



ELECTION 2021 ENERGY + ENVIRONMENT

# After years of bipartisan giving, Dominion Energy leans into Democratic control

BY: NED OLIVER - OCTOBER 26, 2021 12:04 AM



📷 Dominion Energy offices in Richmond, Va. (Parker Michels-Boyce/ For the Virginia Mercury)

Dominion Energy's political giving in Virginia has surged into the millions this year, and Democrats are the biggest beneficiaries, with donations totaling more than \$1.8 million so far this cycle, according to campaign finance records compiled by the Virginia Public Access Project.

Republicans, meanwhile, have received just over \$1 million from the influential electric utility, the records show.

The figures represent a substantial increase over past donations – which for two decades have typically hovered in the \$300,000-per-year range – and a break from the company’s old approach of generally giving similar amounts of money to Republicans and Democrats, especially in gubernatorial election years.

The shift comes even as the vast majority of Democrats running for office this year have pledged to reject Dominion’s donations, prompting the company to go to lengths to direct money to candidates who have publicly said they would not solicit or accept the energy utility’s contributions.

## Dominion Energy's political donations surge

The electric company's campaign contributions to state politicians by political party, 2001-2021

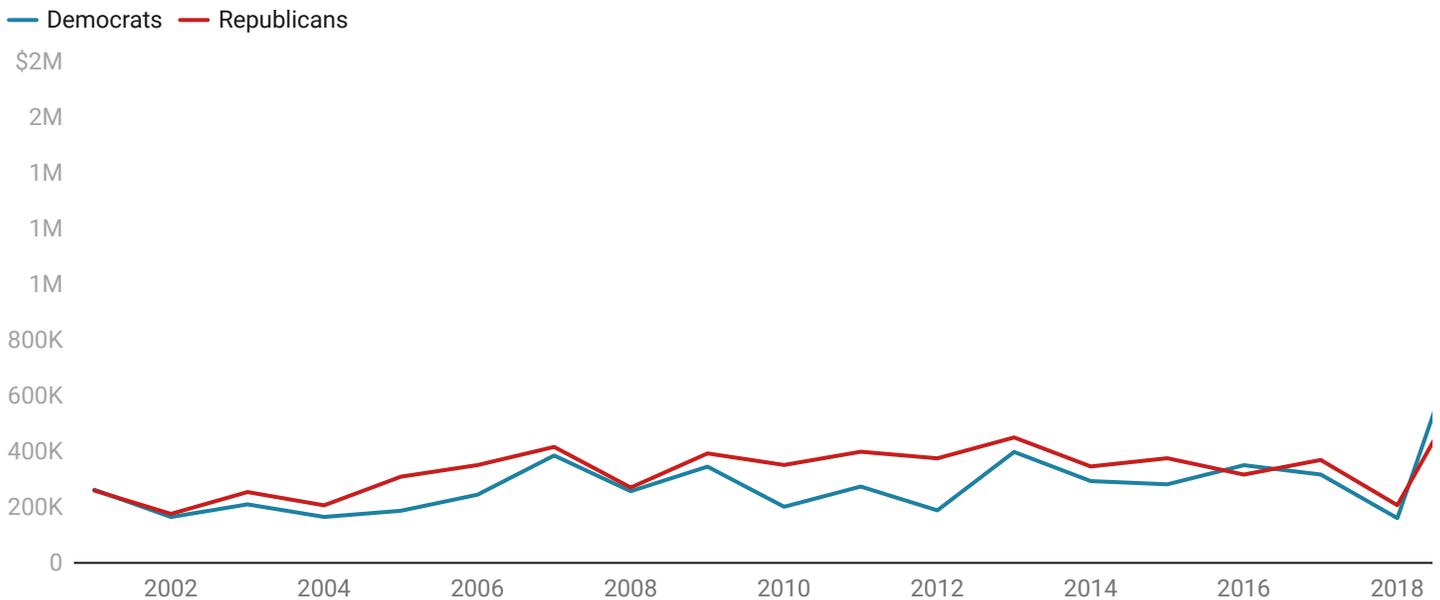


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The most high-profile example came last week, when campaign finance disclosures showed Dominion contributed at least \$250,000 to a PAC supporting Democratic gubernatorial nominee Terry McAuliffe, who said earlier this year that he wouldn’t take the company’s contributions. The donation triggered a vocal backlash from Republicans upon learning it was used in an effort to suppress GOP turnout in rural areas by running ads questioning Republican nominee Glenn Youngkin’s support of gun rights.

Unless the company changes course in the final days of the race, this will be the first gubernatorial election since at least 1997 that the utility won’t have made substantial contributions to both major party candidates for governor, according to records compiled by VPAP.

Youngkin does not appear to have taken a stance on Dominion donations and his campaign did not answer questions about whether he had solicited or been offered any support from the company. Dominion also declined to comment.

But after the contributions to the pro-McAuliffe PAC were revealed, Youngkin offered harsh words for the utility, which has for years enjoyed support from leaders in both political parties.

“They want to keep Terry McAuliffe because they know they have somebody that they can manipulate and Terry is bought and sold by them,” Youngkin said during a [recent radio interview](#), criticizing the company for overcharging its captive customer base. “I’m going to stand up to Dominion Energy and say, “This is Virginians’ money.”



