

# Quarterly Performance Report of the Virginia Telecommunication Initiative

## Q3 FY2025 Report

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Submitted by:  
The Department of Housing and Community Development  
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## 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 unserved<sup>1</sup> if it lacks access to internet speeds of 100 Megabits per second (Mbps) download and 20 Megabits (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:

- *Total passings:* VATI FY22, FY23, and FY24 projects will provide access to broadband infrastructure to 323,822 passings across Virginia.
- *Leveraged local and private funding:* In addition to \$822 million in state and federal funding awarded, FY22, FY23, and FY24 projects leverage a total of \$1.211 billion in private and local match funding. To-date, \$315.3 million of these awarded funds and \$408.6 million of these matching funds have been expended.
- *Locations Built-To:* To date, projects have provided broadband access to 125,313 locations.
- *Maximum Speeds Available:* Over 93.4% of projects funded in FY22, FY23, and FY24 offer functionally gigabit (1,000 Mbps) download speeds and over 73.7% offer functionally gigabit upload speeds.

In conclusion, 28 out of the 57 open projects funded from the American Rescue Plan Act of 2021 (ARPA) and General Funds from FY22, FY23, and FY24 are scheduled to be completed on time as of this report’s submission. DHCD identifies 29 projects are 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, as well as 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. Looking forward, DHCD will continue its ongoing work to monitor these projects, assisting where appropriate in mitigating these broadband deployment challenges.

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<sup>1</sup> In the FY22 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 FY23 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).

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 provided 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, as well as 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 monthly report data from March 2025, which utilizes project data as of the end of February 2025.

Out of the 57 open projects funded in FY22, FY23, and FY24, 29 have requested and received timeline extensions, and per DHCD's analysis, 22 are considered to be at low risk and 7 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.

<b>Year</b>	<b>Risk Level</b>	<b>Risk Level Definition</b>
FY22	No Risk	<ul style="list-style-type: none"> <li>• The grantee has not requested a timeline extension beyond the originally approved contract end date; and,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline; and,</li> <li>• The timeline for that project does not have an end date in 2026.</li> </ul>
FY22	Low Risk	<ul style="list-style-type: none"> <li>• The grantee has requested a timeline extension beyond the originally approved contract end date; or,</li> <li>• 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.</li> </ul>
FY22	High Risk	<ul style="list-style-type: none"> <li>• The grantee's contractual end date is in 2026, regardless of that end date reflecting the original contractually established end date or is a result of an extension.</li> </ul>
FY23, FY24	No Risk	<ul style="list-style-type: none"> <li>• The grantee has not requested a timeline extension beyond the originally approved contract end date; and,</li> <li>• Based on the sole determination of the Office of Broadband, the grantee is not significantly behind the current approved milestone timeline.</li> </ul>
FY23, FY24	Low Risk	<ul style="list-style-type: none"> <li>• The grantee has requested a timeline extension beyond the originally approved contract end date; or,</li> <li>• 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.</li> </ul>
FY23, FY24	High Risk	<ul style="list-style-type: none"> <li>• The grantee has requested more than one timeline extension beyond the originally approved contract end date.</li> </ul>

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 which are being monitored by DHCD 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](https://dhcd.virginia.gov/vati).

