

Clerk's Report for 10/25/23

- **10/12 VCBB Check-in:** Ann Janda, Jeff Nevins, and Mike Reed of MBI met with VCBB staff to discuss open questions on mapping, BEAD Volume II comments, and other questions. See 10/12 VCBB staff response to questions below. Ann and MBI will meet with VCBB bi-weekly going forward.
- **Preconstruction Grant Reporting to VCBB:** Ann Janda submitted quarterly report to Treasury and September financial report and status to VCBB via VCBB's WiseHive portal.
- **10/17 VCUDA Meeting:** Ann Janda and Jeff Nevins of MBI attended meeting. Key notes:
 - **Legislative Policy:** draft goals are:
 - Restoration of \$20M of the \$30M matching fund
 - Treasurer authority to issue letter of credit for CUDs
 - Simplification of CUD mergers
 - VT's VEDA broadband fund is depleted
 - Statewide broadband affordability fund study
 - Support of broadband consumer protection bill
 - Technical corrections and governance.
 - **Finance committee:** Denise Sullivan will share a synopsis of what she learned after speaking with each CUD at an upcoming VCUDA meeting. Finance trainings will be available, but the focus will be on bonding and short-term debt, so not currently applicable to CCCUD.
 - **BEAD Volume II Comments:** VCUDA submitted comments to VCBB on 10/15. MBI may provide additional comments on behalf of CCCUD. VCBB hopes to post pre-final draft in early November.

10/12/2023

From: Alexei Monsarrat, Rural Broadband Technical Assistance Specialist, Vermont Community Broadband Board

1. Does CCCUD have to own assets or can it partner with a private provider to own the assets?

This question can be separated out into an answer for the ARPA Act 71 Construction Grant funds and the BEAD funds

- **For ARPA funds:** we are currently in conversations with Guidehouse, the consultant who advises the state of Vermont on ARPA compliance and is the ultimate authority VCBB answers to for ARPA funding. The short answer appears to be, no, CCCUD does not have to own the assets acquired with ARPA funding and can instead partner with a private provider who ultimately owns the assets. However, this may cause reporting and/or future legal requirements of the federal government, so we are going to meet again with Guidehouse to ensure that we understand all the implications and will provide further clarification and information as we receive it. In the meantime, here again is the answer we've received directly from Guidehouse:

Uniform Guidance does not specify which entity (i.e., the pass-through entity, subrecipient) must own the property. The title of the asset(s) acquired with federal funds vests in the non-federal entity at the time of acquisition. For example, if PSD/VCBB is acquiring assets with federal funds, the title will vest to them. If the CUD uses SFR funds to acquire assets, the title will vest to the CUD. Except for property, supplies, or equipment acquired using revenue loss funds, the non-federal entity must adhere to the applicable provisions of the Uniform Guidance regarding property standards ([2 CFR 200.310-316](#)) and are subject to the requirements set out in [SLFRF FAQ 13.16](#). These requirements include ensuring the equipment is used for authorized purposes of the project during the SLFRF period of performance, submitting annual reports to Treasury on the status of property acquired or improved with SLFRF funds, and following disposition instructions from Treasury or the pass-through entity when the property is no longer needed for its originally authorized purpose.

- **For BEAD funds:** The Uniform Guidance has not yet been issued for BEAD funds. However, unlike with ARPA funds, a private provider will have the opportunity to apply directly for BEAD funds. (With ARPA funds, a large private provider would not be an eligible applicant). So, with BEAD funds, CCCUD may decide that it's simpler to have the private entity apply directly for BEAD funds or for CCCUD and the private entity to jointly apply as partners, to remove CCCUD from any of the financial and reporting obligations of BEAD. In this case, CCCUD could vouch to the point that they support the BEAD application from the private provider and that it is in line with the CCCUD universal service plan, which would help the application gain points in the BEAD scoring.
2. Can CCCUD do an RFP as a reverse auction framework with multiple providers to ultimately piece together a universal service plan?
- Yes, CCCUD can choose a partner or partners using whatever scoring metric CCCUD decides upon. The Act 71 construction grant has no requirement for a single partnership, and multiple partnerships are also permitted and encouraged if that is the more efficient way to solve the problem of reaching all remaining unserved and underserved addresses with fiber. The critical piece here is that, whether it is with one provider or multiple providers, CCCUD must provide a complete Universal Service Plan in order to apply for Act 71 Construction Grant (ARPA) funding. The requirements of a universal service plan are outlined on pages 16-18 of the Act 71 Construction Grant Program RFP [Act 71 Broadband Construction Grant Program Request for Proposals | Department of Public Service \(vermont.gov\)](#). I would encourage you to familiarize yourself with this entire document, as it outlines all of the requirements for a successful construction grant application.
 - In order to have a complete and successful universal service plan and apply for Act 71 Construction Grant funding, CCCUD will NOT need to show that Act 71 Construction Grant money will be sufficient to reach every single unserved and underserved address in the district. Instead, there can be multiple phases of build, with the Act 71 money

completing the first phase, and future phases left for other funding sources, such as BEAD. A complete Universal Service Plan will demonstrate that the Act 71 money will be used strategically in a way that serves complete sections of the districts and leaves logical pieces for future funding, in a manner which will ultimately lead to universal service.

3. Clarification of what map data is used for what funding source (I wanted to add this in light of the conversation yesterday):

- ARPA Act 71 Construction Grant funding: the map of eligible locations is available on the VCBB website here: [Construction Grant Statewide Eligible Wired Locations \(arcgis.com\)](https://www.vt.gov/arcgis.com) . These locations are based on VT Public Service Department data, which is the data that is used for Act 71 grants.
- BEAD funding: the FCC broadband map is used for BEAD funding. The state challenge process this fall will enable changes to the *availability* marked at each of these locations, but not to the fabric (the list of locations) on the map. To address remaining fabric issues (e.g., the Shelburne museum) the BEAD applicant would have to present in its BEAD application a list of addresses that are technically BSLs but that shouldn't be based on the FCC's intention of what qualifies as a BSL, and that it therefore does not intend to serve. The VCBB will then have to explain and justify to the federal government why those addresses will not be served since they should not have been present on the map originally.

Respectfully submitted by

Ann Janda

CCCUD Clerk