MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: March 27, 2013
Subject: Grant Requests

Enclosed please find four (4) items that the Joint Fiscal Office has received from the administration.

JFO #2616 – $781,226 grant from the U.S. Department of Agriculture to the Vermont Department of Agriculture, Food and Markets. These funds will be used to develop a water quality trading initiative intended to reduce nonpoint source phosphorus pollution loading in Lake Champlain (from the Missisquoi Bay and Otter Creek).
[JFO received 03/22/13]

JFO #2617 – $75,000 grant from the U.S. Department of Agriculture to the Vermont Department of Agriculture, Food and Markets. These funds will be used to support the State’s efforts to develop an agricultural water quality improvement program through outreach to farmers and nonagricultural stakeholders and the creation of a database designed to track water quality progress.
[JFO received 03/22/13]

JFO #2618 – $10,000 grant from the National Alcohol Beverage Control Association to the Vermont Department of Liquor Control. These funds will be used to produce and distribute materials to help employers detect fraudulent identifications.
[JFO received 03/27/13]

JFO #2619 – $219,898 grant from the Northern Border Regional Commission to the Vermont Telecommunications Authority (VTA). These funds will be used to assist the VTA in completing construction of a 13-mile segment of a 178-mile fiber-optic network in the northeastern Vermont.
[JFO received 03/27/13]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by April 10 we will assume that you agree to consider as final the Governor’s acceptance of these requests.
STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM

<table>
<thead>
<tr>
<th>Grant Summary:</th>
<th>To assist the VTA in constructing a 12 mile section of a 144 strand fiber network in the Northeast Kingdom, from Newport VT to the border in Derby Line, and from Troy, VT along Rt. 105 to Rt. 242 in Jay, VT.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>3/19/2013</td>
</tr>
<tr>
<td>Department:</td>
<td>Vermont Telecommunications Authority</td>
</tr>
<tr>
<td>Legal Title of Grant:</td>
<td>Northern Borders Connectivity Project</td>
</tr>
<tr>
<td>Federal Catalog #:</td>
<td>Not yet available. See attached email dated 3/14/2013 from the NBRC.</td>
</tr>
<tr>
<td>Grant/Donor Name and Address:</td>
<td>Northern Borders Regional Commission, Suite 113C, 202 Harlow Street, Bangor, ME 04401</td>
</tr>
<tr>
<td>Grant Period: From:</td>
<td>3/1/2013</td>
</tr>
<tr>
<td>Grant Period: To:</td>
<td>9/1/2014</td>
</tr>
<tr>
<td>Grant/Donation</td>
<td>$219,898</td>
</tr>
<tr>
<td>Grant Amount:</td>
<td>SFY 1</td>
</tr>
<tr>
<td></td>
<td>$43,980</td>
</tr>
<tr>
<td>Position Information:</td>
<td># Positions</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Additional Comments:</td>
<td>State match of $170,000 from 2011 Act 40 (Capital Bill) Sec. 3(b) (attached).</td>
</tr>
</tbody>
</table>

Department of Finance & Management
Secretary of Administration
Sent To Joint Fiscal Office

(Initial) 3/12/13
(Initial) 3/20/13
Date 3/26/13
**STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE**  (Form AA-1)

### BASIC GRANT INFORMATION

1. **Agency:** Vermont Telecommunications Authority  
2. **Department:**  
3. **Program:** Northeast Kingdom Fiber Network  
4. **Legal Title of Grant:** Northern Borders Connectivity Project  
5. **Federal Catalog #:** Not available yet from grantor - see attached correspondence

###Grant/Donor Name and Address:
Northern Borders Regional Commission, Suite 113C, 202 Harlow Street, Bangor, ME 04401

###Grant Period:
- **From:** 3/1/2013  
- **To:** 9/1/2014

###Purpose of Grant:
Design and construct fiber telecommunications network [see detailed description attached]

###Impact on existing program if grant is not Accepted:
Will be unable to build 13-mile fiber network segments funded by grant & would jeopardize construction of additional 16-mile fiber segments within the NEK Fiber Network.

