

**Report to the
Secretary of Commerce and Trade and
the Senate Finance and
House Appropriations Committees**

**Broadband Feasibility Studies for
Specified Rural Areas**

October 1, 2007



**Department of Housing and
Community Development**

Preface

Item 104.O.2 of the Appropriations Act includes a requirement for the Department of Housing and Community Development (DHCD) to report on results of feasibility studies addressing the best last-mile solutions for certain designated rural areas of the Commonwealth. The report is to be submitted to the Secretary of Commerce and Trade and the Chairmen of the Senate Finance and House Appropriations Committees.

The budget set aside \$100,000 to study broadband telecommunications services in an area incorporating all of Planning Districts 6 (Central Shenandoah), 7 (Northern Shenandoah) and 10 (Thomas Jefferson) as well as the Counties of Culpeper, Madison and Orange.

Since the enactment of the budget item, DHCD has worked to develop a partnership with local and regional entities interested in enhancing telecommunications capacity within the defined geography. The Department's Community Development Division has played a leading role in representing DHCD. This effort has not yet resulted in recommendations for specific steps to address last-mile solutions. Thus, this report focuses on actions taken to date and the steps remaining to complete the work anticipated by the budget item.

Last-Mile Broadband Telecommunications Solutions

As a result of Item 104.O.2, the Department of Housing and Community Development (DHCD) received \$100,000 from a larger \$1 million Community Telecommunications appropriation to work with James Madison University (JMU) in determining broadband telecommunication needs in Planning Districts 6, 7 and 10 and the adjacent Counties of Madison, Orange and Culpeper.

Telecommunications Needs Identification and Planning Activities to Date

These efforts have two components. One focuses primarily on the localities within the Shenandoah Valley plus Culpeper and Orange Counties. The other addresses remaining needs east of the Blue Ridge. JMU is currently engaged in the process of developing a work plan to address the telecommunication needs of the region served by the Shenandoah Valley Partnership, which includes localities in Planning Districts 6 and 7. Because of the extensive area covered by the planning districts, a decision was made to limit the study area to those member localities of the partnership that also had been the most interested in pursuing a telecommunications plan. DHCD is providing telecommunications planning funds directly to the interested localities in PDC 10 and Madison County.

The partnership developing the plan will include a telecommunications consultant to be procured by the Shenandoah Valley Partnership; students and faculty from the JMU College of Business; and stakeholders from localities served by the Partnership.

Components of the Final Product

Thus far, the process has identified the major components to be included in the final product. The planning project will include the development of a comprehensive telecommunication strategy for the region. This will give private entities and communities critical information concerning the current availability of broadband options and internet service providers. It will also provide broadband deployment priorities and opportunities. This will be of particular assistance in raising the general awareness of the needs and options for broadband among a wider array of stakeholders within the affected localities.

A model business plan for the deployment of a public/private strategy to provide the highest speed telecommunications at affordable prices to the region's critical business, health care, educational and public safety users will be developed by students from the JMU School of Business under faculty supervision.

The work plan for the project is currently being developed by JMU. Final review and development of an agreement through DHCD is expected to occur by November 15, 2007.

Subsequent Reports

DHCD will continue to report on the progress of this project and, when the work is completed, prepare a final report detailing the recommended solutions or actions.

Appendix A: Budget Item 104.O.2

104.O.2. Out of the amounts provided to fund feasibility studies of best last-mile solutions for rural areas, \$100,000 the first year shall be made available to study broadband telecommunication services in the region covering Planning District #7, Planning District #6, Planning District #10, and the Counties of Orange, Madison, and Culpeper. The results of the study shall be submitted to the Secretary of Commerce and Trade and to the Chairmen of the Senate Finance and House Appropriations Committees.