

TO: Colchester Selectboard  
FROM: Aaron Frank, Town Manager  
DATE: September 20, 2021  
RE: Broadband Opportunities

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**Issue:** What opportunities exist for the Town of Colchester to achieve high quality broadband expansion using the recent State legislation and federal funds allocation for broadband and how best to move forward given the Town's current level of broadband service.

**Background:** Improved broadband service for Colchester residents and businesses has been a Selectboard goal, although like many goals, it has been awaiting the means and opportunity for action. Earlier in 2021, the State allocated \$150M in federal funds for broadband expansion throughout Vermont. As part of the related legislation (H.360/Act 71), the State developed three definitions for broadband level of service; unserved, underserved, and served.

Unserved - a location that only has access to broadband capable of speeds of less than 4 Mbps download and 1 Mbps upload.

Underserved – a location that only has access to broadband service capable of speeds of at least 4 Mbps download and 1 Mbps upload but less than 25 Mbps download and 3 Mbps upload.

Served - a location that has access to broadband service capable of speeds of at least 25 Mbps download and 3 Mbps upload.

According to the State of Vermont Public Service Department, there are about 133\* addresses in Colchester that are defined as unserved or underserved (without access to 25 Mbps internet). Here is a map based on State data developed by Chittenden County Regional Planning Commission staff: <https://tinyurl.com/CCRPCbroadband>. (Please be advised that the map data is only 80% accurate.) Most areas of the state have far more significant broadband needs than Colchester with 51,000 households across Vermont classified as either unserved or underserved.

\* This will be reduced to about 100 about 12/31/2021 as approximately 30 households in the East Road area were able to work with Comcast to obtain a cable expansion under PUC Rule 8.313 and the LECAP programs.

**Broadband Legislation (H.360/Act 71):** On June 8, 2021, Governor Scott signed Act 71, “an act related to accelerated community broadband deployment.” The main component of the legislation is the creation of the Vermont Community Broadband Fund, which will be overseen by the Vermont Community Broadband Board and an Executive Director (Christine Hallquist). One of the authorized uses of the Fund is the award of

grants through the Broadband Construction Grant Program. Grants through this program can be used to fund broadband projects of “eligible service providers,” which are defined as a) a Communications Union District, b) a small communications carrier, or c) an Internet Service Provider working with a Communications Union District to expand broadband to unserved and underserved locations. Municipalities cannot directly apply for these grants. Additionally, one of the key details of the Act 71 grant program is the limit on projects that address unserved and underserved locations; grants through this program cannot be used to improve broadband for locations that already have 25 Mbps or greater service. Therefore, these funds can only be used to assist the approximately 133 Colchester addresses that are unserved or underserved.

**Communications Union Districts:** Several years ago, Vermont statute (Title 30, Chapter 082) authorized the creation of a new entity, a Communications Union District (CUD), which allows two or more municipalities to join together for the purpose of “delivering communications services and operating a communications plant.” To-date, 12 CUDs have been created in Vermont, however no CUD currently exists within/among Chittenden County municipalities. The closest existing CUD to Colchester is the Northwest CUD, serving Franklin County communities.

Over the last two months, we have considered the CUD options available to Colchester. Selectboard Chair Loranger and I met with the Northwest Communication Union District (CUD) Board and she attended one of their board meetings. I organized a meeting of Chittenden County communities to discuss the idea of a Chittenden County CUD. I also have spoken with the Town’s attorney about the process to join/leave a CUD and discussed the concept of a Chittenden County CUD with Christine Hallquist, the Executive Director for the Vermont Community Broadband Board.

These discussions have called into question how Colchester’s (and Chittenden County’s) small number of unserved and underserved addresses fit within the CUD model. Additionally, while the Selectboard can vote to join a CUD, only the voters of the town can vote to sever membership. We cannot use local taxes to fund broadband, only grants and financing to be repaid only by future user fees.

