

Quarterly Performance Report of the Virginia Telecommunication Initiative

Q1 FY2026 Report

Submitted by:

The Department of Housing and Community Development

October 2025

Executive Summary

Virginia funds broadband deployment within the Commonwealth through several programs. The largest and main program is the Virginia Telecommunication Initiative (VATI).

VATI provides grants to localities partnered with internet service providers to finance the deployment of high-speed broadband to locations (called a “passing”) within the Commonwealth that are determined to be “unserved.” Passings are places where the internet can be accessed – thus it could be a business, community anchor, a home, or an apartment complex. A passing is unserved¹ if it lacks access to internet speeds of 100 megabits per second (Mbps) download and 20 Mbps upload (“100/20”).

This quarterly report is required by statute and has been prepared by the Office of Broadband located within the Virginia Department of Housing and Community Development (DHCD). This report tracks the technical performance of the VATI provider partners in their work to deploy broadband. This report adheres to the factors that the General Assembly directed to be tracked and presents them in the manner directed by the General Assembly.

Below are the key takeaways from the report. *Only open projects are listed in the summary tables provided at the end of this report. Completed projects are not listed; however, their total figures are listed in the summary bullets below.*

- *Total passings:* VATI FY2022, FY2023, and FY2024 projects will provide access to broadband infrastructure to 320,402 passings across Virginia.
- *Leveraged local and private funding:* In addition to \$822.8 million in state and federal funding awarded, FY2022, FY2023, and FY2024 projects leverage a total of \$1.198 billion in private and local-match funding. To date, \$393.8 million of these awarded funds and \$599.6 million of these matching funds have been expended.
- *Locations Built-To:* To date, projects have provided broadband access to 155,907 locations.
- *Maximum Speeds Available:* Over 93.4% of projects funded in FY2022, FY2023, and FY2024 offer functionally gigabit (1,000 Mbps) download speeds, and over 73.7% offer functionally gigabit upload speeds.

In conclusion, 21 out of the 55 open projects funded from the American Rescue Plan Act of 2021 and General Funds from FY2022, FY2023, and FY2024 are scheduled to be completed on time as of this report’s submission. DHCD identifies 34 projects at risk for incompleteness or underperformance. Justification for these delays include the make-ready effort, which includes preparing existing electric poles for aerial broadband network construction. Other delays involve supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. DHCD will continue its ongoing work to monitor these projects, assisting in mitigating these broadband deployment challenges where appropriate.

¹ In the FY2022 VATI process, the definition of unserved was set at 25/3. This definition of unserved has been upgraded to those passings lacking access to broadband at speeds of 100/20 for the FY2023 VATI process

Formal Report

Pursuant to Chapter 1 of the Virginia Acts of Assembly of Special Session II of 2021 and continued forward in the 2024 Special Session 1 under Chapter 2 of the Virginia Acts of Assembly, enclosed is the Quarterly Performance Report of the Virginia Telecommunication Initiative (VATI) for Q1 FY2026.

Item 103 L.6. of the 2024 Acts of Assembly Special Session I requires that DHCD deliver a quarterly performance report on funds awarded through the 2021 Acts of Assembly Special Session I (also known as the budget bill) of allocated ARPA funds, as well as state general funds awarded through the Virginia Telecommunication Initiative since the aforementioned FY2022 budget cycle.

Administered by the Virginia Department of Housing and Community Development (DHCD), VATI enhances the sustainability and growth of communities throughout the Commonwealth by preparing those communities to build, utilize, and capitalize on broadband infrastructure. The primary objective of VATI is to provide financial assistance to supplement construction costs by private sector broadband service providers to extend service to areas that presently are unserved by any broadband provider. This program requires a public-private partnership.

The directive to form this quarterly performance report establishes that:

To the extent possible, the quarterly performance report shall contain information by grant recipient and year on the following metrics: (1) Number of passings; (2) Grant dollars expended by fund source (State and Local Recovery Fund, Capital Project Fund, general fund state grants and match); (3) Contract performance period, and on-time progress towards project delivery; (4) Maximum advertised project speeds available; and, (5) Achievement of key project milestones. The quarterly report shall be due within 30 days of the close of the quarter. The quarterly performance report shall include an evaluation of any projects under risk of incompleteness or underperformance. The department in providing such risk assessment shall include a reason for the project's delay.