📷 Democratic gubernatorial candidate Terry McAuliffe, left, and his Republican rival, Glenn Youngkin, are hitting on national political themes in their race. (Virginia Mercury)

It was not the first time this year Dominion took a back-door approach to supporting a Democratic candidate who has publicly eschewed their donations. Attorney General Mark Herring [announced in 2018](#) he wouldn’t accept donations from publicly regulated monopolies like Dominion. But during a hard-fought primary in which Herring faced a challenger who pledged a more aggressive stance on the company, Dominion made \$200,000 in donations to the Democratic Attorneys General Association, which in turn was backing Herring.

The donations, which remained secret during the primary because of disclosure deadlines, were first [publicly reported](#) by the Richmond Times-Dispatch in August – a month after the election.

The company has also stroked bigger and bigger checks to Democratic leaders in the House of Delegates and the political action committees they control – contributions that in past years topped out in the \$30,000 range but now regularly exceed \$100,000.

Much of that money also eventually makes its way to helping candidates who have pledged to refuse donations from the utility.

According to Clean Virginia, a rival PAC founded by multi-millionaire Michael Bills to counter Dominion's influence in Virginia, 75 percent of the House's 55 Democratic members have said they won't accept Dominion's money.

The House Democratic Caucus's PAC, however, counts Dominion as one of its largest donors, receiving \$350,000 so far this year, according to VPAP. And more of the company's money gets funneled into the account through caucus leadership, who collected more than \$400,000 this year from Dominion.

Those leaders, few of whom face competitive races of their own, in turn make their own donations to the caucus PAC.

Sometimes the money only takes a few days to move from one account to the next. For instance, the party's House Appropriation's chair, Del. Luke Torian, D-Prince William, reported a \$100,000 check from Dominion on Sept. 6. Three days later, the caucus PAC reported receiving a \$100,000 donation from Torian. The pattern repeated itself later in the month, when Torian reported a \$50,000 check from Dominion on Sept. 22 and a day later the caucus received a \$50,000 check from Torian, according to VPAP.

Political observers said they weren't particularly surprised to see Dominion directing more money to Democrats in the legislature after the party won full control of the General Assembly in 2019 for the first time in more than two decades.

As for the substantial increase in the size of the company's donations, veteran Virginia political commentator Bob Holsworth views it as the company's response to Bills' Clean Virginia, founded with the explicit goal of countering Dominion's in the legislature by guaranteeing donations to candidates who don't take the company's money.

