

## Excerpt from House Committee on Energy and Technology's Letter to Appropriations – FY23 Budget Recommendations

### **\$51.5 million in ARPA Capital Funds to DPS to build 100 cell towers to expand cell phone coverage in Vermont**

- In Governor's recommended budget.
- \$1.5 million to identify cell tower locations prioritizing the least-served road segments with the highest traffic counts and surrounding population.
- \$20 million to subsidize the construction of 100 cell towers to be owned and operated by a third-party.
- \$30 million to subsidize the deployment of cell carriers' capital costs in fitting up each tower site.
- States have little ability to regulate or designate cell service deployment. Subsidies will direct cell service expansion to the least-served, highest-need parts of the State.
- *DPS shall annually report to the General Assembly on progress of this program.*

### **Our committee took four different votes on this proposal:**

1. Support for 100% of this appropriation: **2 in favor; 7 opposed**
2. Support for \$1.5 million appropriation for drive tests, identifying tower locations, and mapping: **9 in favor; 0 opposed**
3. Support for \$20 million (\$8 million for tower construction, \$12 for carrier capital costs) for FY'23 and FY'24 for cell tower development: **8 in favor; 1 opposed**
4. Reserve \$30 million of ARPA Capital Funds for possible use in the program after FY'24 depending on program success: **5 in favor; 4 opposed**

### **Committee views on this proposal were disparate including:**

- Full support for this program — expanding cell service is an economic and public safety imperative for the state and, without a public option, we need to partner with private carriers in order to increase access to this important service.
- While cell service expansion is important, we have reservations about the ability of DPS, or any public agency, to develop 100 cell sites in four years.
- Do not recommend this appropriation based on the poor track record of using public funds to build assets for private telecom providers, and concerns about providing direct subsidies to private companies that have been an impediment to expanding connectivity in rural areas.