



# **VIRGINIA TELECOMMUNICATION INITIATIVE**

Update to Senate Finance Committee  
May 21, 2019



# VATI Program Description

- Provide financial assistance to supplement construction costs by private sector providers to extend services to areas that are presently unserved by any broadband provider
- “Unserved” is defined as having access to broadband speeds of 10Mbps per second download/1Mbps per second upload or less



# Virginia Telecommunication Initiative

Over the last 3 years (\$6 million):

- 61 applications received; \$16.8 million in requests
- 20 projects awarded
- Connecting 16,623 Virginia residents, businesses and community anchors will have access to broadband
- Implementation speeds range from 10Mbps/3Mbps to 2Gb



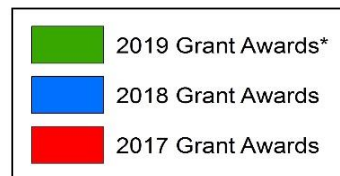
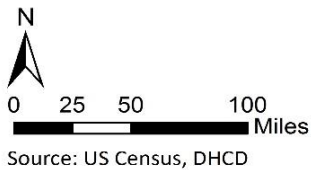
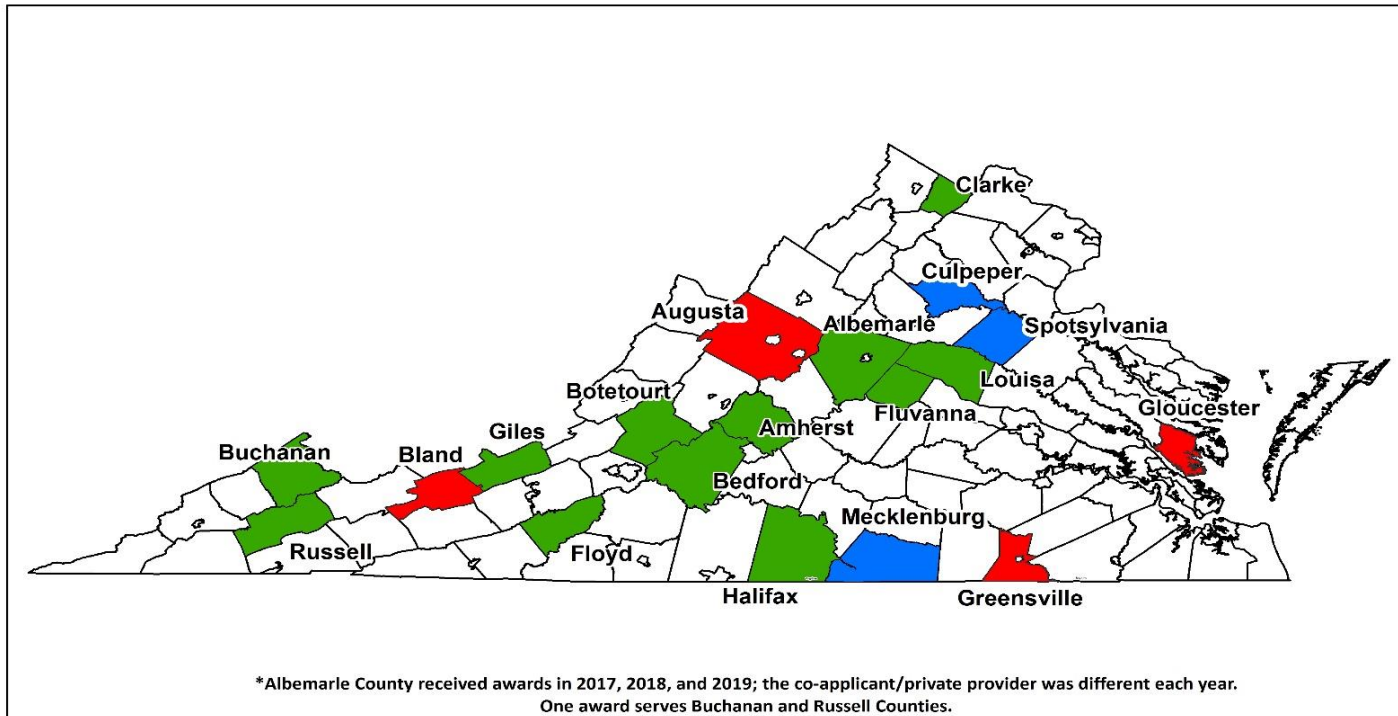
# Virginia Telecommunication Initiative

2017 VATI	
Locality/Co-applicant	Award
Albemarle County/Century Link	\$118,400
Augusta County/Lingo	\$278,880
Bland County/WVVA.net	\$192,141
Gloucester county/Cox	\$193,094
Greensville County/Telpage	\$162,334
<b>Total</b>	<b>\$944,849</b>

2018 VATI	
Locality/Co-applicant	Award
Albemarle County/Comcast	\$473,366
Mecklenburg County/Buggs Island Telco	\$217,173
Spotsylvania County/Comcast	\$167,260
<b>Total</b>	<b>\$857,799</b>

2019 VATI	
Locality/Co-applicant	Award
Albemarle County Broadband Authority/CVEC	\$301,748
Amherst County/SCS Broadband	\$127,073
Bedford County/Blue Ridge	\$1,040,000
Botetourt County/CBEC	\$758,998
Clarke County/Comcast	\$209,513
Floyd County/Citizens	\$348,018
Giles County/Gigabeam	\$589,444
Halifax County/SCS Broadband	\$231,108
Louisa County/SCS Broadband	\$233,905
IDA of Russell County/iGo	\$455,581
Fluvanna County/CVEC (Letter of Intent)	\$641,967
<b>Total</b>	<b>\$4,937,355</b>

