funding requirements may be incorporated to for BEAD requirements? Toni stated that she would certainly take a close look at that and make sure there isn't anything falling through the cracks. Laura asked if the Sunset Provisions in the Act 71 language would conflict with the BEAD plan. Lucy answered that she would look into that question. Patty closed. No further discussion and no action taken by the VCBB board.

VII. Ex parte communications

Patty had done a cursory dive regarding open meeting law and Robert's Rules of Order. Patty had sent out a memo regarding items/documents sent out after the Board Packet had been sent out. The board discussed the memo and what they would like to see happening in regard to staff sending information. The suggestions for moving Public Comment to the start of the meeting and potentially having two public comment sessions, one at the start and one towards the end, were discussed. *Patty made a motion that the Board approve this practice as presented in the memo with the addition of the exception for emergency items from staff that require action and documents from the public on items that are on the agenda proposed for action, if they are going through the executive director of the VCBB. Laura seconded. No further discussion. Motion was approved by Patty, Holly, Laurs and Dan. Brian had to step away for another meeting during this discussion.*

VIII. Governmental Affairs

A general concept discussion around Legislative representation. Laura mentioned several issues that representation would help as some are not going to be resolved easily, and would like to see a contract for a Government Affairs person on a year to year basis. This person would be accountable to the Executive Director of the VCBB. Holly asked what our budget line for Government affairs was? Laura mention funding like USF might be the best option. Dan liked the idea and voiced that cost would come in to play but thinks it may be an area worth investing in. Patty asked Christine for her reaction and she stated we do have staff that would be willing and able to conduct this type of work. Christine also mentioned we would have to check on grant requirement to see if we could contract this work out or if we would have to use staff. Christine reported she had received a text confirming BEAD funding could not be used and would have to look into other funding. Laura agreed that the staff member is a fine suggestion however thought an experienced Vermont Lobbyist someone who has experienced relationships, umm, particularly with the relevant committees that we are that we know we're going to have to engage with. Patty also

mentioned that this type of relationship would need to be on an in-person basis every day during session and working remotely probably would not be as effective. Christine stated she would Toni check to see where and if we're able to pull that off from the funding sources we currently have. Patty asked if board members had thoughts of any entities or people that would be good, please pass those on to Christine and copy the board. Laura mentioned that she would not want to see the board choose a lobbying firm that had a major national telecom client. Patty hearing no further discussion suggested moving on to the VCUDA update. *No further discussion. No action taken.*

IX. VCUDA Updates

With a new Policy coordinator helping out Committees are flourishing. Legislatively, the Policy and legislative committee are talking about some technical corrections and other things that we deferred last year, but the restoring the 20 million dollars, the revenue changes that are being discussed, including the Vermont Universal Service Fund and the Consumer Protection bill and it's impact on broadband is high on the list for that group. The Finance Committee issued an RFP over the last month and has selected and hired an individual to help lead the development of the shared services programs that are funded by the Northern Borders Grant. She's a Vermont expert with a lot of tax and accounting experience, and experienced across a number of agencies and distributed programs. That doesn't mean she's doing all the work, what we've asked her to do is to do the needs analysis, and she's starting by talking to all of the CUD's about what they see would be beneficial and shared services from a finance and HR perspective. She is going come back in about a month and give us a readout of her findings, and then we'll probably do some additional RFP's or additional sourcing of resources to actually implement those programs. We hired her t the expert to lead the program not necessarily implement the program. We are happy with the way BEAD Volume 1 came out and particularly the attempt to put some more rigorous process around determining addresses served by wireless and how that would be done. There are some substantial policy declarations that are a little different. There certainly are implementation and workflow differences in terms of selecting grantees and things like the financial impact of some of the bead requirements and how those work into sustainability plans. So we will be making a lot of comments about language, certainly some substantive ones around things like the selection process, the affordability requirements and the accountability requirements. VCUDA and most of the CUDs signed a letter to Secretary of Commerce Raimondo and the NTIA, about the letter of credit calling on the NTIA to reconsider the arbitrary requirements for the letter of credit. As a final note, CVFiber has their first six friendly customers online.