Bills, already a prolific donor, became the largest individual campaign contributor in the state until this year, when he was eclipsed by Youngkin, a fellow multimillionaire who is partially self-funding his gubernatorial campaign.

"Dominion looked like a gorilla, and then all of a sudden, you had an individual who could look at his own balance sheet and say, 'A couple of million is a drop in the bucket. I can match that,'" Holsworth said. "That's a new environment for them."

More surprising, Holsworth said, was Dominion's decision to go all-in on McAuliffe after years of supporting both sides in gubernatorial races. He said he found the decision especially unusual in such a close race.

“Maybe that’s, in part, because McAuliffe is running for his second term and is seen as essentially an incumbent,” Holsworth said. “They know who they’re getting.”

Dominion spokesman Rayhan Daudani said the company would not comment on why it was supporting McAuliffe over Youngkin. (He also declined to answer questions about why the size of the company’s donations have increased, whether the company received the refund it requested from the PAC that backed McAuliffe with anti-Youngkin ads, why the company’s CEO suggested he was unaware of the PAC’s tactics when they had been in the news before the company’s final reported donation and whether the company made additional donations to the PAC that have not yet been reported.)

Theories, however, abound.

Republicans note that many Dominion executives are veterans of Democratic politics. That includes new CEO Bob Blue, who previously served as a director of policy for Sen. Mark Warner when he was governor.

Sen. David Suetterlein, R-Roanoke, one of a growing handful of Republicans who has been openly critical of the company, posited that Democratic control presents the possibility of greater profits. “The Democratic agenda that raises the cost of electricity generation through programs like the Virginia Clean Economy Act hurt the bottom line for working families,” he argued.

Environmental groups doubt that argument, noting that under Republican control Dominion was able to lock in extremely profitable rate freezes and infrastructure investment bills at the expense of ratepayers. They posited that Democrats’ willingness to challenge the company is exactly why the company feels compelled to flood the party’s leaders with cash.

“Dominion has been held more accountable in the two years that Democrats were in charge of the legislature than the last two decades when Republican-led legislatures allowed Dominion to strangle and fleece their customers,” said Mike Town, who directs the Virginia League of Conservation Voters. Town thinks Dominion has simply looked at the state’s politics and



📷 A campaign ad run by a Dominion Energy-backed PAC on Facebook, which attempted to boost Democrat Terry McAuliffe by targeting rural GOP voters with questions about Glenn Youngkin's support for gun rights.



📷 Dominion Energy CEO Bob Blue speaks at an event on Monday, Oct. 25, 2021, in Portsmouth. (Sarah Vogelsong/ Virginia Mercury)

made a bet that Democrats are more likely to be in charge for the foreseeable future than Republicans.

Finally, people who work in the renewable energy industry, which Dominion has committed to since Democrats took power and passed the Clean Economy Act, say that as a monopoly the company stands to make money regardless of what kinds of facilities it builds, but that any change in course at this point simply represents an unnecessary business risk.

Harry Godfrey, the director of the industry group Virginia Advanced Energy Economy, said big

businesses like Dominion want market certainty, and pivoting back to Republican control and any effort to unwind the state's transition to renewables would undermine that at this point.

“The energy industry, of which Dominion is a significant part, is a large warship,” he said. “It does not turn quickly. There are gains both for the companies, the citizens and Virginia's economy overall for staying on that course. Which is why I think you see a preference toward staying the course here.”