In accordance with this structure, DHCD has included information in this report of the projects that were awarded funds since December 2021 and includes the projects announced in the FY2022, FY2023, and FY2024 cycles, including those projects funded under the Coronavirus State and Local Fiscal Recovery Fund and Coronavirus Capital Projects Funds allocations under the American Rescue Plan Act of 2021. Project information displayed in this report reflects project data as of the end of May 2025.

Of the 56 open projects funded in FY2022, FY2023, and FY2024, 34 have requested and received timeline extensions and, per DHCD's analysis, 23 are considered to be at low risk and 11 are considered to be at high risk. DHCD has established risk definitions specific to funding year. A summary of these definitions provided in the table below. The definition of risk category varies for the FY2022 funding year, as this funding year contained American Rescue Plan Act funding, which has a statutory expenditure deadline of December 31, 2026.

Year	Risk Level	Risk Level Definition
FY2022	No Risk	<ul style="list-style-type: none"> • The grantee has not requested a timeline extension beyond the originally approved contract end date; and, • Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline; and, • The timeline for that project does not have an end date in 2026.
FY2022	Low Risk	<ul style="list-style-type: none"> • The grantee has requested a timeline extension beyond the originally approved contract end date; or, • Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.
FY2022	High Risk	<ul style="list-style-type: none"> • The grantee’s contractual end date is in 2026, regardless of if that end date reflects the original contractually established end date or is a result of an extension.
FY2023, FY2024	No Risk	<ul style="list-style-type: none"> • The grantee has not requested a timeline extension beyond the originally approved contract end date; and, Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline.
FY2023, FY2024	Low Risk	<ul style="list-style-type: none"> • The grantee has requested a timeline extension beyond the originally approved contract end date; or, • Based on the sole determination of the Office of Broadband, the grantee is significantly behind the current approved milestone timeline and has not yet requested a timeline extension from the original completion date.
FY2023, FY2024	High Risk	<ul style="list-style-type: none"> • The grantee has requested more than one timeline extension beyond the originally approved contract end date.

DHCD staff continue to closely monitor the continued impact of challenges surrounding make-ready, which includes preparing existing electric poles for aerial broadband network construction. DHCD has recently funded the first projects under the Virginia Make Ready Initiative, which is designed to mitigate the impacts of elevated make-ready costs. DHCD is closely monitoring the impact of this program on accelerating delivery of affected VATI projects.

Other deployment challenges DHCD is monitoring include supply chain and labor markets, streamlining utility locate efforts, railroad crossings, the permitting process to lay fiber in state-owned rights of way along roads, and permitting to cross federally owned lands. DHCD and its local government and internet service provider partners are continuing to develop innovative solutions to meet these challenges and deliver high-speed broadband access as quickly as possible for residents in these project areas.

The project summaries included in this report are updated quarterly on the VATI Project Dashboard, accessible through dhcd.virginia.gov/vati.

