



Vermont Community Broadband Board

Innovations in Delivering Broadband Service
New England Conference of Public Utilities Commissioners, May 23, 2022

Rob Fish

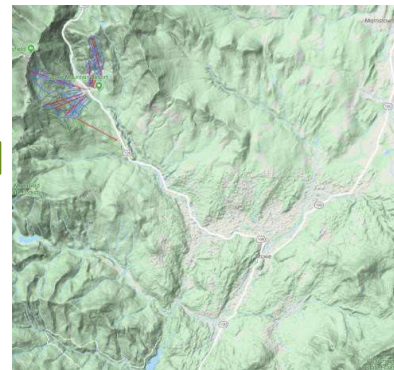
Vermont Community Broadband Board

Deputy Director

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Broadband Challenges in Vermont (c.2019)

- ▶ Light touch regulation
- ▶ Private investment business models focused on return → “cherry picking”
- ▶ Lack of federal funding
- ▶ Mediocre outcomes from previous projects → desire for accountability
- ▶ Eagerness to try something new - “No one is coming to save you”
- ▶ Geography and topography



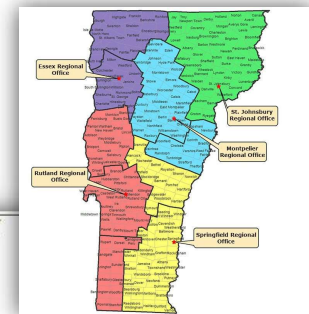
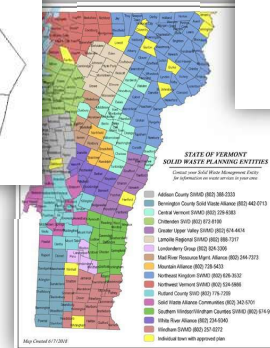
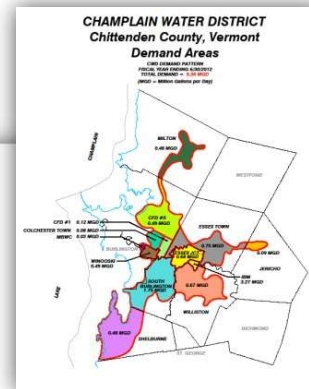
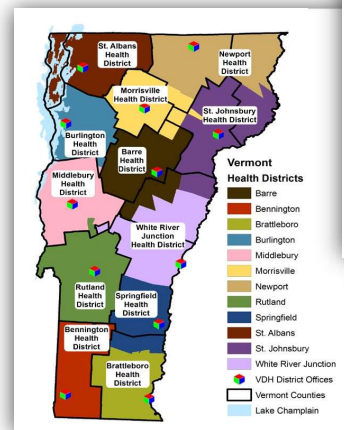
Communications Union Districts

Two or more towns and cities may elect to form a communications union district for the delivery of communications services and the operation of a communications plant.

- [Organized under Title 30: Public Service, Chapter 82: Communications Union Districts \(2015\)](#)

Other types of Municipal Districts:

- *Solid Waste Districts*
- *Consolidated Sewer Districts*
- *Emergency Medical Service Districts*
- *Natural Resources Conservation Districts*
- *Consolidated Water Districts*



<https://publicservice.vermont.gov/content/vermont-communications-union-districts>

Why Create a Communications Union District?

Aggregate Demand – Mixing dense and less dense towns makes the project more attractive to providers / **AND MORE NEGOTIATING POWER.**

Entire region can benefit – Eliminates cherry picking by requiring universal service across a region regardless of density.

Funders are familiar with Municipal Districts

Efficiency - Network design, construction, and operation can all be more efficient when planned from the onset