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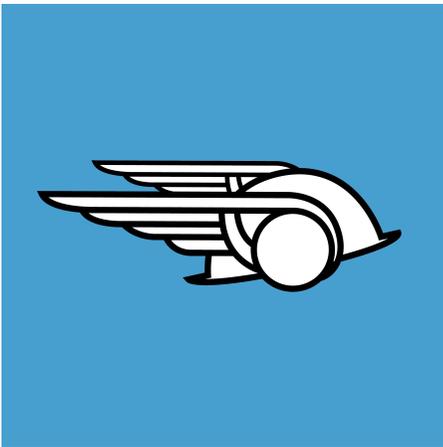
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HOUSING, WORKING & BUSINESS

## Cheesy Westerns, bongos and labor shortages: understanding Va.'s hectic pandemic job market

BY: **NED OLIVER** - AUGUST 24, 2021 12:03 AM



 Rhonda Rankin, the longtime manager of the Texas Inn in Lynchburg, passes a customer a carry out order during a busy lunch shift. She says she's been unable to hire enough employees to fully staff the restaurant since shutdowns last year. (Ned Oliver/Virginia Mercury)

**LYNCHBURG** – The Texas Inn sits at the end of Main Street in Lynchburg, an 86-year-old beacon for late-night drunk food with a menu centered around a Depression-era chili recipe and a grease-laden sandwich known as the Cheesy Western.

And for more than a decade, you could find Jacob Johns happily working the flat-top grill behind the 15-seat counter – a job he loved, until, amid a historic pandemic, he realized he didn't.

“Nighttime would be fun as hell,” said the 27-year-old, who started working at the restaurant alongside his mom as a teenager. “I remember singing Queen songs on the damn bar with drunk people. And I love stuff like that. There’s no other natural endorphins than being able to make somebody smile.”

Like hundreds of other restaurants around the state, the Texas Inn closed when the pandemic hit. And like hundreds of other restaurants around the state, when it finally set about reopening, it found many of its former employees weren't exactly keen on returning.

The impasse has led to headlines about worker shortages, promises of big bonuses for new hires and bitter, partisan debates over enhanced unemployment benefits, which many low-wage employers blame for their ongoing staffing problems.

Among those reluctant former employees is Johns, who has refused repeated job offers from the Texas Inn. At first, he wasn't sure it was safe and worried working over a hot grill in a mask would lead to unsanitary levels of sweat. And in either case, they were only offering him part-time work, which he says would have cut his income by more than half.



📷 The grill at the Texas Inn, where a cook assembles the restaurant's signature sandwich, the Cheesy Western. (Ned Oliver/Virginia Mercury)

Now he says he realized the job just wasn't for him. He's found a new counter to work behind at a busy vape and pipe shop where he had long been a customer as an unabashed marijuana enthusiast.

For a man whose only serious friction at the Texas Inn came from his penchant for smoking pot in the parking lot, it is a dream job and, he hopes, a springboard into the burgeoning legal marijuana industry.

"They asked me, 'Do you want to sell bowls and bongs?' I said, 'Hell yeah!'" Johns said.

He says he has no plans to return to the Texas Inn, even after its manager recently offered him \$4-an-hour more than he's making at the vape shop.

"I'm 10 times happier and 100 times more stress free."

### **'They can sit home and get paid and not bust a grape'**

Lynchburg is a city of 79,000 people nestled in the foothills of the Blue Ridge. And the Cheesy Western is a scrambled egg cooked with a generous ladle of oil served over a beef patty, slice of American and relish.

A former advance man for the Ringling Brothers Circus brought the city and the sandwich together in 1935 when he opened the business as the Texas Tavern.

The restaurant is now owned by another kind of promoter, Dave Saunders, an advertising executive from Richmond who bought the business in 2018 with ambitions to franchise the concept. Saunders says his foray into the restaurant world was both fun and profitable until the pandemic hit.

Crammed into what was once a gas station, the tiny restaurant is poorly suited to social distancing. And the clientele hasn't been entirely receptive to precautions like mask mandates, which Saunders said led to a lifetime ban for one regular who let loose a stream of abusive language at a server who attempted to enforce emergency health regulations.

But as restrictions were lifted this summer and customers once again began filling the counter, Saunders said a new problem emerged: He couldn't find enough employees to fully reopen. The restaurant started trying to ramp back up in earnest in July, but Saunders said staff shortages made it impossible to stay open seven days a week, let alone keep the late-night hours that cemented the Texas Inn's status as a local institution.



