

Annual Report for Virginia Telecommunication Initiative and Broadband Equity, Access, and Deployment Program Funded Projects

Required by §56-466.1 of the Code of Virginia

2024 Report

Submitted by:

The Department of Housing and Community Development

December 2024

Executive Summary

Virginia funds broadband deployment within the Commonwealth through several programs. The largest and main program is the Virginia Telecommunication Initiative (VATI). The upcoming Broadband Equity, Access, and Deployment Program (BEAD) will finish the job of attaining universal connectivity in the Commonwealth. The Virginia Department of Housing and Community Development (DHCD) anticipated BEAD funding will be awarded in Summer 2025, with projects beginning in 2026 for the last ~131,000 passings in the Commonwealth without broadband and without a funded solution for connectivity.

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 unserved¹ if it lacks access to internet speeds of 100 Megabits per second (Mbps) download and 20 Megabits (Mbps) upload (“100/20”). BEAD has a similar eligibility structure, with locations lacking 100/20 eligible for funding under the program.

This report is required by statute and has been prepared by the Office of Broadband located within 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 334,873 passings across Virginia.
- *Leveraged local and private funding:* In addition to \$828.4 million in state and federal funding awarded, FY22, FY23, and FY24 projects leverage a total of \$1.228 billion in private and local match funding. To-date, \$237 million of these awarded funds have been expended, with \$297.7 million of these matching funds have been expended.
- *Locations Built-To:* To date, FY22 and FY23 projects have provided broadband access to 106,000 locations. The 10 FY24 projects are getting under contract and will begin final engineering and design, as well as construction in late 2024 through early 2025.
- *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, 32 out of the 61 projects funded from the American Rescue Plan Act of 2021 (ARPA) and General Funds from FY22, FY23, and FY24 are scheduled to being completed on time as of the time of this report’s submission. 29 projects, DHCD identifies, 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

¹ 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.

projects, assisting where appropriate in mitigating these broadband deployment challenges.

Formal Report

Pursuant to Section § [56-466.1](#) of the Code of Virginia, enclosed is the Annual Report of the Virginia Telecommunication Initiative (VATI) and the federal Broadband Equity, Access, and Deployment (BEAD) Program in the Commonwealth.

Section § [56-466.1](#) of the Code of Virginia requires that DHCD deliver an annual report on funds awarded through the Virginia Telecommunication Initiative (VATI) and the federal Broadband Equity, Access, and Deployment (BEAD) Program in the Commonwealth.

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 BEAD Program's application process is currently underway. DHCD expects awards to be announced under BEAD in Summer 2025, with projects beginning in early 2026.

The directive to form this report establishes that:

2. That in administering the Virginia Telecommunication Initiative (VATI) and the federal Broadband Equity, Access, and Deployment (BEAD) Program in the Commonwealth, the Department of Housing and Community Development is directed to submit annually on or before December 1 of 2024 through 2028 a report to the Governor, the General Assembly, and the State Corporation Commission on the progress of broadband expansion projects across the Commonwealth funded through VATI and BEAD. Such report shall assess (i) the fiber mileage constructed, (ii) the locations passed, (iii) the timelines for remaining contracted projects, (iv) the amount of grant funding expended, and (v) the number of projects extended and the rationale for such extensions.

Project information displayed in this report reflects monthly report data from September 2024, which reflects project data as of the end of August 2024.

In regards to extended projects, out of the 61 VATI projects funded in FY22, FY23, and FY24, 29 have requested and received timeline extensions. DHCD staff continue to closely monitor the impact of challenges impacting project timelines. DHCD has recently provided supplemental funding to eligible 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 the awarded 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.