## 2018-2019 VATI Grant Awards



5/10/2019



## VATI Applications for 2019

- 31 applications received requesting **\$10.3 million** in funding from 25 localities partnering with 17 different internet service providers; applications leveraged **\$13.2 million** in private and local spending
- **\$4.9 million** awarded, leveraging over **\$9 million** in private and local match to 11 projects
- Connecting **14,923** Virginia residents, businesses, and community anchors



# 2019 Challenge Process

- Formal challenge process
- 14 total challenges
  - 10 projects challenged
- 3 challenges ruled valid
- Challenges deemed invalid
  - Did not meet requirements
    - Affidavit
    - FCC form 477
    - More than 10% of customers receiving service



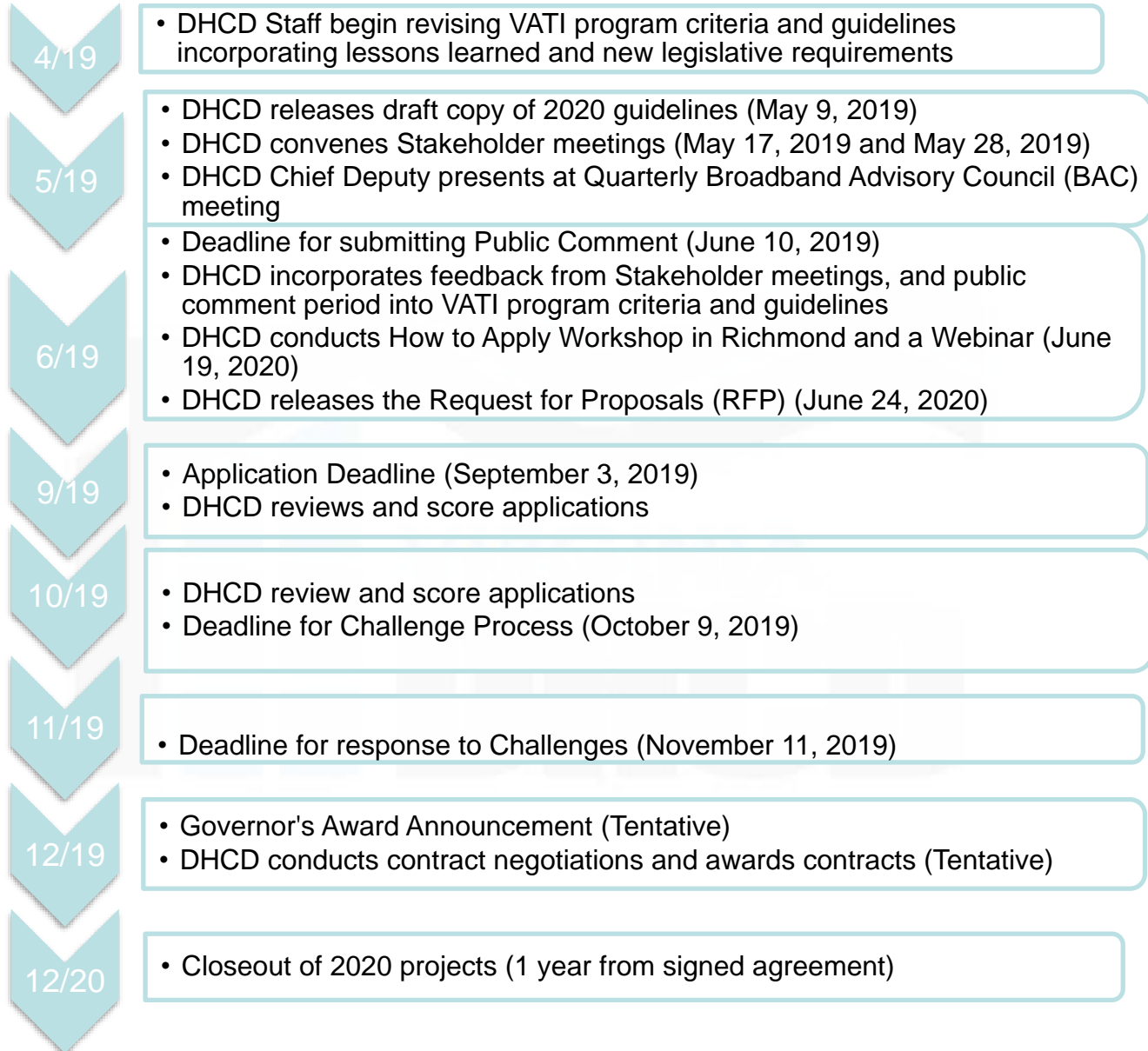
## 2020 VATI

- \$19 million in funding for FY 2020
- Focused on unserved areas
- Cost-effective given the proposed technology and proposed speeds
- Challenge Process
- Additional Staff





# FY20 VATI Timeline





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## Planning Efforts

- Providers to partner with localities/regions to engineer universal broadband coverage across a locality/region.
- Broadband team will provide guidance documents and technical support.
- Avoids “cherry picking” exercise.
- VATI projects will become larger as county-wide plans become ubiquitous.

## Legislation

- HB 2691
  - Utility leverage program which will allow Dominion and Appalachian Power to build and lease excess fiber to internet service providers (ISPs) during their grid modernization.
  - Adding more middle-mile fiber throughout the state will increase competition and drastically improve economics for ISPs.
- HB 2141
  - Legislation allows localities and sub-localities to become special service districts for the purposes of broadband.
  - Allows especially neighborhoods and communities to “self-help” or raise their own taxes to finance broadband infrastructure.



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