Q3 FY2025 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 - (GF, General Fund )(SLFRF, Coronavirus State and Local Fiscal Recovery Fund )(CPF, Coronavirus Capital Projects Fund)	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	5247.00	93%	06/15/2022	3/15/2025	Low Risk	OTH	\$11,480,664.98	GF & SLFRF	\$10,259,820.24	89.37%	\$14,518,564.42	\$12,138,783.35	83.61%	1000/1000
Bedford	Shentel	3,204	1992.00	62%	09/09/2022	9/31/2025	Low Risk	MR, UL, RR, ROW, FED	\$6,191,796.33	GF & SLFRF	\$1,874,387.46	30.27%	\$13,911,783.67	\$4,102,613.38	29.49%	1000/1000
Botetourt	Lumos Networks	1,901	1556.00	82%	11/01/2022	6/30/2025	Low Risk	MR	\$3,084,796.00	CPF	\$1,799,645.84	58.34%	\$4,824,937.00	\$3,648,742.24	75.62%	1000/1000
Campbell	Shentel	3,509	2682.00	76%	09/21/2022	9/31/2025	Low Risk	MR, UL	\$6,443,000.00	GF & SLFRF	\$1,646,567.77	25.56%	\$12,978,455.00	\$3,317,259.26	25.56%	1000/1000
Central Shenandoah PDC	MGW/ Rob Huff	2,470	1066.00	43%	6/1/2022	6/1/2025	Low Risk	MR, ROW, FED, OTH	\$7,876,800.00	SLFRF	\$3,452,598.38	43.83%	\$3,118,706.00	\$1,493,986.68	47.90%	1000/50
Commonwealth RC	Kinex	11,397	7359.00	65%	06/14/2022	6/14/2026	High Risk	OTH	\$15,000,000.00	GF	\$11,351,145.48	75.67%	\$13,426,482	\$10,327,985.12	76.92%	200/10
Culpeper	All Points Broadband	4,269	1.00	0%	8/3/2022	2/28/2025	Low Risk	MR	\$8,600,000.00	GF	\$2,804,691.76	32.61%	\$21,914,454.00	\$4,857,176.06	22.16%	1000/1000
Cumberland Plateau PDC	Point Broadband	5,659	5513.00	97%	09/06/2022	9/6/2025	Low Risk	MR	\$23,478,429.00	CPF	\$13,512,855.21	57.55%	\$6,459,000.00	\$3,717,435.13	57.55%	1000/500
Eastern Shore of Virginia Broadband Authority	ESVBA	11,091	9381.00	85%	6/1/2022	11/30/2024	Low Risk	OTH	\$12,310,777.25	SLFRF	\$8,236,666.46	67%	\$3,314,865.50	\$1,521,110.98	45.89%	1000/1000
Franklin	Shentel	3,508	1444.00	41%	10/17/2022	10/17/2025	Low Risk	MR, UL, RR	\$11,832,456.00	GF & SLFRF	\$3,484,354.55	29.45%	\$18,646,520.00	\$5,491,314.05	29.45%	1000/1000
Hampton Roads PDC	Charter Communications	12,223	2336.00	19%	07/08/2022	7/8/2025	Not at Risk	None	\$21,120,053.50	SLFRF	\$8,860,240.31	41.95%	\$13,839,523.00	\$6,447,629.24	46.59%	1000/500
Hanover	All Points Broadband	6,198	0.00	0%	8/1/2022	12/31/2025	Low Risk	MR	\$13,970,000.00	SLFRF	\$3,631,562.45	26.00%	\$41,469,332.00	\$6,362,226.54	15.34%	1000/1000
King William	All Points Broadband	2,236	2236.00	100%	8/3/2022	3/31/2025	Low Risk	MR	\$5,400,000.00	SLFRF	\$1,577,320.47	29.21%	\$12,330,632.00	\$2,156,898.20	17.49%	1000/1000
LENOWISCO PDC	Scott County Telephone Cooperative	10,982	5126.00	47%	06/13/2022	12/13/2025	Low Risk	MR, RR	\$22,190,500.00	SLFRF & CPF	\$11,437,003.20	51.54%	\$6,354,500.00	\$3,639,656.02	57.28%	1000/1000
Loudoun County	All Points Broadband	8,629	1.00	0%	7/1/2022	10/31/2025	Low Risk	MR	\$17,524,000.00	SLFRF	\$4,003,000.96	22.84%	\$42,376,126.00	\$5,448,166.80	12.86%	1000/1000
Middlesex County	All Points Broadband	970	0.00	0%	7/22/2022	7/31/2025	Low Risk	MR	\$2,050,000.00	SLFRF	\$653,676.38	31.89%	\$8,453,887.00	\$1,132,991.43	13.40%	1000/1000
Mount Rogers PDC	Point Broadband	27,450	26390.00	96%	06/01/2022	5/31/2025	Low Risk	MR	\$66,203,228.00	CPF	\$52,772,287.90	79.71%	\$33,162,600.00	\$29,429,753.67	88.74%	1000/500