Q1 FY2026 Quarterly Performance Report for the Virginia Telecommunication Initiative – FY2022 Projects																
Grantee	Internet Service Provider Partner	Passings in Project Area	Total Passings Provided Broadband Access to Date	Percent Complete Passings Provided Broadband Access to Date	Agreement Start Date	Agreement End Date	Risk	Reason for a Project's Delay	Award Amount	Award Funding Source	Awarded Funding Expended	Percent Expended, Out of Total Awarded Funding	Total Match Funding	Match Funding Expended	Percent Expended, Out of Total Match Funding	Maximum Advertised Project Speeds Available (Download/ Upload Mbps)
Bedford	ZiTEL	5,644	5,593	99%	06/15/2022	7/1/2025	Low Risk	MR	\$11,480,664.98	GF & SLFRF	\$11,084,989.42	96.55%	\$14,518,564.42	\$13,613,713.14	93.77%	1000/1000
Bedford	Shentel	3,204	3,232	101%	09/09/2022	9/21/2025	Low Risk	MR, UL, RR, ROW, FED	\$6,191,796.33	GF & SLFRF	\$4,497,826.14	72.64%	\$13,911,783.67	\$9,844,830.10	70.77%	1000/1000
Botetourt	Lumos Networks	1,901	1,901	100%	11/01/2022	9/30/2025	Low Risk	MR	\$3,084,796	CPF	\$2,685,883.90	87.068%	\$4,824,937	\$5,213,045.98	108.04%	1000/1000
Campbell	Shentel	3,509	3,132	89%	09/21/2022	9/21/2025	Low Risk	MR, UL	\$6,443,000	GF & SLFRF	\$3,593,421.79	55.77%	\$12,978,455	\$7,239,926.99	55.78%	1000/1000
Central Shenandoah Planning District Commission	MGW/ Rob Huff	2,470	1,118	45%	6/1/2022	12/1/2025	Low Risk	MR, ROW, FED, OTH	\$7,876,800	SLFRF	\$4,357,020.63	55.31%	\$3,118,706	\$1,880,082.28	60.28%	1000/50
Commonwealth RC	Kinex	11,397	7,359	65%	06/14/2022	6/14/2026	High Risk	UL, SCL	\$15,000,000	GF	\$11,373,545.98	76%	\$13,426,482	\$10,327,984.80	76.92%	200/10
Cumberland Plateau PDC	Point Broadband	5,659	5,113	90%	09/06/2022	9/6/2025	Low Risk	MR	\$23,478,429	CPF	\$14,135,023.55	60%	\$6,459,000	\$3,888,595.87	60.2%	1000/500
Eastern Shore of Virginia Broadband Authority	ESVBA	11,091	9,381	85%	6/1/2022	11/30/2024	Low Risk	OTH-customer installs	\$12,310,777.25	SLFRF	\$8,236,666.46	67%	\$3,314,865.50	\$1,827,132.11	55.12%	1000/1000
Franklin	Shentel	3,508	3,505	100%	10/17/2022	10/17/2025	Low Risk	MR, UL, RR	\$11,832,456	GF & SLFRF	\$4,448,444.13	37.6%	\$18,646,520	\$13,985,190.37	75%	1000/1000
Hampton Roads PDC	Charter Communications	11,114	9,781	88%	07/08/2022	6/30/2026	High Risk	ROW	\$21,120,053.50	SLFRF	\$9,113,309.34	43.15%	\$13,839,523	\$6,629,185.94	47.90%	1000/500
Hanover	All Points Broadband	6,198	1,363	22%	8/1/2022	12/31/2025	Low Risk	MR	\$13,970,000	SLFRF	\$3,631,562.45	26%	\$41,469,332	\$6,362,226.54	15.34%	1000/1000
King William	All Points Broadband	2,236	2,236	100%	8/3/2022	3/31/2025	Low Risk	MR	\$5,400,000	SLFRF	\$4,859,999.93	42%	\$12,330,632	\$14,828,144.58	120%	1000/1000
LENOWISCO PDC	Scott County Telephone Cooperative	10,982	6,671	61%	06/13/2022	12/13/2025	Low Risk	MR, RR	\$22,190,500	SLFRF & CPF	\$13,103,095.52	59.05%	\$6,354,500	\$4,120,473.27	64.84%	1000/1000
Loudoun County	All Points Broadband	8,629	249	3%	7/1/2022	10/31/2025	Low Risk	MR	\$17,524,000	SLFRF	\$4,003,000.96	22.84%	\$42,376,126	\$5,448,166.80	12.86%	1000/1000
Middlesex County	All Points Broadband	970	970	100%	7/22/2022	7/31/2025	Low Risk	MR	\$2,050,000	SLFRF	\$1,845,000	90%	\$8,453,887	\$10,184,558.02	120%	1000/1000
Mount Rogers PDC	Point Broadband	27,551	26,390	96%	06/01/2022	11/30/2025	Low Risk	MR	\$66,203,228	CPF	\$53,562,446.46	81%	\$33,162,600	\$29,870,642.96	90.07%	1000/500