X. Public Comment

Irv Thomae commented about the affordability discussion earlier in the meeting and wanted thank Board members for questioning the flat fee that may not be realistic. He does not want to see Vermonters expectations raised on a number that may not be sustainable. He also commented about service drop being more expensive on mobile homes versus regular homes due to National Electric code that requires utilities to be delivered to a mobile home in conduit versus an overhead drop.

F.X.Flinn, chair of ECFiber, explained their 21 towns served by their business. The method to develop their top line revenue to cover all costs and expenses. The determination was \$100 per customer with at least 6 customers per mile. Currently, they are at 5 customers per mile with the average price of \$104 per customer. We would not be able to go forward with the \$45.00 in place. He would also like feedback from the Board on his and Irv's comments.

Paul Fixx, chair of NEKFiber, also is concerned with the \$45.00 affordability amount. The BEAD document seems to mention \$75.00, which NEK believes they could sustainably meet with some of their own affordability programs. Paul also mentioned they have a working group that's very

carefully looking at possibilities to provide their own affordability program and will try to share some outline of where that might go so that the BEAD proposals might allow independently stood up programs rather than a firm price.

Ellie de Villiers wanted to echo the point that Irv made about possibly not including a specific target value in the version for public comment. And also wanted to point out, the affordable connectivity program currently has a limited amount of funding, which is currently projected to run out next year. She agreed that the output discussed earlier in the meeting, whereby staff would take this up and discuss with the stakeholders, is absolutely right.

XI. Parking Lot

Christine mentioned all of the hard work the Board has put into the Accountability Policies. Completed the Ex Parte discussion, that item will be closed. We are adding 2 more items, 1. Is the request to produce an overlay of the BEAD timelines and the grant requests in the upcoming work of the Board. And 2. Staff will produce an update to the Board on BEAD versus ARPA requirements. Holly added the action item for Governmental Affairs. Patty asked if all subgroups had met? Christine responded yes and Holly added multiple times. Laura asked if the Sunset Provision could be allowed more time for development as they are try to create a review process for the board to evaluate reporting recommendations to the Legislature. The Board discussed having a special meeting in September and may not have to conduct a meeting. Dan commented that there is constant feedback in the meetings, and perhaps the board members can just review the other folders. The board determined a first draft will be due October 9th. Patty also mentioned she will not be present for the 10/9 board meeting and Den will be chair for the meeting. Lucy added the next BEAD item for the Board is a vote in November, but some time could be set out in October to have a conversation and then vote on Volume 2 in November. Alissa Matthews mentioned a review might be needed at the end of October, beginning of November regarding Digital Equity. The Board confirmed there will not be a special meeting in September.

XII. New Staff Introductions

Christine introduced the three newest members of the VCBB staff including Chance Payette, Alexei Monsarrat, and Steven Zubkoff.

XIII. Confirm Regular Meeting 10/9 & Motion to Adjourn

No special meeting for the month of September. The next scheduled VCBB Board meeting is Monday, October 9th from 12:00 to 4:00. Patty made a motion to adjourn at 3:46. Motion approved unanimously by Patty Holly Laura Brian and Dan.

Town APRA Match

Background:

Fifty towns have donated a **total of \$2,837,916** in ARPA Local Fiscal Recovery Funds to their respective CUDs or the WCVT Universal Service Plan. All but two towns met the VCBB imposed deadline to contribute. The towns of Lincoln and Shelburne made contributions after the deadline, totaling \$85,000. The VCBB proposes that all pledges be honored, including the aforementioned towns.

