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The Problem

- 233,500 estimated unserved locations
- Impetus to solve the problem comes from many angles
 - Economic
 - Social
 - Health
 - Moral



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Economic Impact

- According to an Amazon/US Chamber of Commerce Study, increased connectivity will impact Virginia's rural economic growth tremendously. They estimate:
 - **\$2.24 billion** increased annual sales
 - **\$1.29 billion** annual value added
 - **9,415** added jobs
 - **\$452.4** million in annual wages
- According to a 2019 USDA study, if broadband and precision agriculture tools were ubiquitous, the U.S. could realize economic benefits of 18 percent of total production. For Virginia, 18% would be equivalent to a **\$16.3 billion increase in VA Agriculture and Forestry output.**



The Goal

- Governor Northam set the goal of universal broadband across Virginia by 2028.
- In August 2021, Governor Northam and the General Assembly allocated **\$700 million** American Rescue Plan Act (ARPA) for broadband
- This new funding accelerated the goal of universal coverage to **2024**.



The Plan

- Proceeding along three tracks:
 1. Direct grants to public private partnerships to “make the math work”
 2. Policy solutions
 3. Local planning support
- All supported by 135 members of Commonwealth Connect Coalition

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Virginia Association of Counties

VML
VIRGINIA MUNICIPAL LEAGUE

amazon

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State Grant Programs

- **Department of Housing and Community Development - Virginia Telecommunication Initiative (VATI)**
- Tobacco Region Revitalization Commission – Regional Economic Development Program
- Community Development Block Grant Planning Grant (CDBG)
- Department of Housing and Community Development – GO Virginia (middle mile)
- Appalachian Regional Commission (ARC)



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VATI

- Provide financial assistance to supplement construction costs to extend services to areas unserved by any broadband provider.
- \$700 million ARPA funding will be administered through VATI
- **\$124 million** has been awarded since 2017, connecting **140,895** homes, businesses, and community anchors to broadband.



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VATI

- \$750 million available, awards made by December
- FY22 application first glance:
 - 57 applications representing **84** localities
 - **\$943,300,424** in requested funding
 - **\$1,159,125,288** in matching funds
 - Approximately **300,000** proposed locations*

*This number will change



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VATI Awards: Regions 12 & 13

- Cumberland Plateau Planning District Commission/Point Broadband – \$16.3M for 8,335 connections in Buchanan, Dickenson, Russell, and Tazewell Counties
- Mount Rogers Planning District Commission/Point Broadband - \$7.87M for 5,301 connections in Smyth, Washington, and Wythe Counties
- LENOWISCO Planning District Commission/Scott County Telephone Cooperative - \$1.2M for 679 connections in Lee County)



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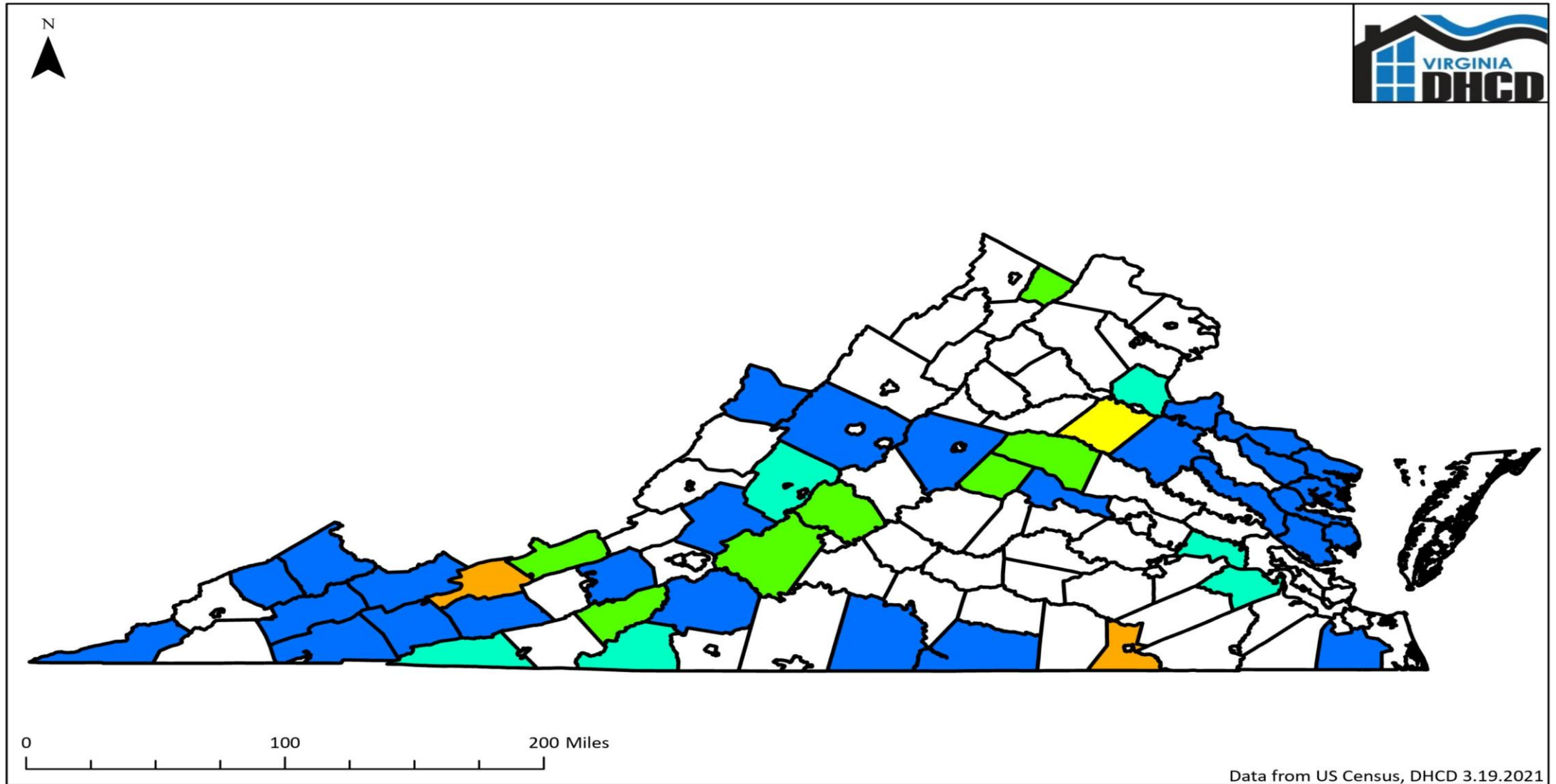
VATI: Regions 12 & 13