📷 Dave Saunders, an advertising executive in Richmond, bought the Texas Inn in 2018. (Ned Oliver/Virginia Mercury)

In addition to employees like Johns refusing to return, Saunders and longtime Texas Inn manager Rhonda Rankin said they struggled to attract new hires, even after raising wages for line cooks from \$9.50 to \$13.50.

Jobs they say were once easy to fill barely attracted applicants. People who did apply wouldn't come in for interviews. People who did interview ignored the job offers that later came.

Both Saunders and Rankin place the blame squarely on enhanced and extended federal unemployment benefits, which currently provide an extra \$300 a week on top of the standard state benefits. For a restaurant worker who was making \$9.50 an hour before the pandemic, a job would need to offer more than \$11.30 an hour at 40 hours a week to match the benefit.

“They can sit home and get paid and not bust a grape,” said Rankin.

“You’ve taken away any incentive to work,” Saunders said.

The sentiment is not unique to the management of the Texas Inn. Business groups nationwide have been railing against the expanded benefits for months. [So have Republican lawmakers](#), who earlier this month in Virginia put forward state budget amendments that would have ended the enhanced benefits – a proposal that was roundly rejected by Democratic majorities.

Saunders says he doesn't blame any of his would-be employees for deciding to stay on unemployment over a job that would pay less.

"I would do the exact same thing," he says. "Why wouldn't you?"

But he does fault the state and federal government for giving employees what he views as the choice not to work.

## 1.4 million job openings

The current hiring crunch is affecting a range of industries, but none more than hospitality and leisure businesses, which took the biggest hit during last year's economic shutdowns.

Before the pandemic, restaurant employers nationwide reported 807,000 unfilled job openings. As of June this year, that number had shot up to 1.4 million, according to the U.S. Bureau of Labor statistics.

As businesses try to fill those jobs, competition between employers is fierce. In Virginia, the leisure and hospitality industry has added 46,000 new employees to payrolls since last summer, according to the Virginia Employment Commission. No category of employer has reported adding more jobs.

Economists say it's unsurprising low-wage employers like diners are struggling to attract workers in the current climate. But unlike business owners, they doubt that enhanced unemployment benefits deserve much of the blame.

They point to studies in GOP-led states that cut off extra unemployment benefits early. While business groups expected a surge in job seekers, multiple studies have shown that any boost in employments were marginal. One [recent paper](#) found that for every eight workers who lost their benefits, one found a job.



📷 The Cheesy Western, the Texas Inn's signature sandwich, is a hamburger served with a scrambled egg, American cheese, a house-made relish and lots of oil. (Ned Oliver/Virginia Mercury)

Instead, they found overall spending dropped, suggesting the cuts could have actually [hurt the economy](#).

Ardavan Mobasheri, an economics professor at University of Richmond who spent years in the private sector and still manages a wealth management company, said business owners forget how much federal aid programs have helped them by injecting so much cash into the economy.

“Retail sales are much higher than where they were before the pandemic,” Mobasheri said. “So if you’re not able to grab some of this spending on clothes, dinners and other stuff people are buying, then you’re doing something wrong.”

He says there is increased competition for labor, but it’s not coming from public benefits. Instead, he points to companies like Walmart, CVS and Target that have raised wages and offered better benefits, including covering college tuition for employees.

“Why would you go work at a hot dog shop when McDonald’s is offering \$14 an hour and Target is offering to pay your college tuition?”

**Where have all the line cooks gone?**

So if economists don't think unemployment benefits are the primary factor in restaurant owners' struggle to staff up, what is?

Suqin Ge, a labor economist at Virginia Tech, says the pandemic has fundamentally changed the decision making that goes into job hunting.

