



Funding may slow Internet expansion

By **BOB AUDETTE**, Reformer Staff

Thursday, May 28 BRATTLEBORO -- With the help of the American Recovery and Reinvestment Act -- otherwise known as the Obama stimulus package -- all Vermonters might soon have access to high-speed broadband.

The state plans on applying for at least \$50 million for broadband expansion, said Tom Evslin, the chief recovery officer for the state's Office of Economic Stimulus and Recovery.

"If we had \$50 million landing on our doorstep, we could make sure that every Vermont resident has good broadband," he said.

There's only one problem, said Evslin.

Release of the funds has been postponed from September to December 2009.

"This is, in fact, very bad news -- especially for Northern tier states where the ground will be frozen in December," said Evslin. "We are going to miss some of the summer construction season and the promised jobs won't be delivered when they're most needed."

The state's federal delegation and Gov. James Douglas are asking that the government free up the funds before December, he said.

"We believe that it is critically important the National Telecommunications and Information Agency and the Rural Utility Service deploy (the) funds immediately, in time for the 2009 construction

season," stated a letter endorsed by Senators Patrick Leahy, D-Vt., and Bernie Sanders, I-Vt., and Rep. Peter Welch, D-Vt. "Both the NTIA and RUS must adopt continued aggressive timelines and deploy funds this summer to ensure that Americans are put to work immediately and this infrastructure is put in place to build the future of America's economy."

There is a serious danger that these promised but not delivered programs are helping to prolong the recession, said Evslin, because if there was no promise of federal money, some of these projects would already be underway.

Though the state can now apply for the funds, it won't know if and for what amount it might qualify until federal regulations outlining how the money can be used are promulgated.

Despite the delay, Vermont could qualify for between \$30 and \$70 million, he said, depending on the competitive nature of the application process.

"But because we are ready, we are in a better position competitively."

Applications for funds will probably be made by individual telecommunications carriers under the umbrella of the state, he said.

FairPoint and Comcast have made commitments to the state and might not receive any of the stimulus money for what they have already promised.

"We don't think those should be subsidized," said Evslin. Subsidies, he said, should go to the under-served communities where commitments haven't been made.

FairPoint's commitment is to provide Internet accessibility to 77 percent of its customers by the end of 2009, said Beth Fastiggi, spokeswoman for

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FairPoint. It is currently at 75 percent, up 10 percent from 2008, when FairPoint acquired Verizon's landlines.

FairPoint's commitment for 2010 is to have 100 percent broadband in half of its telephone exchanges.

"We have some projects we are doing in Windham County," she said, including one just finished providing nearly 100 percent capability to the Jamaica exchange, which includes most of Jamaica and parts of Windham, Stratton and Townshend.

In addition, upgrade projects in Brattleboro are set to get underway.

Other communities in Windham County that will see some upgrades to their systems this summer include Dover, Dummerston, Marlboro, Newfane, Readsboro, Winhall and Wilmington, said Fastiggi.

For those communities where commitments were not made, she said, FairPoint hopes it might qualify for some of the stimulus money.

Vermont is well-positioned to take advantage of any stimulus money for expanded Internet connectivity, said Paul Costello, the executive director of the Vermont Rural Broadband Project.

"We've been involved with this for 10 years," he said.

In that 10 years, he said, the project has helped between 50 and 60 Vermont municipalities acquire Internet connectivity.

The delay in fund disbursement is unfortunate, said Costello, but not horrible.

"The fact that the resources are coming is much

more important than the delay."

The stimulus package is not the only source of funds available to the state for broadband projects.

The Vermont Telecommunications Authority was granted bonding authority in 2007 to raise \$40 million but has not yet taken advantage of the opportunity, said Evslin.

The delay in stimulus funds could also affect other projects the state wants to conduct using stimulus funds, said Evslin, such as instituting a smart grid for energy consumption and for the establishment of an electronic health records resource.

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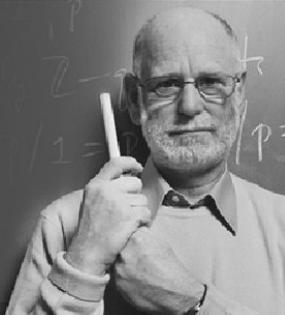
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