Commonwealth of Virginia

Performance Report

Capital Projects Fund

2022-2023- Report

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Executive Summary

The Coronavirus Capital Projects Fund (CPF) has supported 7 broadband expansion projects that will provide access to a fiber broadband network to 76,873 locations when complete. The Commonwealth of Virginia is pleased to report that 23,654 homes, businesses, and community anchor institutions already have access to broadband through the construction of these projects – over 30% of funded locations. To date, a total of $37,618,870.63 in funding has been spent by subrecipients with an additional $18,540,942.51spent in matching funds for these projects. The report details below outline this successful progress to bridging the digital divide in unserved areas of the Commonwealth of Virginia.

Uses of Funds

All projects funded via CPF are either conducting low level engineering and design activities, or are already under construction. The degree of progress and construction varies across the 7 projects funded. A summary table is provided below by project of locations connected to date.

Applicant	**Project Area Localities**	**ISP Partner**	**Locations to be Served**	**Locations Provided Broadband Access**
Botetourt County	Botetourt County	Lumos Networks	1,901	147
Cumberland Plateau PDC	Buchanan, Dickenson, Russell and Tazewell Counties	Point Broadband	5,828	1,367
LENOWISCO Planning District Commission	Lee, Scott and Wise Counties	Scott County Telephone Cooperative	10,982	3,559
Mount Rogers Planning District Commission	Smyth, Washington, and Wythe Counties	Point Broadband	27,450	18,581

New River Valley Regional Commission	Bland, Montgomery and Pulaski Counties	All Points Broadband (Pulaski), Gigabeam (Montgomery, Bland)	19,966	0
West Piedmont PDC (Patrick County)	Patrick County	Charter Communications (Spectrum)	690	0
West Piedmont PDC (West Universal Broadband Project)	Franklin, Henry, and Patrick Counties	RiverStreet Networks	10,056	0

Also included as an attachment to this report are project dashboard pages for each respective project, which report activities implemented over the reporting period, including summaries of key milestones achieved, outputs produced, and outcomes achieved. These project dashboard pages also depict upcoming activities. This project dashboard is updated periodically and available in an interactive format at https://public.tableau.com/app/profile/virginiadhcd/viz/VATIDashboard/Overall. For reference, all 7 projects are located in Southwest Virginia. Project funding source is denoted on the individual project dashboard page. The dashboard also includes projects funded under the Coronavirus State Fiscal Recovery Fund and via State General Funding.

The Office of Broadband will collect narratives about individuals/households benefiting from CPF funds, including information about methods used for collecting and measuring success at the completion of each project. Anecdotally, the Office of Broadband hears through local governments frequently on the impact of broadband access in their jurisdictions. The Office of Broadband, upon the completion of each project will also collect information on the overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use. The Office frequently hears from construction crews that assist homeowners in setting up connected devices in their homes and serve as introductory digital navigators to help take full advantage of connectivity.

Notable challenges include assisting investor owned utilities scale-up for program implementation in the areas of network design and construction. In nearly all projects which construction has not yet started, the local investor owned utility will be constructing the middle-mile portion of the network that the last-mile internet service provider will tap into to connect homes, businesses, and community anchors. This model reduces deployment costs to unserved areas by covering a large portion of the middle mile expense needed to reach these remote communities. The Office of Broadband continues to work with local partners to streamline the network design and construction components required to complete the middle mile network build of these projects.

Promoting Equitable Outcomes

Equitable broadband access exists when all homes, businesses and community anchor institutions have access to reliable, high-speed, affordable internet access at a level that prepares them for the 21st century and beyond. To address this definition of critical need, Virginia's CPF program addresses this gap in equity head on – by funding well designed, highly effective projects that bridge the digital divide around broadband access.

While this primary need area for equitable broadband access is binary – a location either has access to service, or it does not – the Office of Broadband also takes into consideration the affordability of broadband service options offered by internet service providers in the project as well as other digital equity, digital literacy, and broadband adoption efforts undertaken by the locality and internet service provider as a part of the project. In addition to these efforts, awareness of projects funded by CPF and their services is expounded upon in the Community Engagement section below.

With the critical need identified as access to broadband infrastructure, the Commonwealth of Virginia is on track, with over 30% of CPF funded locations already with broadband access. These locations are primarily in rural communities and with projects stretching across municipalities, are also located in high-poverty stricken areas of Southwest Virginia. This work will be built upon by the Office of Broadband's ongoing work under the Broadband Equity, Access, and Deployment Program, as well as under the Digital Equity Act, both of which will be able to support broadband adoption efforts – ensuring the access provided through CPF funding benefits the communities for generations to come regardless of barriers to affordability and adoption.

Labor

The Office of Broadband has passed through those labor requirements for CPF recipients and subrecipients, which all recipients are in compliance with. Five of these projects, across 6 last-mile internet service providers (one internet service provider is building out 2 projects and is accounted separately), have an award size which triggers the requirement for the enhanced labor requirements under CPF. Out of these 6 internet service providers, all have answered the supplemental questions required by not submitting a project labor agreement. All 6 internet service providers on projects work to prioritize local hiring when feasible. One pays the prevailing wage, to the extent that information is available on the prevailing wage for that position class. No providers reported a Community Benefit Agreement, other than the benefit of providing high speed internet access in the communities they serve.

Community Engagement

Broadband deployment programs in the Commonwealth of Virginia, by design, incorporate community engagement. Eligible entities to apply for broadband funding through the Virginia Telecommunication Initiative are units of local government, which serve as the lead applicant with a specific broadband provider partner as the co-applicant. This model places localities in the drivers seat to ensure that the broadband provider selected meets the needs of the citizenry and communities while also picking up all unserved areas in their jurisdiction without broadband access.

The Office of Broadband conducts an annual public input process on slated guideline and selection criteria changes for the Virginia Telecommunication Initiative. This public comment is integral to ensuring this program is reflective of the needs of unserved communities and selects projects which are cost-efficient, universal, and high-impact in the communities they will serve. Now over 12 months into the final design and construction phase of awarded projects, the Office of Broadband continues to exemplify community coordination and engagement through these projects. Prior to signing subgrantee awards with localities, which then manage broadband providers through their own agreements, the Office of Broadband required an adequate communications plan to keep resident and stakeholders informed of project progress. This includes engagement through mail communications, sign-up flyers when service availability is imminent in their areas, partnerships with local media, and launching information on a broadband provider's own website to keep residents informed of project deployment.

Looking ahead, the Office of Broadband is leading community engagement efforts in the areas of broadband affordability and adoption, which will enable broadband providers to better serve these regions with programs and options specifically catered to their needs and/or knowledge gaps. This engagement is taking place under the State Digital Equity Act Planning Grant Program and will result in a report in late fall 2023 with recommendations for outreach and engagement, among other tangible programs which can boost broadband affordability and adoption.