### **Other Broadband Funding Opportunities:**

*Line Extension Customer Assistance Program* - LECAP reimbursement can provide up to a \$3,000 grant (\$600 for satellite/wireless solutions) to qualified Vermont consumers at primary residences who paid for line extensions that provide 25/3 broadband Internet service. LECAP Reimbursement funds can be applied to a line extension, non-standard drop, or qualified satellite/wireless solution. The service address must be a primary residence to qualify.

*Connectivity Initiative* – Funded through the Vermont Universal Service Fund, Connectivity Initiative grants are awarded to internet service providers that agree to extend service to designated areas least likely to be served through the private sector or

through federal programs. (Locations lacking a connection faster than 4/1Mbps; Locations with a K-12 student lacking a 25/3 Mbps connection; Locations with a remote worker lacking a 25/3 Mbps connection; and Locations with telehealth needs lacking a 25/3 Mbps connection).

*PUC Rule 8.313 (Cable Line Extension)* – Cable companies are required to deploy service to all locations in towns in which they hold a CPG, subject to PUC rule 8.313, the cable line extension rule. The rule defines how to apportion the cost of a customer-requested line extension between the cable company and consumers based on consumer density. The rule specifies that cable operators pay the full cost of extensions if the density is 16 customers per mile. This requires customers to sign up for cable television, including at least basic cable, for at least 2 years. They can also include broadband, telephone, or security services, but must sign up for cable for this program. The rule includes a formula to apportion costs if the customer density is not met, such that customers pay ½ of the cost if there is a density of 8 customers per mile and so on, where the customer portion is divided between all customers. The process envisioned by the rule is for a customer interested in a project to approach their neighbors and inquire whether they are interested in the project. Customers can use the calculator tool on the PSD website to consider the different costs for different levels of density depending on different lengths and number of customers participating. Then, when the project is roughly defined, a lead customer contacts the cable company to get an estimated price quote. The cable company will do an engineering design and send a quote to that customer. The lead customer then circulates this to the other customers for their consideration. This quote generally will provide a total cost for the project, and a breakdown of the cost per customer depending on the quantity of customers that join the project. Once all customers agree, the cable company will prepare and send out contracts and once all customers sign and pay their portion of the cost, the cable company will then construct the project.

Here are link to information provided on this topic in July and August:

[https://clerkshq.com/Content/Attachments/Colchester-vt/info210727\\_a1.pdf?clientSite=Colchester-vt](https://clerkshq.com/Content/Attachments/Colchester-vt/info210727_a1.pdf?clientSite=Colchester-vt)