Last Spring, the VCBB board committed to matching the local funds approved by towns in time via re-allocated state ARPA construction grant funds from towns that have not put forth a plan to the VCBB, as long as towns were given at least a month to approach the VCBB with a plan. Staff held off on issuing the letter to towns as to not interfere with budget seasons or for it to arrive during the summer season. The letter was sent on September 20, and that deadline is now Oct 20, 2023 for an objection.

Proposed motion:

The Board authorizes staff to increase construction allocations/amend existing grants to reflect the following matches: **CVFiber - \$863,000; DVFiber \$218, 852; NEK Broadband \$816,334; Lamoille FiberNet \$225,900; Maple Broadband \$415,000; Chittenden County CUD \$50,000; and WCVT \$243,830.** This is contingent on a review by the VCBB Director of Risk Management that all documentation submitted by the CUDs is complete and the submittal of an invoice. Amendments will be executed only after the deadline has passed for towns from which funds will be re-allocated to approach VCBB with a plan.

At the September board meeting, VCBP board members requested a check-back in October regarding the topic of broadband affordability in Vermont's Broadband Equity, Access, and Deployment (BEAD) and the Digital Equity plans. Included below is a high-level summary of community feedback on the topic of broadband affordability that has informed affordability planning to date, as well as the draft language in Vermont's BEAD Initial Proposal Volume 2 (currently out for public comment, posted [here](#)) that reflects the board's requested changes regarding low-cost plans and middle-class affordability requirements for BEAD subgrantees.

Community Input: Affordability Matters to Vermonters

Affordability was consistently raised during VCBP's outreach and engagement work as a primary barrier for Vermonters in accessing the Internet. At the time of publication of the BEAD Five-Year Action Plan, 50% of Vermonters surveyed described the cost of Internet service as too high, and 28% of respondents who do not have a home Internet connection indicated that high costs were at least one of the reasons why. Outside of lack of availability, affordability was the number one concern raised by Vermonters throughout the stakeholder engagement process. As broadband availability expands throughout the state, it can be expected that affordability will rise to be the largest barrier Vermonters face to accessing the Internet.

Vermont stakeholder organizations that work with low-income communities regularly raised the point that while the ACP is helpful, a \$30 per month discount is not enough of a subsidy to make Internet affordable for many Vermont families, due to the high overall cost of service. While maintaining funding for the ACP is crucial, these organizations believe that Vermont should consider a supplemental program to further subsidize the cost of service for families. This feedback was echoed by event attendees at multiple listening sessions. In one case, an attendee (a 35-year-old Black man with disabilities living in a rural area) described the challenges he has affording his \$80/month Internet service. The burdensome application process, coupled with customer service issues with his provider in getting the ACP benefit applied, have meant that he continues to pay \$80/month for inadequate service. He expressed the importance of not just making the ACP sign up process easier, but of also taking further measures to ensure affordability.

An additional concern expressed by many Vermonters was lack of price competition. Indeed, only 48 percent of Vermonters have access to at least two providers of 100/20 Mbps broadband services. Without any or many competitive options, this means consumers have limited options if and when their service provider raises prices. During public listening sessions, many Vermonters alleged price increases of 50 percent or more every two years, while speeds

and service quality have continued to decline, and access to only one broadband provider result in little accountability for such increases.

Vermonters repeatedly raised the issue of the high cost of broadband, the inaccessibility of subsidies, and the concern for future price increases as a central concern, and expressed their desire that affordability factor centrally into Vermont's BEAD planning efforts.