New River Valley Regional Commission	Gigabeam	12,094	745	6%	03/13/2023	3/13/2026	High Risk	RR	\$39,233,355	CPF	\$15,316,750.29	39.04%	\$38,247,340	\$15,555,408.06	40.67%	1000/1000
New River Valley Regional Commission	All Points Broadband	7,872	0	0%	12/06/2022	12/31/2025	Low Risk	MR	\$29,122,000	CPF	\$5,913,400.39	20.31%	\$26,103,057.19	\$4,594,339.19	17.6%	1000/1000
Northern Neck Planning District Commission	All Points Broadband	3,411	3,411	100%	9/22/2022	3/31/2025	Low Risk	MR	\$3,190,500	SLFRF	\$2,871,450	90%	\$20,477,692	\$20,477,677.64	99.99%	1000/1000
Northern Shenandoah Valley Regional Commission	All Points Broadband	32,238	193	1%	7/22/2022	6/30/2026	High Risk	MR	\$96,873,500	SLFRF	\$23,899,464.28	25%	\$206,243,317	\$95,212,655.74	46.17%	1000/1000
Roanoke	B2X	520	45	9%	09/22/2022	10/25/2025	Low Risk	SCL, OTH-land use agreement	\$170,609	GF	\$35,295.43	20.69%	\$177,572	\$40,817.85	22.99%	25/4
Roanoke	Cox	396	250	63%	9/1/2022	10/15/2025	Low Risk	FED	\$1,535,264	SLFRF	\$0	0%	\$1,597,927	\$0	0%	940/35
Roanoke	Comcast	48	0	0%	6/13/2025	3/31/2026	High Risk	OTH-rescoped	\$490,000	SLFRF	\$141,360	28.85%	\$510,000	\$215,049.73	42.17%	1000/1000
Shenandoah County Public Schools	Shentel	4,139	4,102	99%	8/1/2022	12/31/2025	Low Risk	MR, UL	\$12,176,662	SLFRF	\$9,037,715.98	74.22%	\$20,733,235	\$15,388,543.43	74.22%	1000/1000
Southside PDC	EMPOWER Broadband	14,634	9,084	62%	07/22/2022	6/22/2026	High Risk	OTH: Dominion mainline behind schedule.	\$69,431,635	SLFRF	\$44,666,488.15	64.33%	\$84,677,555	\$54,312,663.06	64.14%	1000/1000
Sussex	RuralBand	2,267	2,267	100%	06/13/2022	12/13/2025	Low Risk	None	\$4,896,892	SLFRF	\$4,097,081.35	84%	\$1,678,571	\$1,404,572.14	83.68%	1000/1000
Thomas Jefferson PDC	Firefly Broadband	36,225	24,162	67%	08/15/2022	6/30/2026	High Risk	MR, RR, ROW	\$79,027,930	SLFRF	\$61,225,456.03	77.47%	\$208,969,670	\$158,218,512.99	75.71%	1000/1000
West Piedmont PDC - Dinwiddie	RuralBand	417	275	66%	07/03/2022	12/31/2026	High Risk	None	\$638,718	SLFRF	\$479,418.08	75.06%	\$50,570	\$50,570.01	100%	1000/1000
West Piedmont PDC - Dinwiddie	RiverStreet Networks	5,009	0	0%	06/20/2022	6/30/2026	High Risk	RR, ROW	\$6,893,337	SLFRF	\$632,727.12	9.18%	\$18,974,275	\$1,748,970.07	9.22%	1000/1000
West Piedmont PDC (East)	RiverStreet Networks	24,641	8,167	33%	08/03/2022	6/30/2026	High Risk	RR, ROW	\$87,003,888	SLFRF	\$35,361,713.48	40.64%	\$65,421,341	\$33,478,895.69	51.17%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	10,056	31	0%	09/30/2022	2/24/2026	High Risk	FED, MR, RR	\$33,571,073	CPF	\$1,646,415.95	5%	\$59,425,085	\$3,054,768.78	5%	1000/1000
West Piedmont PDC	Charter Communications	690	677	98%	08/01/2022	8/1/2025	Not at Risk	None	\$1,557,385	CPF	\$1,070,564.58	68.74%	\$1,450,145	\$972,831.36	67.09%	1000/500

***Data as of September 2025 Monthly Project Reports, which reflect project statistics through the end of August.**

*Abbreviations for Reasons for Project's Delay: MR – Make Ready, SCL – Supply Chain and Labor, UL – Utility Locates, RR – Railroad, ROW – Right of Way Permitting along State Roads, FED – Federal Land Permitting Challenges, OTH – Other (Described)
Abbreviations for Award Funding Source: GF – General Fund, SLFRF – Coronavirus State and Local Fiscal Recovery Fund, CPF – Coronavirus Capital Projects Fund