###10. BUDGET INFORMATION

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>SFY 1 FY 2013</th>
<th>SFY 2 FY 2014</th>
<th>SFY 3 FY</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$35,740</td>
<td>$15,000</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$40,019</td>
<td>$299,139</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$75,759</td>
<td>$314,139</td>
<td>$</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>SFY 1</th>
<th>SFY 2</th>
<th>SFY 3</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$31,779</td>
<td>$138,221</td>
<td>$</td>
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<tr>
<td>In-Kind</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Federal Funds:</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>(Direct Costs)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
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<tr>
<td>(Statewide Indirect)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
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<tr>
<td>(Departmental Indirect)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
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<tr>
<td>Other Funds:</td>
<td>$43,980</td>
<td>$175,918</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Grant (source NBRC Fed)</td>
<td>$43,980</td>
<td>$175,918</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$75,759</td>
<td>$314,139</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

### Appropriation No.:  
- **Amount:** $  
- $  
- $  
- $  
- $  
- $  
- $  
- $  
- $  
- **Total:** $
STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? ☑ Yes ☐ No
If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: VTA Agreed by: (initial)

<table>
<thead>
<tr>
<th>12. Limited Service Position Information:</th>
<th># Positions</th>
<th>Title</th>
</tr>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Total Positions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12a. Equipment and space for these positions:

☐ Is presently available. ☐ Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date: 3/15/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title: Christopher L. Campbell, Executive Director</td>
<td></td>
</tr>
</tbody>
</table>

Signature: Date:

Title:

14. SECRETARY OF ADMINISTRATION

☑ Approved: (Secretary or designee’s signature) Date: 3/20/13

15. ACTION BY GOVERNOR

☐ Check One Box: Accepted (Governor’s signature) Date: 3/20/13

☐ Rejected

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

☐ Request Memo
☐ Dept. project approval (if applicable)
☐ Notice of Award
☐ Grant Agreement
☐ Grant Budget
☐ Notice of Donation (if any)
☐ Grant (Project) Timeline (if applicable)
☐ Request for Extension (if applicable)
☐ Form AA-1PN attached (if applicable)

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).
March 15, 2013

Mr. Jeb Spaulding, Secretary of Administration
Vermont Agency of Administration
119 State Street
Montpelier, VT 05609

Dear Secretary Spaulding:

Please find attached a Form AA-1 Request for Grant Acceptance for a grant awarded to the Vermont Telecommunications Authority (VTA) by the Northern Borders Regional Commission (NBRC). This grant will assist the VTA in completing construction of a critical segment of fiber that will be part of a 178-mile fiber-optic network in the Northeast Kingdom.

Under terms of this award, the VTA will receive $219,898 from the NBRC. The VTA will provide $170,000 in matching funds from monies awarded to the VTA under the Fiscal Year 2012-2013 capital appropriation in Act 40 of the 2011 Public Session, Section 3(b). On January 24, 2013 the VTA Board of Directors approved the use of these funds as match for this grant project. Please be aware that although the grant period extends through 9/1/2014, VTA expects to complete the project by 6/30/2014, and therefore the grant budget in the Form AA-1 is distributed entirely over two fiscal years, FY2013 and FY2014, in columns labeled SFY1 and SFY2 respectively.

The following documents are attached:

1) Form AA-1 with an accompanying email message from Sanford Blitz of NBRC regarding the Federal catalog number for grant funds;

2) A letter from Governor Shumlin requesting that the NBRC reallocate the funds to the VTA, together with a letter from Jon Freeman referred to in the Governor’s letter;

3) The grant application submitted by the VTA to NBRC which contains a description of the project scope and a project budget;

4) The NBRC grant award letter and grant agreement.

As soon as the VTA has received the approved Form AA-1, we will execute the grant agreement and the permitting and construction process will commence.

Thank you for your consideration. Please call or email if you have any questions.

Christopher J. Campbell

Executive Director
Vermont Telecommunications Authority
capacity shall be built into the plant initially for Montpelier.