"In order to get connectivity for my remote job where we found our home, I had to negotiate with my service provider for a business account at a high enough dollar value in order to justify the fiber run to our home, for over \$20,000.00 of which I'm paying nearly 600.00 per month for 100mbps." – Written feedback from Vermont resident

"I live in one of the poorest towns in one of the poorest counties, and we need affordable access to broadband more than ever. Our area is struggling to keep up as services move to cloud-based systems. With a lack of reliable affordable Internet, we are unable to stay up to date. Even accessing news and events in our areas is difficult with no Internet."
–Responder to the RFI on Vermont's BEAD Five-Year Action Plan and Initial Proposal

"We are senior citizens living only on Social Security. We get our internet from [a private satellite provider], and we pay \$96 a month for what is some of the worst internet service we've ever encountered...The unreliable internet we are dealing with also cost my husband a badly-needed job, when our internet was so spotty that he was unable to get into the required Zoom meeting...His losing out on this job has basically wiped out any hope we have of our lives improving here, especially if we have to keep putting up with this terrible internet with no improvement (and no badly-needed price reduction) in sight." – Written feedback from Vermont resident

"Help us build equity and possibility, especially in the remote corners of Vermont, through a broadband infrastructure that is built for the people"
–Written feedback from Vermont resident

BEAD Initial Proposal Volume 2 Updated Sections on Affordability

The sections below (from the [public comment version of Initial Proposal Vol. 2](#)) reflect the changes requested from the board to add in flexibility for prospective BEAD subgrantees to design affordable plans differently based on variability in the area to be served, the baseline cost of service, and the operating costs of the provider. The section on the “Low-cost Service Plan” includes changes in red that have been made to VCBB’s working copy since the document was released for public comment, which are based on additional discussions amongst staff, with service providers, and with the NTIA.

Low-cost Service Plan (Pgs 78-79 of public comment draft)

The VCBB will require BEAD subgrantees to offer, at a minimum, a low-cost broadband option for low-income residents of Vermont. The VCBB intends to treat as eligible those subscribers that meet the definition of “Eligible Subscribers” contained in the NOFO (NOFO at 12). As the NOFO states, in developing its low-cost service plan, each state is required to consult with the NTIA and prospective subgrantees regarding the proposed definition of the term “low-cost broadband service option” for development of a low-cost service plan that “best serves the residents of the state.” (NOFO at 7, 66). The VCBB intends to consult with NTIA in the development of the low-cost service option to ensure its BEAD funding supports access and meets the needs of the low-income Vermont households.

As outlined in the NOFO, there are elements that must be in the low-cost service option. Those include participation in ACP; cost to consumer after application of available subsidies; performance characteristics (speed, latency, data caps, reliability commitments); and opportunities to upgrade to low-cost service plans with improved technical specifications. The low-cost service plan developed for Vermont’s low-income residents and required from all prospective subgrantees will require:

- Cost to consumers: See discussion below
- Speed: 100/100 Mbps on-grid; 100/20 Mbps off-grid
- Latency: 50 milliseconds on-grid; 100 milliseconds off-grid
- Data usage caps: Not permitted

Additional service characteristics:

- Subgrantees will be required to accept the ACP subsidy to cover a portion of the cost of the low-cost option (as well as allowing this for all plans offered by the Subgrantee as set out below)
- Provide access to broadband service to each customer served by the project that desires broadband service on terms and conditions that are reasonable and non-discriminatory.

- Provide consumers with services that adhere to values that have been identified by the State, like net neutrality, transparent pricing, and data privacy. Provide broadband service that complies with the consumer protection and net neutrality standards.
- The low-cost broadband option must remain available for the useful life of the funded network assets.

Regarding the cost to consumers: The VCB is exploring several options for requirements related to costs to the consumer, including a “safe harbor” consumer price, which subgrantees could either use or rebut using evidence from their specific project area as justification for why their low-cost plan should be more or less expensive. The VCB intends to refine this section through the subgrantee selection process. The VCB also intends to coordinate directly with subgrantees who have bid to understand what low-cost service plans are realistic that can meet the needs of low-income Vermonters and do not affect the long-term sustainability of network deployments. The VCB intends to seek approval from NTIA of the amount to be permitted upon submission of its Final Proposal to NTIA.