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Bedford	Shentel	565	559	99%	4/1/2024	9/1/2025	Not at Risk	None	\$1,373,161.74	GF	\$416,862.28	30.36%	\$3,204,044.05	\$972,678.68	30.36%	1000/1000
Caroline County	Breezeline	3,910	300	8%	10/23/2024	10/23/2026	Not at Risk	MR	\$6,446,000	GF	\$1,606,282.28	25%	\$15,247,000	\$4,221,564.77	27.69%	1000/600
Caroline County	Verizon	854	815	95%	10/23/2024	5/23/2025	Not at Risk	None	\$2,032,334	GF	\$1,743,577.73	86%	\$5,610,501	\$5,345,806.41	95.28%	940/880
Chesterfield County	All Points Broadband	494	0	0%	12/1/2023	11/30/2026	Not at Risk	None	\$8,753,009	GF	\$1,063,548.93	12%	\$19,113,941	\$2,580,523.59	13.5%	1000/1000
Essex County	Breezeline	3,526	700	20%	09/06/2023	9/6/2026	Not at Risk	MR	\$8,753,009	GF	\$1,063,548.93	12%	\$19,113,941	\$2,580,523.59	13.5%	1000/600
Floyd County	Citizens	666	666	100%	05/30/2023	8/18/2025	Low Risk	OTH - rescoped	\$1,339,387	GF	\$1,205,448.30	90%	\$827,173	\$853,395.03	103.17%	1000/500
Henrico County	All Points Broadband	412	0	0%	12/1/2023	11/30/2025	Not at Risk	None	\$501,620	GF	\$0	0%	\$6,027,280.42	\$0	0%	1000/1000
Orange County	FiberLync	576	467	81%	10/31/2023	6/5/2025	Low Risk	ROW	\$2,181,000	GF	\$2,155,031.68	99%	\$8,391,058	\$8,242,087.06	98.22%	1000/1000
Shenandoah County Public Schools	Shentel	2,440	2,115	87%	9/26/2023	12/31/2025	Low Risk	MR	\$4,936,968	GF	\$2,441,509.83	49.45%	\$9,168,655	\$4,534,232.39	49.45%	1000/1000
Southside PDC	EMPOWER Broadband	4,804	1,512	31%	9/26/2023	9/26/2026	Not at Risk	None	\$8,556,028.84	GF	\$500,548.12	5.85%	\$21,677,288.16	\$2,590,424.68	11.95%	1000/1000
West Piedmont PDC (East)	RiverStreet Networks	3,356	1,082	32%	11/6/2023	11/6/2026	Not at Risk	None	\$8,155,864	GF	\$4,932,239.51	60.47%	\$5,205,136	\$3,177,203.07	61.04%	1000/1000
West Piedmont PDC (Pittsylvania)	RiverStreet Networks	2,102	824	39%	10/5/2023	10/5/2026	Not at Risk	None	\$3,548,250	GF	\$2,690,376.43	75.82%	\$1,856,750	\$1,419,978.79	76.48%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	4,526	7	0%	2/28/2024	2/28/2026	Not at Risk	None	\$8,013,600	GF	\$53,970.90	0.67%	\$5,386,400	\$17,149.89	0.32%	1000/1000
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Thomas Jefferson PDC	Firefly	5,825	126	2%	11/1/2024	12/31/2026	Not at Risk	None	\$12,208,500	GF	\$57,130	0.47%	\$36,427,182	\$0	0%	1000/1000
Southside PDC	Empower	3,757	1,568	42%	11/13/2024	6/30/2027	Not at Risk	None	\$3,353,579	GF	\$43,000	1.28%	\$3,153,579	\$0	0%	1000/1000
Giles County	PemTel	629	0	0%	1/21/2025	1/21/2027	Not at Risk	None	\$4,199,596	GF	\$106,773.51	2.54%	\$1,343,604	\$30,135.54	2.24%	1000/1000
Franklin County	ZiTEL	2,543	0	0%	1/21/2025	1/21/2026	Not at Risk	None	\$4,538,288	GF	\$1,774,149.90	39%	\$7,737,355	\$3,356,499.79	43.38%	1000/1000
Carroll County	ZITEL	2,214	0	0%	7/10/2025	7/10/2027	Not at Risk	None	\$10,347,072	GF	\$0	0%	\$7,694,453	\$0	0%	1000/1000
Rockbridge BARC	BARC	293	0	0%	11/4/2024	11/4/2026	Not at Risk	None	\$1,197,320	GF	\$0	0%	\$1,653,443	\$0	0%	1000/1000
Rockbridge	Brightspeed	1,734	21	1%	4/10/2025	5/7/2027	Not at Risk	None	\$975,865	GF	\$0	0%	\$3,901,517	\$0	0%	1000/1000
Alleghany County	CBEC	370	0	0%	11/21/2024	6/13/2026	Not at Risk	None	\$2,332,353	GF	\$393,638.83	16.88%	\$1,019,580	\$168,702.36	16.55%	1000 / 1000
Orange County	FiberLync	546	144	26%	8/8/2024	8/8/2026	Not at Risk	None	\$2,138,416	GF	\$0	0%	\$3,155,780	\$0	0%	1000/1000
Botetourt	Comcast	62	0	0%	12/12/2024	12/12/2026	Not at Risk	None	\$395,411	GF	\$0	0%	\$232,225	\$0	0%	1000 / 1000

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