(3) If no memorandum of understanding meeting the requirements of subdivision (2) of this subsection (e) is executed on or before June 9, 2011, $1,900,000 of the $7,000,000 that would otherwise be appropriated for this project shall be appropriated instead to the department of buildings and general services for maintenance of the existing plant. Another $1,000,000 shall be appropriated for major maintenance of state properties. The remainder shall be reallocated during the budget adjustment process.

Appropriation – FY 2012
$26,928,802

Appropriation – FY 2013
$11,878,802

Total Appropriation – Section 2
$38,807,604

Sec. 3. ADMINISTRATION

(a) Of the funds appropriated to the department of taxes for the Vermont Center for Geographic Information for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping:

(1) $100,000 is appropriated in FY 2012.

(2) $100,000 is appropriated in FY 2013.

(b) The sum of $10,000,000 is appropriated to Vermont Telecommunications Authority (VTA) in FY 2012 for the project described in and subject to the requirements of Sec. 49 of this act.

Appropriation – FY 2012
$10,100,000

VT LEG 270282.1
 Appropriation – FY 2013 $100,000
 Total Appropriation – Section 3 $10,200,000

Sec. 4. HUMAN SERVICES

(a) The following sums are appropriated in FY 2012 to the department of buildings and general services for the agency of human services for the projects described in this subsection:

(1) Health laboratory, continuation of design, permitting, bidding, and construction phases for co-location of department of health laboratory with the UVM Colchester research facility: 14,000,000

(2) Vermont state hospital, ongoing safety renovations: 100,000

(3) Vermont state hospital, continuation of planning and design for the replacement of services: 700,000

(4) Corrections, continuation of suicide prevention project: 100,000

(5) Corrections, security upgrades: 100,000

(6) Corrections, removal of existing dam at the Southeast State Correctional Facility in Windsor and upgrade of the facility’s potable and fire suppression water supply: 1,000,000

(b) The sum of $1,400,000 is appropriated to the department of buildings and general services in FY 2012 for the department of corrections master plan outlined in Sec. 38 of this act.

(c) The sum of $400,000 is appropriated in FY 2012 to the agency of
(7) The commissioner of buildings and general services shall maintain accurate and complete records of all receipts by and expenditures from the fund.

(8) All balances remaining at the end of a fiscal year shall be carried over to the following year.

*** Vermont Telecommunications Authority ***

Sec. 49. ADMINISTRATION; VERMONT TELECOMMUNICATIONS AUTHORITY

(a) The sums appropriated in Sec. 3 of this act to the Vermont telecommunications authority (VTA) shall be used to develop infrastructure to meet the cellular and broadband needs of unserved and underserved Vermonters. Such infrastructure may include:

(1) Fiber optic facilities.
(2) Telecommunications towers or other support structures.
(3) Equipment needed to deliver cellular service.
(4) Equipment needed to deliver broadband Internet services having combined download and upload speeds of at least five megabits per second.

(b) Funds appropriated under this section may be used for direct investments in infrastructure, to be owned by the VTA, and for grants to retail service providers.

(c) To the extent possible, the VTA shall leverage the funds with bonding...
or borrowing capacity or other available sources of public or private funding.

(d) Infrastructure owned and leased by the VTA under this section, including towers and fiber optic facilities, shall be available for use by as many retail service providers as the technology will permit to prevent the state from establishing a monopoly service territory for one provider, and shall be available for use by providers on a nondiscriminatory basis and according to published terms and conditions.

(e) Prior to the construction or installation of VTA-owned fiber optic facilities under this section, the VTA shall consult with the secretary of administration or designee to identify those areas of the state having the greatest need for fiber optic facilities and to determine the extent of needed state investment in new fiber optic facilities, and shall issue a request for public comment. In making the determinations required under this subsection, the VTA and the secretary shall consider:

(1) The location and availability of existing fiber optic networks, to the extent such information is available, and the terms and conditions for the use of those networks.

