

Vermont Community Broadband Board (VCBB) Fiber Background

- The VCBB was established by [Act 71 \(2021\)](#)—An act relating to accelerated community broadband deployment—to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.
- Vermont is ahead of the curve in broadband expansion. According to the [Pew Charitable Trust](#), twenty states have yet to announce broadband plans. Many of those states that have announced plans have yet to deploy federal funds. By securing materials now, we are staying ahead of the pack, saving taxpayer money, and ensuring construction can begin as soon as possible.
- The Vermont Community Broadband Board (VCBB) has now issued \$21 million in Preconstruction Grants. Early next year, we will issue up to \$116 million in Construction Grants to Communications Union Districts and other eligible providers.
- The Communications Union Districts (CUDs) face three major challenges to beginning construction next year: 1) Access to capital; 2) The rising costs and long leads times for fiber optic cable and other materials; and 3) Securing the necessary workforce.
- The Communications Union Districts did not have access to the relationships, capital, or financing to make purchases of this size from fiber optics distributors. The challenges placed them at the end of the line for purchases that would arrive in time for next year’s construction. By aggregating demand amongst the CUDs and securing the backing of the Vermont Community Foundation (VCF) and VSECU, the Vermont Community Broadband Board secured access to a major distributor, dramatically increased the odds that all CUDs will have access to the fiber optic cable they need next year, and at pricing 35-40% cheaper than the cost if the CUDs were to go at it alone and act only when grant funding was distributed.
- By aggregating demand, the VCBB ensured that the fiber purchased will meet design standards and account for future growth.
- According to Doug Dawson, of CCG Consulting, in a [blog post](#) from September, “The broadband industry is facing a crisis. We are poised to build more fiber broadband in the next few years than has been built over the last four decades. Unfortunately, this peak in demand hits a market that was already superheated, and at a time when pandemic-related supply chain issues are driving up the cost of broadband network components.... We’ve not really yet seen any market impact from RDOF and other big grant programs. We’ve seen some impact from CAREs spending, but that was a drop in the bucket compared to what we’re likely to see from ARPA and federal infrastructure spending.... I chatted with a few folks recently who speculated that the best investment they could make this year would be to buy \$1 million of fiber reels and sit on them for a year – they might be right. The mission of CCG is to provide traditional and cutting-edge solutions that support the long-term success of our clients in a competitive communications environment.”
- “The number of linear miles of fiber deployment planned in the U.S. will double during the next few years as funding increases sharply,” Fiber Broadband Association (FBA) President and CEO Gary Bolton told *Connectivity Business*. “Materials shortages are a concern for 68% of mid-sized and smaller providers, according to a recent survey,” he said. “For example, resins for fiber cables will be in short supply for the next 16 months, even if chip shortages abate in the next 12 months,” Bolton added. [Source](#)
- ARPA requires the fiber be produced domestically. The only other fiber solutions we found at a comparable price and with the same delivery window was not produced in the United States.
- Based on the results of RFPs by several CUDs and VCBB research, lead times for delivery - especially for entities without existing relationships with distributors - for domestically produced fiber optics are as long as 52+ weeks.
- Most companies allow for the cost of the fiber to increase after the purchase order is placed. The VCBB, VSF and VCUDA negotiated a guaranteed price.
- Public and private entities pulling together to solve a problem is the Vermont way. We encourage towns to get involved and put their Local Fiscal Recovery Funds to use in supporting broadband expansion.