



For Immediate Release

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Firefly Fiber Broadband Wins Auction to Receive Funding from FCC's Connect America Fund

Arrington, Virginia – Central Virginia Services, Inc. (CVSI), which does business as Firefly Fiber Broadband, has been awarded \$28 million in funding to be paid out over the next ten years from the Federal Communications Commission (FCC) to offset the cost of making available voice-over IP (VOIP) phone service and gigabit speed broadband to almost 11,000 rural homes and businesses in central Virginia. CVSI is a wholly-owned subsidiary of Central Virginia Electric Cooperative (CVEC).

The Connect America Fund (CAF) is an incentive program offered by the FCC to facilitate the deployment of voice and broadband communications systems in all of America's rural communities. With a 10-year program plan and a budget to award \$198 million annually, the Commission will disburse a total of \$1.98 billion to CAF applicants over the next decade. The FCC has compared the Connect America Fund to other development programs over the last century, stating on its website, "CAF is a multi-year program, comparable to extending electricity and phone service to rural America early in the twentieth century, and building the interstate highway system in the 1950s and '60s."

CVEC is building the fiber in order to expand smart grid applications across its electric system. Firefly Fiber Broadband will offer gigabit level service and phone service over the fiber optic network, using laser light and glass cable to deliver world-class high speed service to the rural countryside. Within the CVEC electric territory, Firefly will lease the CVEC fiber optic network and make service available to all 37,000 homes and businesses. The CAF awards provide revenue support targeted to help offset the cost of making internet service available to some of that area. The CAF award also includes funding for some areas outside of the CVEC electric territory; Firefly will build its own fiber optic network to make service available to up to 4,000 locations in these areas. The build-out to all locations in the areas for which CAF awards were received must be completed by 2024. Updates on project and construction plans can be found on the Firefly website at www.fireflyva.com.

To meet the requirements of the award, Firefly must offer service within a price range that the FCC finds reasonably comparable to the price for similar service in urban areas. Firefly has set pricing to more than meet this standard; Firefly customers will be able to purchase broadband internet service for target prices of \$49.99 per month for 100 megabits per second high-speed internet or \$79.99 per month for 1 gigabit per second service. Voice-over IP phone service with unlimited local and long-distance calling in the continental U.S. can be added on to the internet service for an additional \$29.99 each month.



Firefly and CVEC President Gary Wood commented on the partnership with the FCC, stating, “CVEC and its subsidiary Firefly Fiber Broadband are working to meet the same goal as the Commission. Eighty years ago, CVEC members joined together to bring electrification to rural central Virginia. Today, we are committing to overcome the digital communications divide for the very same reasons, and funds from the CAF will help us reach this goal, improving the quality of life and providing economic opportunities for central Virginia’s rural citizens.”

Central Virginia Electric Cooperative is a member-owned, not-for-profit, electric utility serving 37,000 homes, farms and businesses in the rural portions of 14 Virginia counties. CVEC is proud to be a Four-Star Cooperative for Service Excellence certified by the Touchstone Energy Service Excellence Program. For more information, visit www.mycvec.com.

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