New River Valley Regional Commission	Gigabeam	12,094	435.00	4%	03/13/2023	3/13/2026	Low Risk	RR	\$39,233,355.00	CPF	\$9,597,895.83	24.46%	\$38,247,340.00	\$9,368,535.31	24.49%	1000/1000
New River Valley Regional Commission	All Points Broadband	7,872	0.00	0%	12/06/2022	12/31/2025	High Risk	MR	\$29,122,000.00	CPF	\$5,907,775.39	20.29%	\$26,103,057.19	\$15,021,078.77	57.55%	1000/1000
Northern Neck PDC	All Points Broadband	3,411	3411.00	100%	9/22/2022	3/31/2025	Low Risk	MR	\$3,190,500.00	SLFRF	\$2,560,877.10	80.27%	\$20,477,692.00	\$13,338,823.29	65.14%	1000/1000
Northern Shenandoah Valley Regional Commission	All Points Broadband	32,238	0.00	0%	7/22/2022	6/30/2026	High Risk	MR	\$96,873,500.00	SLFRF	\$23,828,164.28	24.60%	\$206,243,317.00	\$35,823,220.74	17.37%	1000/1000
Roanoke	B2X	520	180.00	35%	09/22/2022	5/24/2025	Low Risk	SCL, OTH	\$170,609.00	GF	\$35,295.43	20.69%	\$177,572.00	\$40,817.85	22.99%	25/4
Roanoke	Cox	396	249.00	63%	09/01/2022	4/15/2025	Low Risk	FED	\$1,535,264.00	SLFRF	\$0.00	0.00%	\$1,597,927.00	\$0.00	0.00%	940/35
Roanoke	Shentel	213	0.00	0%	10/03/2022	5/31/2025	High Risk	MR, RR	\$490,000.00	SLFRF	\$0.00	0.00%	\$510,000.00	\$0.00	0.00%	1000/1000
Shenandoah County Public Schools	Shentel	4,139	2830.00	68%	8/1/2022	8/1/2025	Low Risk	MR, UL	\$12,176,662.00	SLFRF	\$5,888,310.50	48.36%	\$20,733,235.00	\$10,026,042.20	48.36%	1000/1000
Southside PDC	EMPOWER Broadband	14,634	11961.00	82%	07/22/2022	6/22/2026	High Risk	OTH	\$69,431,635.00	SLFRF	\$35,914,177.01	51.73%	\$84,677,555.00	\$43,680,281.90	51.58%	1000/1000
Sussex	RuralBand	2,267	1320.00	58%	06/13/2022	12/13/2025	Low Risk	RR, ROW, MR	\$4,896,892.00	SLFRF	\$2,928,694.39	59.81%	\$1,678,571.00	\$1,004,022.67	59.81%	1000/1000
Thomas Jefferson PDC	Firefly Broadband	36,225	18190.00	50%	08/15/2022	8/15/2025	Not at Risk	None	\$79,027,930.00	SLFRF	\$47,684,732.55	60.34%	\$208,969,670.00	\$125,722,685.99	60.16%	1000/1000
West Piedmont PDC - Dinwiddie	RuralBand	417	108.00	26%	07/03/2022	12/31/2026	High Risk	RR, ROW	\$638,718.00	SLFRF	\$126,029.37	19.73%	\$50,570.00	\$9,884.66	19.55%	1000/1000
West Piedmont PDC - Dinwiddie	RiverStreet Networks	5,009	0.00	0%	06/20/2022	6/20/2026	Not at Risk	None	\$6,893,337.00	SLFRF	\$481,082.96	6.98%	\$18,974,275.00	\$1,156,288.63	6.09%	1000/1000
West Piedmont PDC (East)	RiverStreet Networks	24,641	5123.00	21%	08/03/2022	8/3/2025	Not at Risk	None	\$87,003,888.00	SLFRF	\$26,090,086.37	29.99%	\$65,421,341.00	\$26,649,116.61	40.73%	1000/1000
West Piedmont PDC (West)	RiverStreet Networks	10,056	0.00	0%	09/30/2022	2/24/2026	High Risk	ROW, FED	\$33,571,073.00	CPF	\$1,566,727.45	4.67%	\$59,425,085.00	\$2,972,993.15	5.00%	1000/1000
West Piedmont PDC	Charter Communications	690	676.00	98%	08/01/2022	8/1/2025	Low risk	FED	\$1,557,385.00	CPF	\$216,637.31	13.91%	\$1,450,145.00	\$141,702.52	9.77%	1000/500

**\*Data as of March 2025 Monthly Project Reports, which reflect project statistics through the end of February.**

**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)