(2) The availability of broadband and cellular services in various parts of the state, the likelihood of planned expansions to services known to the VTA, and the need for fiber optic facilities to support expansion of services in unserved and underserved areas.
(3) The speed of broadband services available in various parts of the state for residential, business, and institutional uses, and the increase in speed that new fiber optic facilities would support.

(4) Prior investments of public and private funds in the development of fiber optic facilities.

(5) The technical and economic feasibility of potential fiber optic routes.

(6) The objectives of the telecommunications plan adopted by the department of public service under 30 V.S.A. § 202d.

(f) Fiber optic facilities owned by the VTA pursuant to this section shall include fiber strands which may be used by a retail service provider to deliver broadband Internet access directly to homes, businesses, and institutional users (last-mile connectivity), in addition to strands which may be used to interconnect with other broadband and cellular facilities (middle mile).

(g) With respect to fiber optic facilities owned by the VTA pursuant to this section, the VTA may contract with an entity to provide transport services, provided that:

(1) The entity is not owned or controlled by a single broadband provider and is otherwise carrier neutral.

(2) The transport services are offered to any provider of broadband Internet access on a nondiscriminatory basis and according to published terms and conditions.
(3) Dark fiber leases and indefeasible rights of use are made available to providers on a nondiscriminatory basis and according to published terms and conditions. For purposes of this subdivision, “dark fiber” means fiber that is not in use; and “indefeasible right of use” means an exclusive, long-term use of fiber optic capacity.

(h) Grants awarded to retail service providers under this section shall be to support the capital cost of equipment and facilities used to provide broadband Internet access or cellular service in unserved areas of the state. Prior to awarding a grant, the VTA shall find that the grant is economically necessary to provide service in an unserved area and is likely to result in a lower long-term cost to the state than would direct investment in VTA-owned infrastructure. In addition, in awarding grants, the VTA shall adhere to the competitive bidding process established under 30 V.S.A. § 8078, except where inconsistent with the provisions of this section, and shall solicit public comment prior to issuing a request for proposals.

(i) The VTA shall ensure that any investments made or grants awarded under this section are in furtherance of the goals stated in 30 V.S.A. § 8060(b) and shall use the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. (2010) (an act relating to implementation of challenges for change) to track the progress made in attaining those goals through such investments and grants. Beginning October 1, 2011, and for the
next succeeding two years, on a quarterly basis, the VTA shall submit to the
house committees on commerce and economic development and on corrections
and institutions, the senate committees on economic development, housing and
general affairs and on finance, and the joint fiscal committee a progress report
reflecting the outcomes and measures as applied to the projects funded under
this section. This report shall include location-specific information on the
progress of deployment of telecommunications technology that does not
require the utilization of towers.

*** Authorization of Borrowing by Assistant Judges of Orleans County ***

Sec. 50. ORLEANS COUNTY; BORROWING AUTHORIZED;

ASSISTANT JUDGES

Notwithstanding 24 V.S.A. § 82, the assistant judges of Orleans County
may borrow a sum not to exceed $325,000 to pay for a sheriff’s department
facility in Derby, as authorized by 24 V.S.A. § 77(a). Notes or other evidence
of indebtedness not exceeding that amount, payable in not more than ten years
from the date of execution, may be issued by the county treasurer on behalf of
the County of Orleans. All such notes or evidence of indebtedness shall
contain on their face a statement of the purpose for which they are issued and
of the authority conferred by this section and shall be evidence of the county’s
liability to the bona fide holder of the instrument. The form, denominations,
maturities, interest rates, and other terms, conditions, and details of the note or
From: Sanford Blitz [mailto:sblitz@nbrc.gov]
Sent: Thursday, March 14, 2013 1:17 PM
To: Shute, Christa
Cc: Reynolds, Frank
Subject: RE: timing and CFDA #

Christa - The NBRC does not have a Federal Catalogue of Federal Domestic Assistance. We are in the process of securing a number. So, for now, just leave that box on the application blank.

Also, the name of our organization is the Northern Border Regional Commission. You may have an old version of the application with the incorrect name. Do not be concerned about it. If you look at the Grant Agreement, it has the correct nomenclature.

