

September 27, 2024

Dr. Tamarah Holmes, Ph.D.
Director
Office of Broadband
Department of Housing and Community Development

Dr. Holmes:

The Northern Shenandoah Valley Regional Commission (NSVRC) is the Grantee and Fiscal Agent for the VATI project designated VATISF#2022-027 (Project), executed in partnership with All Points Broadband (APB) as co-applicant.

NSVRC and its partners request that DHCD approve a rescope of the Project, that will enable funding for extending broadband to certain locations to be shifted from the VATI program to the BEAD program.

The requested rescoping is an excellent solution for ensuring the achievement of universal broadband within the region, which will not require additional local matching funds or materially extend deployment timelines. Our intention is to ensure that unserved and underserved broadband serviceable locations rescope from the VATI Project will become eligible for Broadband Equity, Access, and Deployment (BEAD) funding, through which Virginia will distribute an additional \$1.48 billion in federal funds to bridge the digital divide.

As DHCD is aware from its regular participation in project briefings and review of monthly reports, make ready activities have been a significant challenge for the Project and other similar broadband expansion efforts in Virginia. Despite the best efforts and collaboration between APB and its utility partners, the Project has not achieved its target cadence of pole attachment permits. In addition, make ready costs for pole attachment applications are significantly exceeding the Project budget. According to data compiled by APB and its third-party engineering vendors, average make ready costs in certain cooperative service territories are projected to exceed \$70,000 per mile of approved aerial attachment.

The proposed rescoping will address current Project issues by enabling the transition of significant portions of the fiber network from aerial to underground routes. Undergrounding these routes will dramatically reduce the volume of make ready work required to complete the Project, which will accelerate the timeline for completion.

We request that 9,452 locations be rescope from the Project. As previously indicated, according to our analysis, 772 are currently designated as served on the National Broadband Map. Another 483 locations are not designated as Broadband Serviceable Locations. We request that any of the locations subject to this rescoping request that meet the criteria for BEAD eligibility be made BEAD eligible.

Each of the participating counties has been briefed on this request. Per DHCD's request, attached to this letter are letters of endorsement from participating counties.

NSVRC, APB, and participating counties are committed to completing the balance of the regional broadband initiative. APB has committed to apply for BEAD funding to ensure that broadband is extended to all additional BEAD eligible locations, through Virginia's BEAD program anticipated to launch in October.

We appreciate the ongoing assistance that DHCD has provided to NSVRC in this process.

Sincerely,

A handwritten signature in dark ink, reading "Brandon P. Davis". The signature is written in a cursive, flowing style.

Brandon Davis
Executive Director
Northern Shenandoah Valley Regional Commission