



Attention Halifax Residents, Businesses, and Property Owners!

Take 15 Minutes to Ask for High Speed Internet in Halifax

Complete the Broadband Survey Today at
<http://www.windhamregional.org/broadbandsurvey>

What is this survey? Halifax's Broadband Committee is working with other towns and the Windham Regional Commission (WRC) on a plan to deliver high-speed Internet — broadband — to every household and business that wants it. The first step is to ask everyone in town 1) what kind of Internet service we have today, and 2) what kind of service we want and can afford. The survey takes less than 15 minutes to complete. To be counted, you must take the survey by **March 17**.

Why should I participate? The survey responses will shape the plan for a non-profit municipal district formed by Halifax and other Windham County towns to deliver high-speed Internet to the areas where commercial providers have not invested. Responses from all residents, businesses, and property owners are critical for showing how much we want real Internet here. If we can show high demand in Halifax, we may get higher priority when construction begins.

Who can participate? One survey per physical address, please, but we need EVERY resident, business, and property owner to participate. Tell your friends and neighbors!

How do I participate? Go to <http://www.windhamregional.org/broadbandsurvey> to complete the survey online. You can also find this link on the Halifax town website <https://halifaxvermont.com/broadband/> and at <https://www.facebook.com/halifaxvermont/>. Paper copies of the survey are available at the Halifax Town Office. Check www.FrontPorchForum.com and town bulletin boards for additional announcements.

Does completing the survey obligate me in any way? No. Demonstrating our need for high-speed internet benefits everyone, but the survey is just an expression of interest.

What is the deadline? Survey responses must be received by **March 17**.

How will my answers be used and by whom? You will be asked for your street address (and unit number, if applicable). Optionally, you can provide your name and email address. All information you provide is confidential and will not be used for any direct sales or commercial purpose.

Can I get help to complete the survey? Yes. Please feel free to contact Broadband Committee members at Broadband@HalifaxVermont.com. We will also be available to help in person at scheduled times at locations around town. Check Front Porch Forum and town bulletin boards for the times and places.

Thank you!

Halifax Broadband Committee

Halifax Broadband Committee Recommendation:

Vote YES to Form the Deerfield Valley Communications Union District

In the 2020 Town Report, the Broadband Committee recommends a YES vote on Article 3, whether to form the Deerfield Valley Communications Union District. Here are answers to common questions about the vote. Broadband Committee members are available to discuss and answer your questions. This will be a floor vote, so please be present to vote. Thank you. – The Broadband Committee

What is a Communications Union District? A Communications Union District (“CUD”) is a way for two or more towns to finance and build a locally-owned, not-for-profit fiber optic network that can make high speed Internet — “broadband” — available to every home and business.

Who decides what the CUD will do and how it is paid for? Vermont law defines how a CUD is formed, what it can do, and how it is financed. The law is written to help towns achieve the kind of success that ECFiber, a 24-town CUD in Central Vermont, has demonstrated. At least two towns must vote to form a CUD. The CUD pools the customer base and leadership resources from member towns to make constructing and operating a network economically possible. A CUD uses grants and low-interest loans (not taxes) to finance construction. The example set by ECFiber shows that once the network is in place, customer fees are enough to support ongoing operations and repay the loans.

What are the benefits to Halifax residents? Internet and TV services available in Halifax are slower and less reliable than the services available in more populated areas. A fiber-optic network can provide speeds up to 40 times faster than the best we have now. For-profit providers haven’t invested to build fiber networks here because they can’t earn enough profit. In contrast, a CUD is a non-profit entity that can obtain grants and low-interest loans to invest in a fiber network and must earn only enough to break even. This makes it possible to get high-speed internet to all who want it.

Why should we form a CUD? Halifax is a poster child for the kind of town a CUD is meant to serve. Our population is low, our highway mileage is long, and we are not a community of great wealth. As a result, we are one of the most underserved towns in Windham County and in the whole state. A YES vote at Town Meeting will ensure we are a founding member of the Deerfield Valley CUD, giving us a seat on the governing board to represent our town’s interests from the very beginning.

What are the costs to the town? By law, a CUD cannot be supported by tax dollars. The law protects towns and taxpayers from being responsible for any financial obligation of the CUD.

What are the costs to individuals? Homes and businesses who choose to become customers of the Internet service will pay monthly service fees. Ensuring that the cost is affordable will be one of the many responsibilities of the governing board of the CUD.