Sandy

Sandford (Sandy) Blitz
Federal Co-Chair
NBRC
202-590-6650
February 27, 2013

The Honorable Peter Shumlin
Governor of the State of Vermont
Pavilion Office Building
109 State Street
Montpelier, VT 05609

RE: Re-Obligation of Northern Border Regional Commission Grant VT-00002-10 WIRELESS LINC to Vermont Telecommunications Authority

Dear Governor Shumlin,

WIRELESS LINC received a $234,000 grant from the Northern Border Regional Commission in 2010. The primary purpose of this grant was to create job opportunities in distressed Essex County by activating the dormant section of fiber optic cable between Norton and the Ethan Allen facility in Beecher Falls. This fiber was to be connected to a Canadian firm that was willing to provide broadband access.

We worked cooperatively with many partners toward accomplishing the tasks included in the scope of work we outlined for the above referenced grant. One of the key connections we established was with the Vermont Telecommunications Authority (VTA). With the assistance of the staff at VTA, a much more comprehensive and robust fiber optic network can be established -- that will surpass our original scope.

In order to move forward with an amended scope of work -- we would like to respectfully request that the balance of funds remaining in the above referenced grant be re-obligated to the Vermont Telecommunications Authority.

WIRELESS LINC is proud to have participated in this historic partnership.

Thank you for your kind consideration of this request.

Sincerely,

Jon Freeman
President
WIRELESS LINC of NH & VT
[1.] Applicant Information:
Applicant: Vermont Telecommunications Authority
Type of Entity: State of Vermont
Authorized Official: Christopher J. Campbell
Street/PO Box: 100 State Street, Suite 342
City/State/Zip: Montpelier
Telephone: 802-828-1799
Fax Number: 802-828-1789
Email Address for Notification: info@telecomvt.org
County: Washington
No Stamps: Blue Ink
Official's Signature: [Signature]

[2.] Application Preparer:
Relationship to Applicant: Employee
Name: Christa B. Shute
Agency: VTA
Street/PO Box: 100 State Street, Suite 342
City/State/Zip: Montpelier
Telephone: 802-828-1798
Fax Number: 802-828-1789
Email Address: cshute@telecomvt.org

[3.] Project’s Congressional District: 1 (VT)

[4.] Goal/Objective
☑ Committed Economic Development
☐ Committed Job Retention Project

[5.] Project Focus (check all that apply):
☐ Public Transportation
☐ Basic Public Infrastructure
☐ Workforce Development
☐ Business Development
☑ "Distressed County"
☐ Telecommunications infrastructure

[6.] Funding Sources for the Project:
<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBRC Funds Requested</td>
<td>$219,898</td>
<td>Committed</td>
</tr>
<tr>
<td>Applicant Funds Cash</td>
<td>$150,000</td>
<td>Committed</td>
</tr>
<tr>
<td>Applicant Funds In Kind</td>
<td>$69,898</td>
<td>Committed</td>
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<tr>
<td>Other State Funds</td>
<td>$170,000</td>
<td>Committed</td>
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<tr>
<td>Other Funds Label</td>
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<tr>
<td>Total Project Cost</td>
<td>$389,898</td>
<td>Committed</td>
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</tbody>
</table>

[7.] Job Creation (Full-Time Equivalency) Impact of NBRC Project:
Retention of Existing Jobs:
New Jobs to be Created:
Total Jobs: FTE

[8.] Business/Industry Information: Committed
Company Name:
Contact Person:
Title:
Street/PO Box:
City/State/Zip:
Telephone:
Fax:

Include per project type: 1. Participation Agreement from private business to document job retention/creation; 2. Application of incubator tenants; 3. Business commitment letter to use job training to fill immediate job openings, or retain current jobs.

If jobs are to be retained, document how they will be lost but for this project and grant.