The VCB acknowledges that the BEAD NOFO Guidance “strongly encourages” states to follow the example set out in the NOFO, but the VCB is concerned about that approach. The ACP faces significant hurdles in reauthorization and securing additional funding. While some in Congress are working to identify a solution, there is a distinct possibility that ACP funding will not be extended. The ACP is a central component of NTIA’s model low-cost service plan, and discontinuing the program would significantly impact the effectiveness of NTIA’s model plan. Therefore, the VCB wishes to monitor developments related to the ACP so that it can develop a comprehensive, workable plan that is reflective of the on-the-ground reality facing low-income Vermonters.

Additionally, the VCB is concerned about ensuring the viability of the networks being constructed and the sustainability of the services being provided with BEAD funding if a \$30 per month price for the low-cost service option is required of all prospective subgrantees. VCB has conducted preliminary research under the assumption that low-income households can generally afford to spend up to 1% of their monthly income on fixed broadband connectivity. That means a one-person household living at 100% of the poverty line could spend up to \$10.73 per month on fixed broadband. At 200% of the poverty line, a one-person household could spend up to \$21.47 per month on a fixed broadband connection. According to the 2021 Census data, approximately 10.4% of Vermonters have incomes below 100% of the poverty level and 14.1 percent have incomes between 101-200%.³⁵ These families would be eligible for ACP support of \$30 per month and some would be eligible for Lifeline support of up to \$9.25 per month. These factors need to be taken into account when establishing the cost of the low-cost service option. The VCB intends to develop an approach, in further consultation with the NTIA, that when combined with the ACP and Lifeline subsidies enables all low-income families meaningful access to affordable, reliable, high-speed broadband.

It is important to the VCBB that all customers are informed of this option and do not face undue burden in selecting it. Subgrantees will be required to present their process for marketing this option as part of their proposal for the VCBB for review and feedback. The VCBB may provide guidelines or requirements to BEAD subgrantees to facilitate this process. Customer service staff must be trained in how to assist people with selecting this option.

Middle Class Affordability (Pgs 86-88 of public comment draft)

In evaluating how to structure a middle-class affordability plan for Vermont, the VCBB considered what it means to be middle class in Vermont. The Pew Charitable Trust Index, which relies on Census data, defines middle class as two-thirds to twice the U.S. median household income, adjusted for household size. The median income in Vermont, according to the latest Census data, is \$72,431. Using the Pew Index, that means a single middle class person in Vermont earns an income between \$26,511-\$79,533; a couple would be middle class earning \$37,492-\$112,476; and a family of four would be middle class with an income between \$53,022-\$159,065. Median income down to Census Block Group level can be determined for any area in Vermont using data from the US Census American Community Survey (available [here](#)). Given this broad range, developing a specific price for a middle-class plan is more complicated than simply selecting a dollar amount. Therefore, VCBB intends to require BEAD prospective subgrantees to offer a range of service plans that vary based on speed and price, including a lower cost, lower speed tier that meets the definition of broadband that the prospective subgrantee identifies as its low-cost plan. The VCBB will require the prospective subgrantee to provide a basis for its conclusion that the low-cost plan is affordable for the project area based on demographic data for the area. In addition, all plans offered by the provider will be required to accept the ACP subsidy to cover a portion of the cost for eligible households. The VCBB intends to require annual reporting on the tiers of service each provider offers to ensure broadband connections remain affordable for middle class families throughout Vermont.

Designing affordable broadband service does not just relate to monthly fees but also the cost to initiate service. Vermont faces a few specific affordability challenges due to its geography, low population density, and legacy network deployments. The remaining unserved and underserved addresses are in areas where infrastructure has not been built by market forces alone, and are predominantly very rural. This drives up operating costs for ISPs, which can result in higher monthly customer prices.

Additionally, the customer expense of the drop that brings fiber from the pole to the house can be prohibitively high, especially for the many Vermonters who live at the end of long driveways, far from the nearest pole infrastructure, and those who live in areas where utilities (and therefore future fiber builds) are buried underground. Of note, utilities are nearly always buried underground in manufactured home communities, which house some of the lowest-income

individuals in the state. These property-specific expenses must also be considered in the greater landscape of broadband affordability.

