



CVFiber Policy Committee Special Meeting Minutes

Friday, July 15, 2022 11:00 AM - 12:25 PM
Virtual meeting

Present: Committee members Allen Gilbert (Worcester), John Morris (Marshfield), Linda Gravell (Waterbury), Ray Pelletier (Northfield), and Siobhan Perricone (Orange); and Jennille Smith, executive director, CVFiber; Andra Daunhauer, executive director, Equal Access to Broadband; F.X. Flinn, chair, ECFiber Board of Directors; Holly Groschner, board chair, Equal Access to Broadband.

Absent: Alexis Julian (public Policy Committee member) and Phil Cechinni (Barre)

Call to order. A quorum being present, the meeting was called to order at 11:04 a.m. by Gilbert, chair.

Demonstration of Equal Access to Broadband software. Gilbert explained this special meeting was called for the sole purpose of learning more about the work being done by Equal Access to Broadband, a digital equity initiative formed through ECFiber to address affordable access to high-speed internet service ("broadband") and creation and distribution of information that promotes digital literacy and the use of digital devices in connecting to the internet.

Daunhauer began with an overview of EAB's work. She gave a bit of her personal, educational, and professional background and explained that she's just started as EAB executive director. She stated EAB's mission: "to help Vermonters access broadband they can afford, bridging the gap between internet availability and internet affordability. We help households in-need connect to the best community broadband available."

Groschner said EAB "connects households in Vermont to high-quality broadband internet service. We do this by connecting with people through our system of services." She explained the federal Affordable Connectivity Program (ACP), which provides a subsidy of up to \$30/month to low-income families to help pay monthly subscription fees charged by internet service providers (such as ECFiber, as well as

for-profit ISPs). She stressed that the services EAB provides are crucial for many people; the subsidy registration form alone can be difficult for people to complete.

Daunhauer provided a series of slides about the federal affordability program. To qualify, household income can be no higher than 200% of the federal poverty level (for a family of four, the 2022 federal poverty level is \$27,750; double that is \$55,500). An applicant for subsidies must first register with the program, and have the family's income verified. Verification is done through review of programs the applicant may currently be participating in: SNAP (Supplemental Nutrition Assistance Program), Medicaid, SSI (Supplemental Security Income), WIC (special supplemental nutrition program for women, infants, and children), FPHA (Federal Program for Housing Assistance – section 8 housing vouchers), Veterans pension/survivor benefit, Free and Reduced School Lunch Program, Pell Grants, and Lifeline (emergency phone service benefit). There are, in other words, many ways by which a person can be determined “qualified” to receive an ACP subsidy. An applicant is asked to gather documentation of any benefits they're receiving. They then meet (by phone) with a “Broadband Navigator” at EAB who helps them through the verification process.

Daunhauer noted that private for-profit ISPs don't offer any support in helping customers sign up for the federal ACP subsidy; it's an area where a public nonprofit can shine by providing robust services, which is the goal of EAB. She also said it's important to get people to understand the value of high-speed broadband. And it's necessary to educate a broad range of people about fast internet's value, not just the customer. You need to work with the people on the other end of the connection – the doctor doing telehealth, the teacher delivering online lessons to children at home, the banker helping a client. She said it's important to know your service area and to reach out to people who can help with the work. And she said that when CVFiber begins operation, EAB can help address these important education needs.

Groschner commented that when ECFiber started, board members and the contractors building and eventually operating the system believed that potential customers would already know about broadband speeds and the importance of high-speed connections. That turned out not to be necessarily true. While some customers did, others did not. Groschner said you need to find the people in your service area who don't know the advantage of high-speed internet, and then connect them with people whom these people trust – their doctor if they have telehealth needs, a school teacher if their children must sign in to online classes, or a banker if they're trying to buy a home. These are the people who will best be able to provide help and to answer questions new customers may have.

Daunhauer moved to the question of, “What is affordability?” She noted that a family of four with annual income of \$52,000 would qualify for the federal ACP subsidy of \$30/month. “If they have a plan of \$75, that means the family must still

come up with \$45 a month. That can be a lot for many families.” (The \$30 subsidy goes directly to the ISP that’s providing internet service.)

The discussion moved to the dual importance of making access to high-speed internet available to everyone, as well as connecting as many customers as possible, regardless of income. ECFiber calculated early on in its operations that to be financially sustainable, they needed to sign up a minimum of six customers per mile along their routes. They found out that unless they could sign up every single home they passed where family income was over twice the federal poverty rate (which was unlikely), they’d still need to sign up a substantial number of low-income residencies. ECFiber’s service area, in other words, wasn’t – on a broad scale – wealthy. It’s exactly the reason private, for-profit ISPs hadn’t built out into rural areas. The money wasn’t there to produce the revenue needed to sustain sufficient profit margins.

Flinn explained that realizing this was an eye-opener for ECFiber officials. Offering access to everyone in rural areas was actually just the start of the challenge they faced. They weren’t succeeding if all they did was build fiber throughout their service territory. They had to do that plus have customers buy their service, and that meant finding ways of keeping monthly subscriptions at a price everyone could afford. And a clear correlation between household income and “take” rates emerged, Flinn said. While ECFiber always considered that federal or state subsidies would be part of the solution, they knew they also had to set their payment plans at rates that a wide range of people in their service area could afford – as well as convince people that the benefit of having high-speed internet at home would justify the cost they’d be paying every month. Build it, in other words and they might come – but you have to work hard to make sure they did. That’s when ECFiber decided to set up a separate outreach effort, which became EAB. ECFiber would invest a percentage of its revenue, over a certain point, in efforts to reach out to potential customers to make sure high-speed internet was not just accessible to them, but affordable as well. EAB would explain the benefits of high-speed access and hope that over time the benefits would lead to substantial opportunities that would enrich the lives of family members and raise their family income.