☑ Has a budget prepared with professional estimates of cost been used to determine total project costs?
☐ Yes ☐ No

☑ Has a grant administrative cost been included and on the 424 Form?
☐ Yes ☐ No
NORTHERN BORDER REGIONAL COMMISSION FISCAL YEAR 2012 FEDERAL GRANT PROGRAM

[9.] Project Description: Please provide a brief specific description of the proposed project, along with specific outcomes of the project activities. State how this project conforms to any of the objectives of the NBRC Funding Categories, your state’s Development Plan, CANAM connections study or Sustainable Economic Initiative. You can use one additional page, if necessary.

Project Description
Vermont Telecommunication Authorities grant application is for a re-assignment of the remaining $219,898 in funds presently obligated to Wireless of NH & VT. In addition to the $54,974.50 in match required to access the NBRC funds, the Vermont Telecommunications Authority will commit an additional $115,025.50 in funds for a total match of $170,000. The project will substantially meet the goals and outcomes of the original grant application.

The VTA application will fund the construction of the following open-access, non-discrimination facilities:
1. a 144-strand fiber optic cable connection from the North-Link fiber in Newport, Vermont to the border in Derby Line, VT
2. a facility inside the building along the border where multiple providers can install equipment and connect to a new fiber optic cable being built in Canada. The two fiber constructions will connect inside this building.
3. A 144-strand fiber optic cable connection from the western end of the North-Link fiber in Troy, VT along Route 105 to Route 242 in Jay, VT.

This construction is an eligible activity identified by the Northern Border Regional Commission. In conjunction with other projects, this construction will connect currently stranded fiber in Beecher Falls, VT to open-access fiber strands in New Hampshire, Massachusetts and Quebec. Please see attached map of the NEK Fiber Network. Fiber projects in this application are green. Other fiber being built by the VTA is in red. Existing fiber owned by Northern Enterprises is in blue. Fiber being built by Vermont Electric Cooperative with an EDA Disaster Relief Grant is in orange. Fiber being built by private parties is in yellow.

Change in Components of the Approved NBRC Application:
1) “Purchase, installation, and construction of over 4,000’ of fiber.” The amended project scope will construct approximately twelve (12) miles of fiber.
2) “Network Equipment” The amended project will not purchase network equipment. Equipment will be furnished by vendors offering broadband services. The amended project will create a physical facility (room) with racks at the border to host network equipment for connection to a similar Canadian facility on the other side of the wall.
3) “Engineering – Design, mapping and functionality of network.” Included
4) “Fiber Splicing – Install splice tray at both ends and splicing of fiber into network.” Included
5) “Permits and Fees – State, Local, Province, Federal – US and Canada.” Included. The VTA believes that these permits will be more extensive than projected in the previous applications.
6) “Legal Fees.” Included.
7) “Project Management.” Included.
8) “Grant Administration – Reporting, Accounting, Payables/Receivables, and Audit.” Included.

Specific Outcomes of the original NBRC application included:
1) “Construction of an international fiber optic cable connection between Stanhope, PQ and Norton, VT.” The original project would have been limited to 23 strands that would connect to a single Canadian provider. The project was also complicated because it proposed to use U.S. federal funds to construct and own infrastructure that would reside inside Canada. Instead, the VTA proposed project will connect 144 strands that can be used by any and all service
providers. Based on this proposed project, the Canadian firm Civimetrix has agreed to install open access fiber from Montreal to Derby Line. The Civimetrix fiber will run into the Canadian side of the building to meet the fiber line proposed for this project.

2) “The activation of the inactive North-Link fiber optic connection between Norton, VT and Beecher Falls, VT.” The outcome will be achieved. The VTA is entering into a dark fiber license with Vermont Electric Cooperative (VEC). Documents have been exchanged, a letter regarding this commitment is attached. VEC is building a fiber connection from Canaan to Brighton. This will connect the stranded piece of North-Link fiber (that runs into Beecher Falls) with the larger North-Link segment. This NBRC grant will then extend from this larger North-Link segment north to Derby Line creating the Canadian connection. This NBRC grant will also extend the eastern end of the North-Link line farther east to Jay to facilitate private provider connections to the economic development in this area. Furthermore, the VTA, on behalf of Northern Enterprises has found users for the North-Link fiber. The agreements with these users will supply the funds necessary to repair the fiber.