		Table 1: Broadband Service Providers and Funding										
Grantee	Internet Service Provider Partner	Passings in Project Area	Total Passings Provided Broadband Access to Date	Percent Complete, Passings Provided Broadband Access to Date	Miles of Fiber Complete to Date	Agreement Start Date	Agreement End Date	Days Remaining in Agreement from 12.1.2024	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
Bedford	ZiTEL	5,644	4,114	73%	379.91	06/15/2022	3/15/2025	104.00	\$11,480,664.98	GF, SLFRF	\$6,217,592.17	54%
Bedford	Shentel	3,204	1,239	39%	137.18	09/09/2022	3/15/2025	104.00	\$6,191,796.33	GF, SLFRF	\$375,607.14	6%
Botetourt	Lumos Networks	1,901	1,193	63%	250.81	11/01/2022	12/31/2024	30.00	\$3,084,796.00	CPF	\$1,285,150.16	42%
Campbell	Shentel	3,509	1,050	30%	99.67	09/21/2022	12/31/2024	30.00	\$6,443,000.00	GF, SLFRF	\$77,468.58	1%
Central Shenandoah PDC	MGW	2,470	1,026	42%	63.97	06/01/2022	6/1/2025	182.00	\$7,876,800.00	SLFRF	\$2,908,225.71	37%
Chesapeake	Cox	279	315	100%	14.41	06/01/2022	3/31/2024	Complete	\$580,435.00	SLFRF	\$570,435.00	98%
Commonwealth RC	Kinex	11,397	7,334	62%	718	06/14/2022	6/14/2026	560.00	\$15,000,000.00	GF	\$9,922,095.03	66%
Culpeper	All Points Broadband	4,269	0	0%	42.35	08/03/2022	2/28/2025	89.00	\$8,600,000.00	GF	\$2,804,691.76	33%
Cumberland Plateau PDC	Point Broadband	6,982	4,359	62%	288.54	09/06/2022	9/6/2025	279.00	\$23,478,429.00	CPF	\$5,889,734.30	25%
West Piedmont PDC - Dinwiddie	RuralBand	417	0	0%	13.7	07/03/2022	12/31/2026	760.00	\$638,718.00	SLFRF	\$0	0%
West Piedmont PDC - Dinwiddie	RiverStreet Networks	5,009	0	0%	712	06/20/2022	6/20/2025	201.00	\$6,893,337.00	SLFRF	\$0	0%
Eastern Shore of Virginia Broadband Authority	Eastern Shore of Virginia Broadband Authority	11,091	9,330	84%	314	06/01/2022	12/31/2024	30.00	\$12,310,777.25	SLFRF	\$7,329,784.96	60%
Floyd	Citizens	723	765	100%	103	06/01/2022	6/30/2024	Complete	\$1,310,267.00	SLFRF	\$1,179,240.30	90%
Franklin	Shentel	3,508	1,178	34%	154.81	10/17/2022	10/17/2025	320.00	\$11,832,456.00	GF, SLFRF	\$746,783.09	6%
Hampton Roads PDC	Charter Communications	12,223	2,368	19%	254	07/08/2022	07/08/2025	219.00	\$21,120,053.50	SLFRF	\$6,217,729.01	29%
Hanover	All Points Broadband	6,198	0	0%	53.59	08/01/2022	12/31/2025	395.00	\$13,970,000.00	SLFRF	\$3,631,562.45	26%
King William	All Points Broadband	2,236	0	0%	97	08/03/2022	3/31/2025	120.00	\$5,400,000.00	SLFRF	\$1,577,320.47	29%
LENOWISCO PDC	Scott County Telephone Cooperative	10,982	4,877	44%	394.57	06/13/2022	12/13/2024	12.00	\$22,190,500.00	SLFRF, CPF	\$10,065,435.07	45%
Loudoun	All Points Broadband	8,629	0	0%	85	07/01/2022	10/31/2025	334.00	\$17,524,000.00	SLFRF	\$4,003,000.96	23%
Middlesex	All Points Broadband	970	0	0%	70.1	07/22/2022	1/31/2025	61.00	\$2,050,000.00	SLFRF	\$653,676.38	32%
Mount Rogers PDC	Point Broadband	27,450	26,390	96%	1652.53	06/01/2022	5/31/2025	181.00	\$65,883,228.00	CPF	\$45,203,185.88	69%
New River Valley Regional Commission Bland and Montgomery	Gigabeam	12,094	200	2%	206	03/13/2023	3/13/2026	467.00	\$39,233,355.00	CPF	\$3,452,307.84	9%
New River Valley Regional Commission Pulaski	All Points Broadband	7,872	0	0%	0	12/06/2022	12/06/2024	5.00	\$29,122,000.00	CPF	\$35,531.25	0.12%
Northern Neck PDC	All Points Broadband	3,411	2,234	65%	210.8	09/22/2022	3/31/2025	120.00	\$3,190,500.00	SLFRF	\$1,009,110.94	32%
Northern Shenandoah Valley RC	All Points Broadband	41,690	0	0%	55.2	07/22/2022	7/22/2025	233.00	\$96,873,500.00	SLFRF	\$2,3828,164.28	25%
Roanoke	CBEC-Bee Online	495	501	100%		09/09/2022	6/1/2024	Complete	\$1,581,584.00	SLFRF	\$1,571,584.00	99%
Roanoke	Cox	396	249	63%	31.09	09/01/2022	4/15/2025	135.00	\$1,535,264.00	SLFRF	\$0	0%
Roanoke	BZX	520	180	35%	wireless	09/22/2022	5/24/2025	174.00	\$170,609.00	GF	\$35,295.43	21%
Roanoke	Shentel	177	0	0%	0	10/03/2022	5/30/2025	180.00	\$490,000.00	SLFRF	\$0	0%
Shenandoah	Shentel	4,139	1,605	39%	230.20	08/01/2022	8/1/2025	243.00	\$12,176,662.00	SLFRF	\$4,977,448.05	41%
Southside PDC	EMPOWER Broadband	14,634	11,864	81%	668	07/22/2022	07/22/2025	233.00	\$69,431,635.00	SLFRF	\$31,457,093.67	45%
Stafford	Comcast	634	682	100%	68	09/06/2022	9/6/2024	Complete	\$3,398,156.00	SLFRF	\$3,058,340.05	90%
Sussex	RuralBand	2,267	1,044	46%	78.38	06/13/2022	12/13/2025	377.00	\$4,896,892.00	SLFRF	\$1,625,776.83	33%
Thomas Jefferson PDC	Firefly Broadband	36,225	13,949	39%	1,753	08/15/2022	08/15/2025	257.00	\$79,027,930.00	SLFRF	\$35,191,537.59	45%
West Piedmont PDC	Charter Communications	690	434	63%	74.13	08/01/2022	08/01/2025	243.00	\$1,557,385.00	CPF	\$187,146.52	13%
West Piedmont PDC (East)	RiverStreet Networks	24,641	3,878	16%	712	08/03/2022	08/03/2025	245.00	\$87,003,888.00	SLFRF	\$16,315,896.72	19%
West Piedmont PDC (West)	RiverStreet Networks	10,056	0	0%	31.99	09/30/2022	02/24/2026	450.00	\$33,571,073.00	CPF	\$515,300.35	2%