Vermont intends for providers who are using BEAD funds to keep their commitment to ensure middle class affordability over the life of the network. The VCBB will require that each prospective subgrantee provide a certification that it will continue to provide a range of service offerings, including a low-cost option during the useful life of the network, as required by the NOFO. This is in addition to the reporting obligation noted above. Prospective subgrantees should also outline their plans for reinvesting network revenues into the networks to help reduce customer rates.

| # | Priority | Item | Date entered | Assigned to | Resolution and date |
|----|----------|--|--------------|-------------------------------------|---------------------|
| 42 | 1 | Produce an overlay of the BEAD and ARPA timelines and the grant request timelines in the upcoming work of the Board. | 09/11/23 | Christine Hallquist | |
| 43 | 1 | Propose strategy for Government Affairs | 09/11/23 | Christine Hallquist | |
| 35 | 1 | Patty Richards to lead the Board in a response to the auditor's report | 04/10/23 | Board | |
| 37 | 1 | Develop Construction Standards ¹ | 07/18/23 | Dan Nelson/Christine Hallquist | |
| 38 | 1 | Annual Report Submission List ² | 07/18/23 | Holly Groschner/Christine Hallquist | |
| 39 | 1 | Develop Grantee agreement that VCBB will operate the system in the event of failure to comply | 07/18/23 | Christine Hallquist | |
| 40 | 1 | Develop Lien for the VCBB funded network and components ³ | 07/18/23 | Christine Hallquist | |
| 41 | 1 | Policy for certification of Grantee compliance to | 07/18/23 | Patty Richards/Christine Hallquist | |

¹ Include open architecture policy, safety, reporting process on compliance and detailed description for each attribute. Staff process required for compliance to Board policy.

² Identify all criteria, including how to address affordability, geographic diversity, Universal Service, operating standards, and reliability. Staff process required for compliance to Board policy.

³ Include sunset provision for the Lien

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| | | Performance and Operating Standards | | | |
| 36 | 1 | Determine what restrictions exist for ex parte communications | 07/18/23 | Patty Richards | Passed policy at 09/11/23 meeting |
| 26 | 1 | Establish policy to address issue of enforceability with any of the partners and the CUDs. | 8/22/22 | CH | Policy discussion to be held at 4/10/23 meeting. This is now part of the Board Policy discussions related to the Auditor's report. |
| 29 | | Include placeholder for budget update, dashboards, and policy and goals discussion to all Board Meeting Agendas | 11/03/22 | CH | Budget and Dashboards addressed at January and February Board Meetings Christine will confirm with Patty what Board expectations are for the policy and goals discussion |
| 24 | 1 | Invite to the Federal Delegation to future Board Meeting | 8/8/22 | CH | Delegation will be invited to the January Board meeting |
| 22 | 3 | VCBB's approach to mapping and strategy for challenging the FCC. | 6/14/22 | CH | Presented initial strategy 12/12/22. A Federal Program Officer at the NTIA will be needed to work on this with and that has finally been announced as Clay Purvis from the Public Service Department. He will be invited to January meeting. |
| 28 | | Finalize subsequent overbuild policy and data policy. | 10/31/22 | | This is addressed in the VCBB Data and Overbuild Policy submitted to the Board for continued discussion at the 12/12/22 meeting. |
| 32 | | Alignment of VCBB Mission Statement based on Act 71 | 11/14/22 | | Patty Richards to lead this 12/12/22. |
| 25 | 2 | Host workshop for the CUDs on Uniform Guidance | 8/8/22 | CH | Completed December 7th |
| 30 | | Adjust timing of Board Packet to at least 5 | 11/03/22 | | Plan to start new schedule in January |