3) “Direct access to a secondary source of fiber offering redundancy, security, dependability.” This outcome is improved under the VTA proposal. Through this proposal and associated projects there are five connections that will help connect the two pieces of North-Link fiber to other fiber projects and thereby make the fiber more useful, dependable and secure. In addition to the connections described above in (2), the fiber will also connect in Bloomfield to a project being built by the VTA/NHOS using NTIA funds (currently pending NTIA approval). This project connects to the NHOS, NTIA project throughout New Hampshire. This project in turn connects to a private build into Boston, MA. Again, all of these fiber builds offer open-access, non-discriminatory dark fiber strands.

4) “The ability to attract businesses to the planned Beecher Falls energy park that require multiple sources of dependable bandwidth.” Economic development studies continue to highlight the requirement of connected fiber for high-speed, high-bandwidth backhauls as a key to attracting businesses to the area. We have attached letters regarding the impact of fiber on economic development including letters from the businesses that own the building that spans the border in Derby Line where the VTA will be locating the interconnection facility with Canada. The VTA recently requested letters of support for a piece of fiber in this NEK Fiber Network for the NTIA Award Action Request. These letters of support have been included in this application because they also demonstrate support for the NBRC project.

5) “A direct connection to a vastly expanded fiber optic network for Northeastern Vermont.” This outcome is dramatically improved by the projects that the VTA has brought together. The VTA refers to this 178 mile fiber network as the NEK Fiber Network. A document containing information regarding each of the interconnected projects in the NEK Fiber Network is available for review upon request. This proposal is a critical component of the NEK Fiber Network. This network will expand opportunities for 1,673 commercial entities, 33 schools, 7-12 libraries and three healthcare facilities.
[10.] Project Funding: Give status of all additional funding sources for this project. i.e., approved and committed, application submitted & date/date anticipated source decision, application not made & why.

The following motion was presented and approved at the VTA January 24, 2013 meeting of the Board of Directors. (the following is an excerpt of the 1/24/2013 minutes that can be found at telecomvt.org)

"Motion—
Sam Young made the following motion:
Allocation $170,000 for matching funds for the NBRC grant for uses identified in the presentation.
Kiersten Bourgeois seconded the motion. The motion passed by unanimous voice vote."

The uses identified in the presentation correspond to the uses identified in this grant application.

[11.] If the project is presumed to be “on-going”, please detail the project’s ability to sustain itself WITHOUT future NBRC funding. The VTA is entering into a dark fiber license with New Hampshire Optical Systems (NHOS) for the fiber and facilities identified in this application. As part of the dark fiber license, NHOS will cover the operating expenses of the project.

[12.] Include a resolution by the “board of directors” authorizing the executive to make and sign this pre-application to Northern Border Regional Commission, and the authority to sign any NBRC grant documents to bind this entity.

On October 5, 2012 at The Gateway Center, 84 Fyfe Drive, Newport, the Board of Directors proposed and passed the following motion: (the following is an excerpt of the 10/5/2012 minutes that can be found at telecomvt.org)

"Motion—
Joe Benning made the following motion:
As proposed by Staff and described in maps provided to the Board today, I move to authorize the VTA to:
1. Apply to the NBRC to apply for and assume the grant for fiber construction to achieve the same purpose as the existing NCIC grant
2. Apply to BTOP to amend its grant to serve Essex County
3. Create a subgrant agreement with NH Optical to perform the BTOP grant amendment and to supply dark fiber to VTA that connects Essex County and existing or planned public fiber
4. Create an amendment to the BTOP subgrant agreement with Sovernet to allow an additional subgrantee under the BTOP grant Sam Young seconded the motion.
The motion passed by a voice vote.