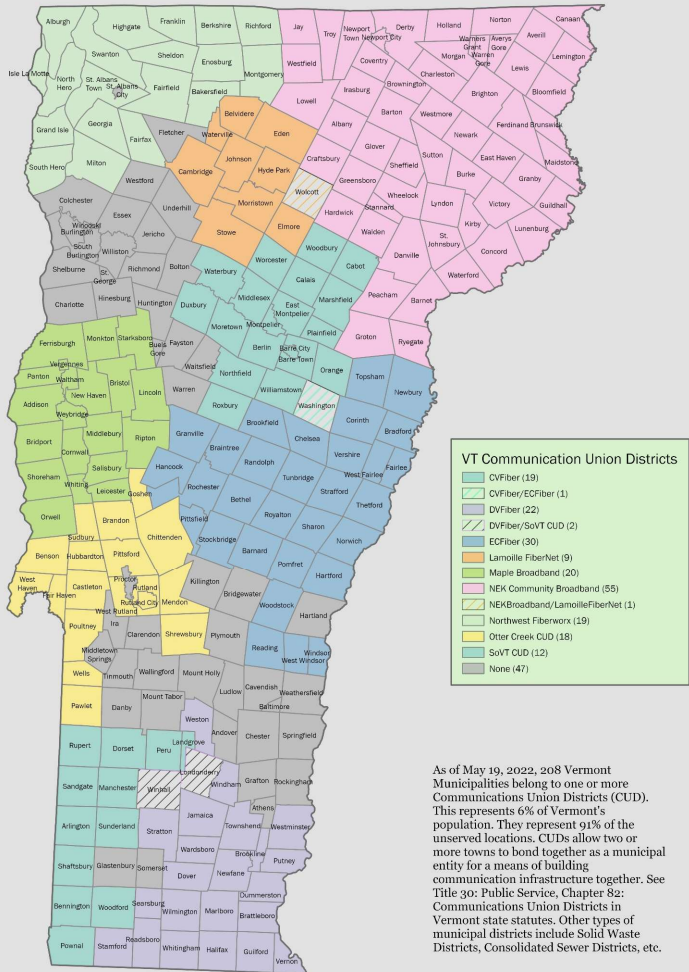
Town boundaries are irrelevant – Roads, topography, and settlement patterns are more important

Risk Mitigation – Individual towns are not on the hook

Additional Funding Opportunities – Easier access to federal and state grants and loans that require providing services to those least served.

Public Accountability

Communication Union Districts



As of May 10, 2022, 208 Vermont Municipalities belong to one or more Communications Union Districts (CUD). This represents 6% of Vermont's population. They represent 91% of the unserved locations. CUDs allow two or more towns to bond together as a municipal entity for a means of building communication infrastructure together. See Title 40: Public Service, Chapter 82: Communications Union Districts in Vermont state statutes. Other types of municipal districts include Solid Waste Districts, Consolidated Sewer Districts, etc.

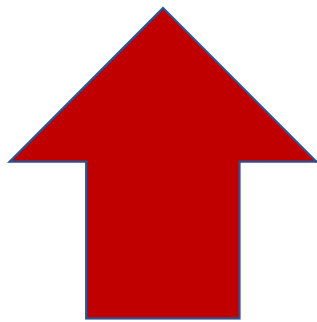
Overview: Communications Union Districts

Spring 2022

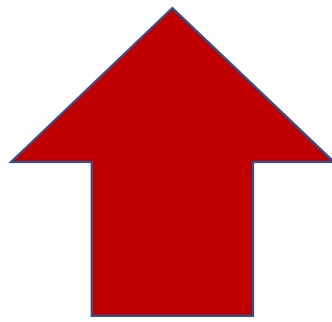
- 9 Districts
- 208 Member Towns
- 416 Volunteer Board Representatives & Alternates
- More than half the state's population
- 92% of premise statewide without access to 25/3

Basic Model

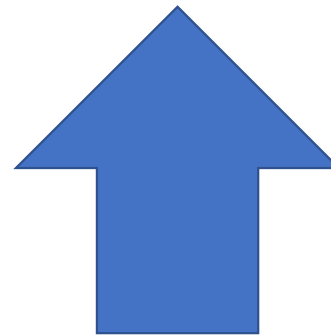
- Grant funding and donations provide initial funding
- CUDs build and own infrastructure, operator provides the service
- CUDs access the Revenue Bond Market to complete the build-out of their district
- “Rinse and Repeat”- Revenue bonds pay for additional build-out



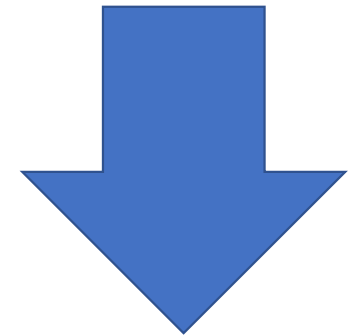
**Borrowing
(loans, bonds)**



**= Higher Consumer
Prices**



Grants



**= Lowers Prices for
Consumers**

COVID-19

- ▶ Broadband necessary for telemedicine, remote work, and remote learning → essential public service
- ▶ Flood of federal dollars
- ▶ Expectation of higher speeds and fear of overbuilding increases private investments
- ▶ Desire for public accountability – oversight and ownership
- ▶ Act 71 – “Universal Service”

Public Model Challenges



Capacity building is time consuming and expensive



Workforce and supply chain



Debt service costs will increase costs to end consumer



ILEC's vs new public entities – competing senses of entitlement (and funding)



IIJA/BEAD funding requires Letters of Credit

Conflicting Goals?



SPEEDY DEPLOYMENT



AFFORDABLE RATES



PUBLIC ACCOUNTABILITY
& OWNERSHIP



TRANSPARENCY

Questions?
Ideas?

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