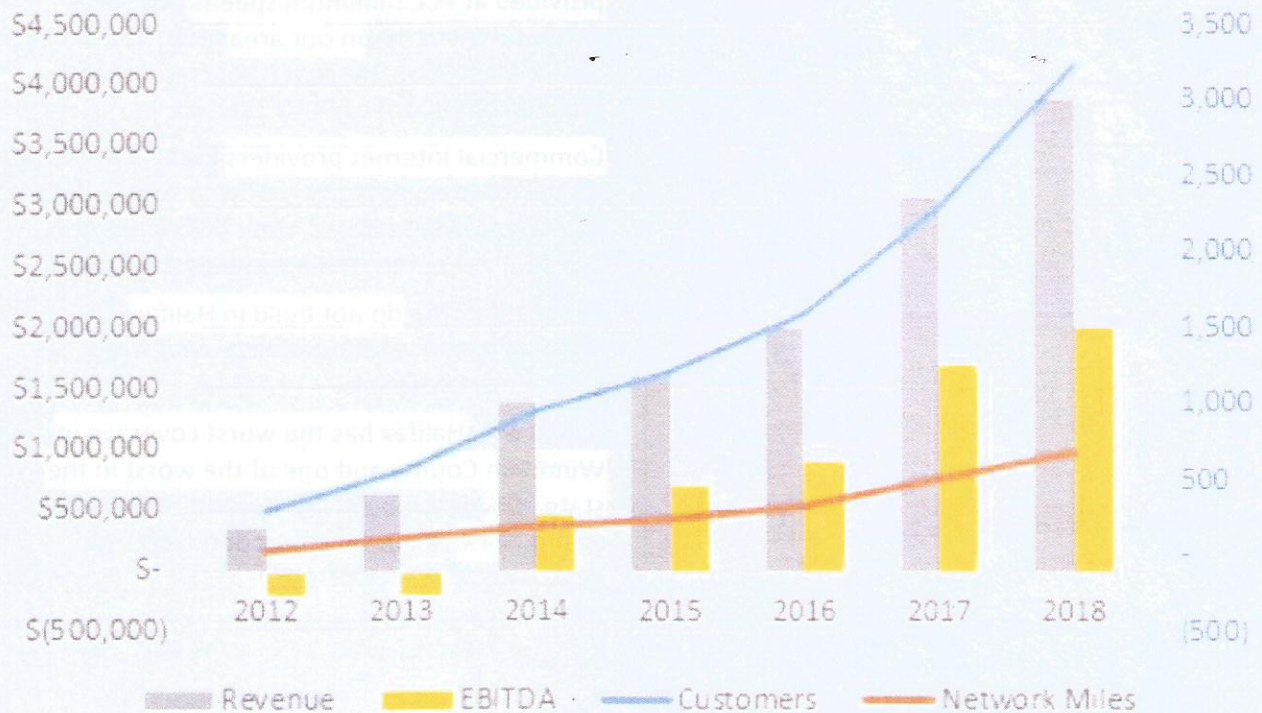
What are the risks? In the opinion of the Broadband Committee, the only risk is to vote NO. This would give Halifax no voice in the formation of the Deerfield Valley CUD. Halifax could apply to join this CUD after it was formed, but that application could be rejected. By contrast, if Halifax votes YES now but decides to withdraw later, we can leave the CUD for any reason without penalty before construction begins—which is at least a year from now. We can also apply to join a different CUD later if it turns out another CUD offers better options.

What will happen if Halifax votes YES? Residents of Halifax, Marlboro, Wilmington, and Whitingham are being asked to decide whether to form the Deerfield Valley CUD. If at least two towns vote YES at Town Meeting, then representatives from those towns will form the governing board. They will collaborate with a planning team organized by the Windham Regional Commission to determine how big the CUD should be and to draft a business plan. The CUD will seek additional member towns, will apply for grants to fund completion of detailed engineering plans, and will obtain subsidized financing to begin network construction, which will likely start in 2021.

The example of EC Fiber shows that a Communications Union District can deliver on the promise of high-speed Internet

Network Miles, Subscribers, Revenue, and Profit Contribution Through 2018

ECFiber grew rapidly and began to generate positive returns in the third year of operation.