PLEASE RETURN THE ORIGINAL and TWO COPIES OF THE NBRC UNIFORM PRE-APPLICATION and LIKewise THE ORIGINAL and TWO COPIES of the APPROPRIATE FEDERAL STANDARD FORMS 424
## BUDGET INFORMATION - Construction Programs

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

<table>
<thead>
<tr>
<th>COST CLASSIFICATION</th>
<th>a. Total Cost</th>
<th>b. Costs Not Allowable for Participation</th>
<th>c. Total Allowable Costs (Columns a-b)</th>
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<tbody>
<tr>
<td>1. Administrative and legal expenses</td>
<td>$41,400.00</td>
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<td>$41,400.00</td>
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<tr>
<td>2. Land, structures, rights-of-way, appraisals, etc.</td>
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<td>3. Relocation expenses and payments</td>
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<td>4. Architectural and engineering fees</td>
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<tr>
<td>5. Other architectural and engineering fees</td>
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<td>6. Project inspection fees</td>
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<td>7. Site work</td>
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<td>8. Demolition and removal</td>
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<td>9. Construction</td>
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<td>10. Equipment</td>
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<td>11. Miscellaneous</td>
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<td>12. SUBTOTAL <em>(sum of lines 1-11)</em></td>
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<td>13. Contingencies</td>
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<td>14. SUBTOTAL</td>
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<td>15. Project (program) income</td>
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<tr>
<td>16. TOTAL PROJECT COSTS <em>(subtract #15 from #14)</em></td>
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</tr>
</tbody>
</table>

### FEDERAL FUNDING

17. Federal assistance requested, calculate as follows:
   (Consult Federal agency for Federal percentage share.)
   Enter eligible costs from line 16c Multiply X 56.40 %

   Enter eligible costs from line 16c Multiply X 56.40 % $219,898.00

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Standard Form 424C (Rev. 7-97)

Prescribed by OMB Circular A-102
March 7, 2013

Mr. Christopher J. Campbell
Vermont Telecommunications Authority
100 State Street, Suite 342
Montpelier, VT 05620-3205

Dear Mr. Campbell:

On behalf of Governor Shumlin and the NBRC Board, we congratulate you and your organization upon your receipt of an NBRC Grant Award. The award is for $218,698, to be matched by $170,000 non-NBRC funds.

Enclosed are an original and a copy of the grant agreement. Please sign the original and return it to us (NBRC), by return mail. In addition, we have enclosed Part II of the Grant Agreement General Provisions; an NBRC Grant Administration Manual, as well as the ACH Vender Enrollment Form (SF-3881). You should complete the “Payee” section of the form and have your financial institution complete the last section of the form. Please return this to us along with the signed grant agreement. (This will allow you to receive payments).

We look forward to working with you to successfully complete the project, and more importantly look forward to the outcomes that you presented in your application.

Sincerely,

Sandford (Sandy) Blitz

cc: The Honorable Peter Shumlin, Governor of Vermont
March 1, 2013

Mr. Sandford Blitz
Northern Border Regional Commission
Office of the Federal Co-Chair
Margaret Chase Smith FOB, Suite 113C
202 Harlow Street
Bangor, ME 04401

Re: Re-obligation of funds under Contract # VT-00002-10 to the VTA

Dear Mr. Blitz,

I am in receipt of a letter from Wireless LINC of NH & VT requesting re-obligation of the Northern Border Regional Commission funds from their organization to the Vermont Telecommunications Authority (VTA). I am also in receipt of the VTA's application detailing the proposed use of such funds.

This letter supports the transfer to the VTA of funds previously obligated to the Northern Community Investment Corporation and then to Wireless LINC of NH & VT. In review of the proposal, my administration believes that the VTA's plan accomplishes more for the Northeast Kingdom region than the original proposal. The VTA proposal is an important part of a bigger project that brings together disparate pieces of fiber and projects into a cohesive whole. As a result of these interconnected projects, high-speed internet access will be available to this very rural, economically challenged portion of our state.

My administration urges the re-obligation of the Northern Border Regional Commission funds from Wireless LINC/NCIC to the Vermont Telecommunications Authority.

Please find attached for your review the letter we received from Jon Freeman, President of Wireless LINC and the application from the Vermont Telecommunications Authority.

Sincerely,

Peter Shumlin
Governor