- Universal applications submitted:
 - Lee, Wise, Scott (LENOWISCO PDC application)
 - Washington, Smyth, Wythe (Mount Rogers PDC application)
 - Buchanan, Tazewell, Dickenson, Russell (Cumberland Plateau PDC application)
 - Pulaski, Bland (New River Valley Commission application)
 - Carroll (West Piedmont PDC application)
- Non-universal applications submitted:
 - Washington
 - Wythe



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Virginia Telecommunications Initiative (VATI) Grant Awards 2017 - 2021



■ VATI 2021 Awards ■ VATI 2020 Awards ■ VATI 2019 Awards ■ VATI 2018 Awards ■ VATI 2017 Awards

In some circumstances, localities have received awards for more than one year. The color for each reflects the most recent year for which an award was made. For details on localities that received awards for more than one year, please contact DHCD staff.

CARES Act Broadband Funding

- Regions 12 & 13:
 - Lee - \$1.6m – 1,632 locations
 - Smyth - \$378k – 1,046 locations (2 projects)
 - Pulaski - \$391k – 900 locations
 - Washington - \$431k – 147 locations (2 projects)
 - Russell - \$155k – 62 locations

30,822

Virginia Homes and Business Connected

24,026

More Locations with
access to broadband

6,796

Locations with more
affordable broadband

71

Total Projects

50

Localities Served

Projects by Type:

5 Affordability

33 Last Mile - Fiber

12 Last Mile - Fixed Wireless

11 Middle Mile

2 Mobile Hotspot

8 Public Wifi

Broadband Legislation

SB 1413/HB 2304

- Makes permanent the utility leverage pilot program, permitting Dominion Energy and Appalachian Power to build and lease excess fiber (middle mile networks) to ISPs during grid modernization.
- Adding more middle-mile fiber throughout the state has increased competition and improved economics for ISPs.
- Program has facilitated universal broadband coverage in Grayson, Surry, Northumberland, Westmoreland, Richmond, and King George counties. At least a dozen additional universal projects are in the works.



Local Planning Support

DHCD's Office of Broadband has full time local assistance staff ready to help.

Contact – vati@dhcd.virginia.gov

1. Identify Incumbent Broadband Providers
2. Locate Federal Funding
3. Find/Approximate Service Gaps
4. Find an ISP Partner(s) for Universal Coverage
5. Pursue VATI grants to achieve connectivity



Local Planning Support

- Comprehensive toolkit for local leaders – www.commonwealthconnect.virginia.gov
- Contains:
 - Step-by-step guide
 - Model Solicitation
 - Example Solicitations from Virginia localities
 - FAQs, Potential Pitfalls, and Benefits of Broadband



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Thank You!

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