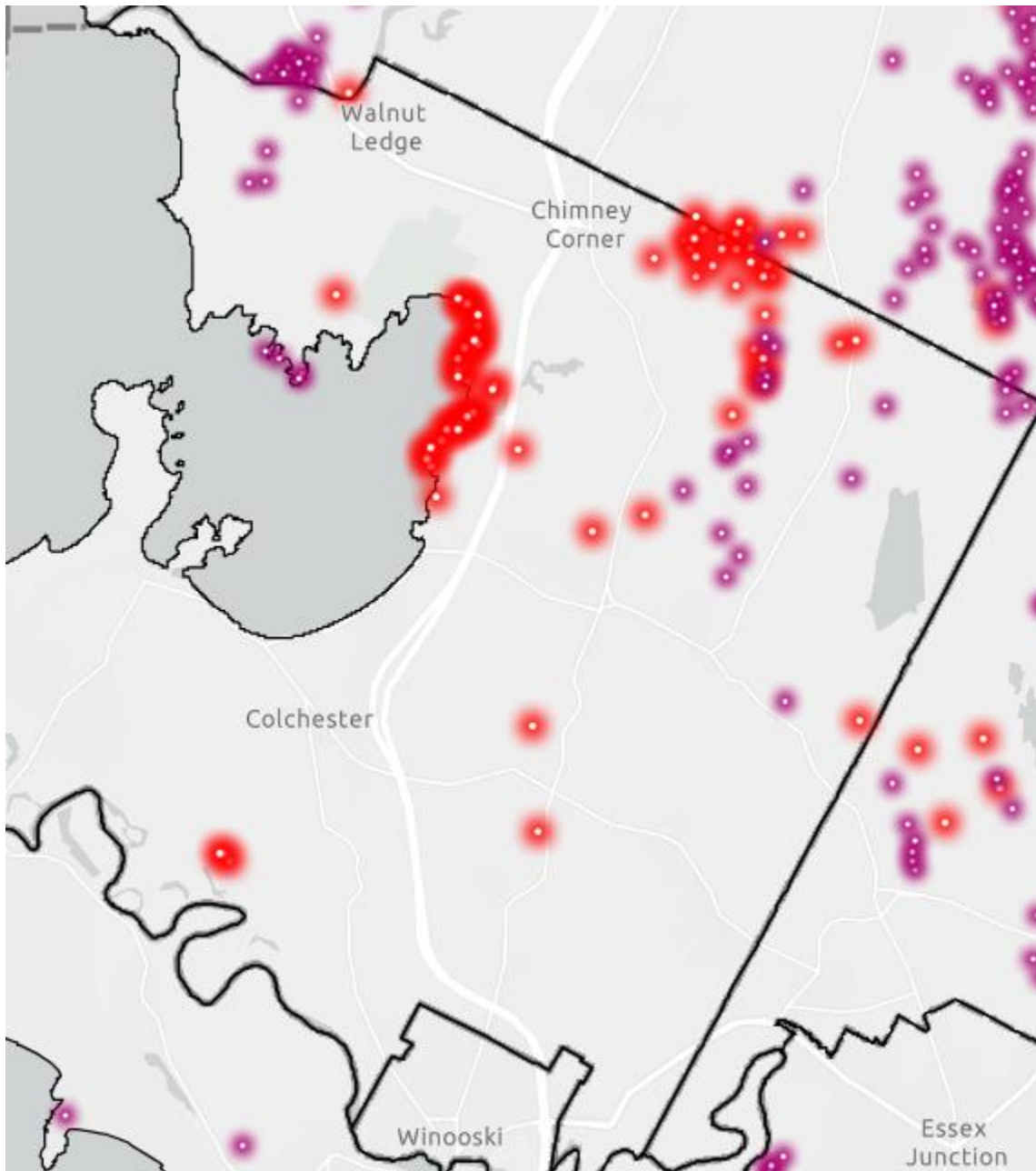
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## **Conclusions & Next Steps**

- 1) CUD Membership: While Act 71 places CUDs in a strong position to access grants through the Vermont Community Broadband Fund, there are methods for non-CUD communities to access those funds. Based on Colchester's small number of unserved and underserved addresses, it does not make sense for Colchester to join the Northwest CUD or to participate in the creation of a Chittenden County CUD at this time.

- 2) High Quality Broadband Service: Act 71 provides opportunities to fund the development of high quality broadband (defined as having a minimum capacity of 100/100 Mbps Download/Upload speed) service ONLY for those addresses currently below 25/3 Mbps and it does not provide an avenue to improve service for addresses already at or above 25/3 Mbps. Therefore, Act 71 does not accelerate the speed with which high quality broadband (fiber) will be available throughout the Town. As this time, there does not appear to be public funding available for this type of broad expansion of fiber.
- 3) Act 71 Grants: There are several pockets of unserved and underserve addresses within Colchester (see map below) for which grants through the Vermont Community Broadband Fund would be eligible. While the Town cannot directly apply for these funds, the Town could assist the neighborhoods and eligible service providers with data gathering, analysis and grant writing.
- 4) LECAP & PUC Rule 8.313 – There are addresses within Colchester for which either the LECAP or PUC Rule 8.313 programs could be a viable solution. The Town could coordinate with neighborhoods and assist with understanding eligibility and the process to access the funds.
- 5) The State provides some general options for Cities and Towns here: <https://publicservice.vermont.gov/content/approaches-broadband-expansion> which the Town will continue to evaluate.

# Colchester Broadband



Red represents unserved addresses.  
Purple represents underserved addresses.