Note: EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization, e.g., profit contribution.
Source: <https://www.ecfiber.net/history/>

Bond Financing Through 2019

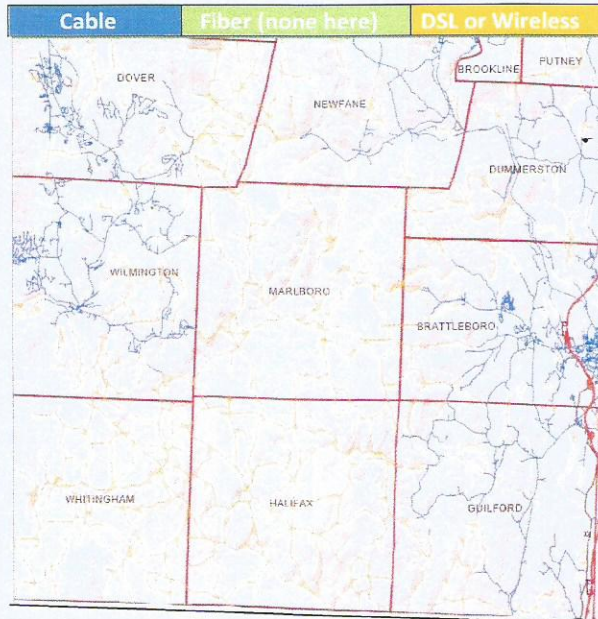
ECFiber has issued \$43 million of bonds to continue growing until all of its locations are served.

Year Issued	Principal	Term	Interest Rate	Spread over 10 Year T-Bill
2016	\$9 Million	23 years	5.04%	3.21%
2017	\$15 million	23 years	6.09%	3.77%
2018	\$9 million	25 years	5.57%	2.60%
2019	\$10 million	28 years	4.5%	2.60%

Note: Spread over 10-year T-Bill rate is a measure of risk. These are high-yield municipal bonds.
Source: ECFiber press releases and Board minutes.

A Communications Union District provides high-speed Internet to places that commercial providers do not serve

Before: Limited or No Service



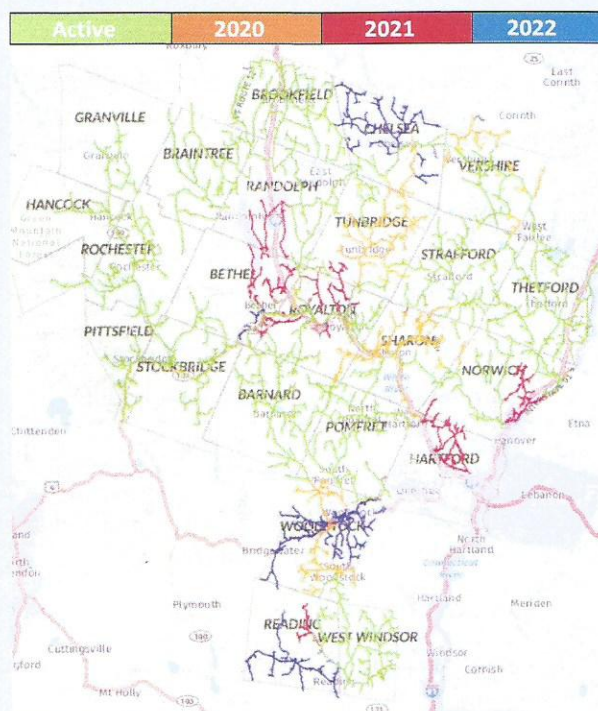
This map shows where Internet service is provided at FCC minimum speeds (25 Mbps down / 3 Mbps up) in our area as of December 2018 (latest available data). Source: Vendor reports to VT Dept of Public Service.

Commercial Internet providers that deliver FCC minimum speeds (dark blue lines) serve only the most densely populated areas of Wilmington, Dover, Brattleboro, Guilford and other towns.

These providers do not build in Halifax, Whitingham, or Marlboro because it is not sufficiently profitable.

This is why Halifax has the worst coverage in Windham County and one of the worst in the state. 0% of our buildings get the FCC minimum speed. 44% of our buildings don't even get 4Mbps down / 1 Mbps up.

After: Universal Service



This map shows the service territory of ECFiber, a Communications Union District ("CUD") in central Vermont, as of year-end 2019.

A CUD is a municipal organization that exists to provide high-speed internet to areas that are not served well by commercial providers.

A CUD uses grants and loans to start up and, when profitable, can issue bonds to grow. They can NOT tax towns or individual taxpayers.

In 7 years, ECFiber has built over 1,000 miles of fiber network serving 4,000 customers. By 2022, the network will expand to 1,400 miles serving 7,000 customers in 24 member towns. This network delivers internet speeds of up to 900 Mbps down and up – many times the fastest speeds we can get here from DSL or wireless.

ECFiber is the model we can emulate now.