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| | | business days before the Board Meeting | | | |
| 33 | | Create a Communication Procedure Plan for Board notifications of updates from Staff (press releases, legislative presentations, | 11/14/22 | | Completed in the November 28 Board meeting. |
| 34 | | Discussion regarding development of a separate website | | | Staff recommends we continue with the current website which follows state protocols. |
| 27 | | Board requested that a grant agreement template be shared | 10/31/22 | | Item closed – agreement was shared |
| 23 | 1 | Define audit criteria and post award grant reporting and review process for grantees/CUDs | 8/8/22 | CH | Item Closed - Compliance Recommendation Memo presented October 31 st . Additional reporting requirements will be shared once the new form is updated and staff will create a dashboard for tracking. |
| 18 | 1 | Signature Authority of Executive Director | 03/28/22 | CH | Closed. Approved in July. |
| 19 | 1 | Policy around hiring staff | 03/28/22 | CH | Closed. Approved in July. |
| 21 | 1 | Invite to Doug Farnum to future Board Meeting | 6/14/22 | CH | Attended August 8 th meeting. |
| 20 | 3 | Recommendation for designation of an entity for Digital Equity & Affordability Office | 03/28/22 | CH | Closed. This is being addressed by the Governor's office per a directive from the NTIA. This falls into the responsibility of the VCBB as a subset of the IJIA program. |
| 8 | 2 | Policy on "Material Default" see §8086(c)(2) | 11/1/21 | board | Closed. Issue has been resolved through legislation. |
| 5 | 3 | VCBB Dashboard – to be shared monthly to show progress. What are the milestones? | 11/1/21 | CH | Closed. Stone Environmental has presented its proposal and the software platform meets the needs. |

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| 16 | 1 | Provide Board with impact of Commitment letter | 02/14/22 | CH | Closed with material pre-purchasing proposal. |
| 17 | 2 | Statewide marketing collaboration with VCUDA | 02/14/22 | CH | Closed. VCUDA is not interested. |
| 15 | 2 | Provide Benchmarks for what telecom companies spend on Marketing | 02/14/22 | CH | Will research and present back on 3/14/22 Board meeting |
| 1 | 1 | Budget | 10/18/21 | CH | Completed. 2021 budget approved. 2022 will be presented in March. |
| 2 | 1 | Overbuild – what is the standard (20% of total served?) | 11/1/21 | CH | Completed. See Construction RFP Definition |
| 3 | 2 | Business Plans – what is the scope? Will they be updated before construction grants? | 11/1/21 | CH | Completed. The updated business plans will be included in the Construction RFP responses. |
| 6 | 3 | Fiber purchase – VCBB involvement? authorization? Status? | 11/1/21 | CH | Completed |
| 7 | 1 | Make Ready Construction – policy: part of §8085 grants or not? | 11/1/21 | board | Policy established. Make ready construction will be part of the construction grant program. |
| 9 | 2 | Revisiting timeline for VCBB – construction RFP & reporting timelines | 11/22/21 | RF | Completed. Part of the construction RFP. RFP approved by the Board on 01/03/22 |
| 10 | 2 | Sequence assumptions for preconstruction and construction & reporting timelines | 11/22/21 | CH | Completed. Part of the Construction RFP. RFP approved by the Board on 01/03/22 |
| 11 | 2 | DPS 2021 Map – Unserved | 11/1/21 | CH& board (LS) | Completed |
| 12 | 1 | Confidentiality. Grant Agreement Art 5 (state standard). Is the product | 11/1/21 | CH/Legal | The RFP and construction schedules will be public. |

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| | | of a grant a “public document” – e.g. will we post construction plans? | | | |
| 13 | 2 | USP & contiguous CUD construction- policy | 11/22/21 | Board LS/HG | Completed. Addressed in the Construction RFP. |
| 14 | | Legislative Consideration – Purchase of consolidated services/goods | 11/29/21 | | Not needed. |