

Virginia Telecommunication Initiative (VATI)

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**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

www.dhcd.virginia.gov

Broadband

- Broadband is essential infrastructure to ensure communities grow and thrive in the global economy
- Crucial for residential and commercial businesses, education, public safety, health care and civic life
- Providing affordable, high speed broadband is essential for a community's economic base and the ability to diversify into new emerging sectors

VATI Program Overview

- Provide financial assistance to supplement construction costs by private sector providers to extend services to areas that are presently unserved
- Area must meet unserved criteria as defined in program guidelines
 - program guidelines developed through collaborative input process with private and public sector stakeholders
 - speeds of ≤ 10 Mbps download and 1 Mbps upload.
- Area must **not** be designated to receive funds for construction through the federal Connect America Funding
- Project not allowed to leverage other state and federal funds (introduced budget ends this prohibition)

Eligible Applicants

- Units of local government (Towns, Cities, Counties, EDA/IDA, Broadband/Wireless Authorities, Planning District Commissions, etc.)
- Must have private sector provider as a co-applicant
 - **Must** have filed or **will** file a FCC Form 477

VATI Evaluation Criteria

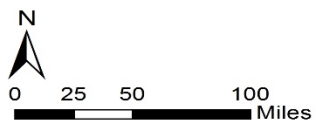
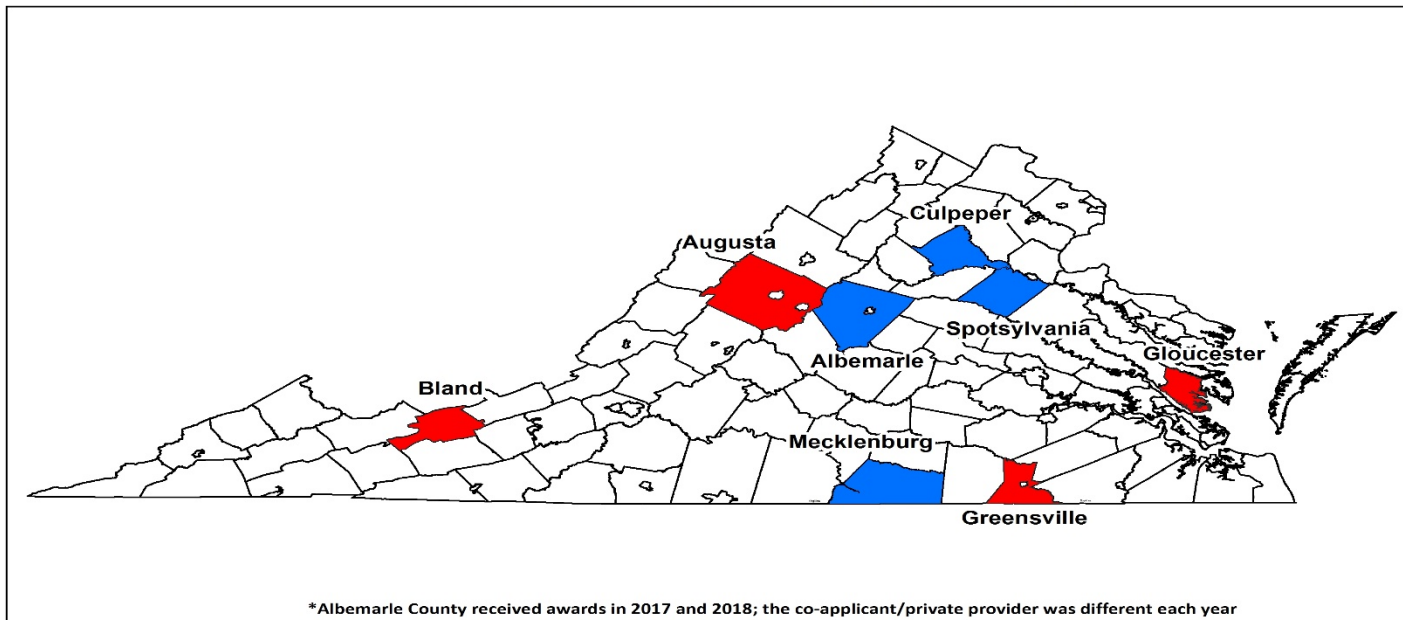
- Demonstrate Need—Unserved areas are defined as having broadband **speeds of \leq 10 Mbps download and 1 Mbps upload.**
- Demonstrate Benefit—Project demonstrates direct benefit (service take rates or targeted subscribers) and benefits to the community.
- Meeting VATI Implementation Speeds—Project must meet minimum implementation **speed of 10Mbps download and 3 Mbps upload.**
- Readiness/Capacity—The applicant and co-applicant demonstrate readiness and capacity to successfully implement the VATI grant.
- Cost and Leverage—Proposed construction costs and leverage must be supportable and consistent with program guidelines.

Virginia Telecommunication Initiative

Program Demand

- 2017
 - \$3.9 million requested
 - 17 proposals received from 15 localities
 - 4 projects awarded -\$944,849
 - \$430,407 in leverage funds of funded projects
- 2018
 - \$2.8 million requested
 - 12 proposals received from 10 localities
 - 5 projects awarded- \$978,599
 - \$518,148 in leverage funds of funded projects

2017-2018 VATI Grant Awards



Source: US Census, DHCD



1/29/2018



2017 VATI Grant Awards

Applicant	Co-Applicant	Project Name	Award
Bland County	WVVA.net	Bland County Wireless (Hollybrook Expansion)	\$192,141
Augusta County	Lingo Networks	Augusta County VATI	\$278,880
Greensville County	Telpage	Greensville County Telecommunications Project	\$162,334
Gloucester County	Cox Communications	Gloucester County VATI Project	\$193,094
Albemarle County	CenturyLink	Albemarle Century Link VATI Project	\$118,400
TOTAL			\$944,849

2017 Impact

- New access to broadband \geq 10Mbps/3 Mbps
 - 1,296 Virginia residents
 - 22 businesses (7 home based)
 - 2 community anchors
- Actual implementation speeds range from 10Mbps/3Mbps and 300Mbps/30Mbps

2018 VATI Grant Awards


Applicant	Co-Applicant	Project Name	Award
Albemarle County	Comcast	Albemarle Comcast VATI 2018	\$473,366
Culpeper County	Virginia Broadband	Culpeper County Rural Broadband Expansion	\$120,800
Mecklenburg County	Bugg Island Telephone	BIT Fiber Project	\$217,713
Spotsylvania County	Comcast	Spotsylvania County and Comcast FY18 VATI Application for Towles Road	\$167,260
TOTAL			\$978,599

2018 Impact

- New access to Broadband \geq 10Mbps/3 Mbps
 - 958 Virginia residents
 - 15 home based businesses
 - 1 community anchor institutions
- Actual implementation speeds range from 10Mbps/3Mbps to 2Gbps/2Gbps

Lessons Learned

- Requiring a partnership between the private and public sector is leading to creative solutions that can lower deployment costs
- New partnerships are being created that may continue expansions after VATI funds are utilized
- Eligibility and unserved definition are key policy issues
- Budget language limiting ability to leverage state and federal funding resulted in smaller-scale projects



Introduced Budget	
FY2019	FY 2020
\$2,000,000	\$2,000,000

- Proposed Removal of “Area **NOT** receiving state or federal funds for construction” from budget language
- The State funds provided for implementation will help to provide “gap financing” necessary to encourage private providers to extend their availability to rural communities



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