Flinn said that he has looked at some numbers for what CVFiber will be facing regarding “take rates,” and he believes we’ll be in a slightly better position than ECFiber was – we have a greater number of homes where family income is higher than in most parts of ECFiber’s territory. He cautioned, though, that we should assume nothing, and that as we move from state and federal grants to fund the first part of building our network, the second part will likely have to be financed by bonds -- in addition to a major portion of the revenue we’ll be taking in. In short, CVFiber will need all the customers we can sign up. We can’t forget that no private company or previous government effort has succeeded at what we’re trying to do.

We need to be visible in our efforts and, above all, be helpful to those families where the necessity of high-speed internet isn't assumed.

Groschner, putting on her Vermont Community Broadband Board hat (she's a member of the VCBB board), pointed out that a CUD's business plan must show that the network will be sustainable before the affordability challenge can be addressed – but it must be addressed. Flinn added that ECFiber learned, and accepted, that “There is no affordability without availability.”

Groschner also pointed out that every mobile home in Vermont must, by law, have an underground connection for fiber to the premises. “That's expensive,” she said, and has to be considered as you move to building out your network and making “drops”.

Smith asked if there is data that show people in poverty can get out of poverty thanks to access to high-speed internet. Groschner wasn't sure of any such data, but suggested that perhaps one measure of success might be when a low-income customer moves up to a more robust/expensive subscription, and does so with no subsidies. But she suggested another measure that shows the commitment ECFiber makes in reaching out to low-income families is helping them get subsidies so they can cover their monthly subscription. She said that telephone sales reps working at private for-profit ISPs are given, on average, 13 minutes to sign up a customer; EAB is committing up to one hour and 20 minutes to help a customer apply for a federal subsidy and sign up as a customer. Private ISPs report, according to Groschner, that only 3-5% of their customers are receiving subsidies.

(Morris left the meeting at noon due to a prior commitment. He thanked the EAB/ECFiber representatives for their presentation and said the discussion had been very interesting and that he had gotten a lot from it.)

Perricone asked how CVFiber can become part of the effort to achieve broadband equity. Groschner suggested that we start making a list of individuals or organizations in our service territory who could perhaps become partners in our work. Tech directors at school districts are good contacts, she said. EAB is also going to be working with the Vermont Program for Quality in Health Care, she said. They'll be exploring how families – and their doctors -- can best use telehealth services. She said it's also good to meet with librarians, teachers, and social workers – have a little bit of a road show. Another thing CVFiber can be doing now is talking in public forums about the value of broadband. Many families assert they don't need high-speed broadband – but realize they do when something like digital schooling comes along and they see that their kids really need fast internet for the system to work for them. She said there's also another federal program coming along, IIAJ (Infrastructure Investment and Jobs Act), that will offer funds that can be used to address equity issues.

Asked about reaching out to potential donors, Groschner said that philanthropy must be addressed carefully. Until you have service and can show results, it's a hard sell, she said.

Gravell introduced herself and said that she is an activist, a canvassing captain. She understands that personal relationships are very important. She's been trying to understand the challenges low-income people face by chatting with them at the local senior center or meeting with them when she drops off food from her garden at the local food shelf. "My philosophy is I give before I ask," she said. "It's how you build relationships." She says she also has connections with political leaders, and that can help when pursuing government grants. She volunteered to help EAB help secure grants. She said she writes "canvassing scripts," and asked Groschner if EAB has a canvassing script. Groschner said no, they don't.

Pelletier said that CVFiber is developing a project called "CVFiber On-Ramp Centers." "We'll have a mobile or fixed-facility where people can come and get information, try out high-speed internet," he said. The goal is to address "that whole piece, of outreach," through on-ramp centers located in each fiber block.

Groschner cautioned that if CVFiber is planning to apply for federal funding for the on-ramp project, the applicant must be certified as providing services, which CVFiber isn't yet doing. Pelletier then stated, "But Waitsfield Telecom is certified." (Waitsfield Telecom is the company contracted by CVFiber to help build and run the CVFiber network.) Groschner acknowledged that if that's the case, yes, CVFiber might be able to seek federal funds through Waitsfield Telecom for the project. She suggested, however, that the "On-Ramp Centers" approach might not work as Pelletier thinks. "In-face communication with potential customers isn't necessarily going to be successful," Groschner said. She felt, depending on how information is delivered, stigma could be attached, and that would be a huge block to success – people just don't want to feel talked-down to. Daunhauer said the project sounded interesting, but also suggested it might not work as Pelletier envisioned. Flinn said he thinks centralized services are the key to success in advocating for, and bringing about, equitable and affordable access. He said their current plans are to build EAB's staff to a level where EAB could serve all CUDs in helping people qualify for federal, or other, subsidies. It's a complicated challenge, he stated.

Gilbert noted that time had run out and people likely had other commitments they needed to keep. He thanked Daunhauer, Flinn, and Groschner for taking the time to meet with CVFiber's Policy Committee, and for their work on digital equity. He said the CVFiber Policy Committee would be discussing next steps that CVFiber could take to join them in their work.

Adjourn. The meeting adjourned at 12:25 p.m.

-- *Allen Gilbert*

Approved July 28, 2022