First, the threat of illness and death made working objectively worse. A study out of California found [line cooks had the highest risk of dying](#) during the pandemic. And then there's new responsibilities that come with public-facing jobs. "The hardest thing is, we had to be the mask police," Rankin said. "Do you know how many times we got cussed out? Quite a few."

On the other side of the equation, the pandemic made the value of staying home a lot higher for some people.

Some workers near or at the retirement age opted to go ahead and leave the labor market, Ge said. Some have decided to stay home and care for kids who aren't in school or daycare – a category that has disproportionately impacted women, who still tend to shoulder childcare duties. Some stayed home to care for sick relatives.

And then there's people like Johns, the Texas Inn's longtime line cook, who followed his dreams to a local headshop.



📷 Jacob Johns worked as a line cook at the Texas Inn for more than a decade, but decided not to come back after being laid off amid last year's shutdowns. He now works behind the counter of a vape and pipe shop, which he hopes will serve as a stepping stone into the cannabis industry. (Ned Oliver/Virginia Mercury)

“Maybe some people, they just say, ‘I see how uncertain this world is,’ and decided to pursue a new occupation or go back to school,” Ge said.

When he was first offered his job back, Johns said he just wasn’t ready to return given the safety concerns. And, yeah, he says, the unemployment benefits he was getting made the decision easier – but only for a few weeks.

That’s because not long after he declined the Texas Inn’s offer of part-time employment, his benefits were abruptly cut off because the business reported that he’d refused an offer to return. The Virginia Employment Commission maintains a tip line that allows business owners to report former or prospective employees who decline employment offers, triggering an end to any jobless benefits.

He says the same thing happened to other employees and it irked him, because he didn’t consider the offer of part-time employment and the salary it would provide equivalent to the job he used to hold.

He said his negative feelings for the business intensified later in the pandemic after he saw Saunders, the Texas Inn’s owner, posting on Facebook about his purchase of a luxury boat. Johns also happened to know that around the same time, the Texas Inn had been approved for a low-interest government loan aimed at helping distressed businesses.

So a few months ago when the restaurant later tried to lure him back with an offer of \$14 an hour – more than he’s ever made – he said he declined.

“It just didn’t sit right, but bygones be bygones,” Johns said. “It opened a door.”

## Of boats and bailouts

Saunders said his purchase of a boat had nothing to do with the Texas Inn or the \$250,000 in government aid the restaurant received through federal loan programs, [according to public databases](#).

He says the business took a \$120,000 loss last year, forcing him to inject \$75,000 of his own cash. As for the boat, he says his advertising business in Richmond did great during the pandemic and, anyway, he was in need of housing after a recent divorce and decided to buy a boat instead of a condo.

“People are like, ‘Dave’s rich. He’s got a boat,’” Saunders said. “Well, that’s where I live on the weekends.”

Saunders said that while he opposes continued enhanced unemployment benefits, he thinks giving aid to restaurants hurt during the pandemic makes sense because it was the government that limited their operations in the first place. “I’m happy they did it, and without that, we would not have a business,” he said.



📷 Tammy Bragg works the grill at the Texas Inn in Lynchburg. Before taking the job two months earlier, she had been out of the labor market for two years to take care of her grandchildren. (Ned Oliver/Virginia Mercury)

As for benefits for workers, Saunders is aware studies have shown that ending unemployment benefits early hasn't had the anticipated impact in the red states that have tried it. But he and Rankin say they've also heard directly from people they want to hire that the benefits associated with staying home are just too good to pass up.

With enhanced benefits scheduled to end in two weeks and President Joe Biden's administration signaling it has no plans to extend them, the debate could soon be moot.

Saunders said last week he's already seen an increase in job applications and hopes he'll be able to bring enough people on to get back to the business' 24-hour-a-day weekend hours.

For his part, Johns said restaurants looking for workers should think more about the way they operate their businesses. "It's not the pay, it's just the craziness," he said. "It's not the best work environment, I'll put it to you like that."

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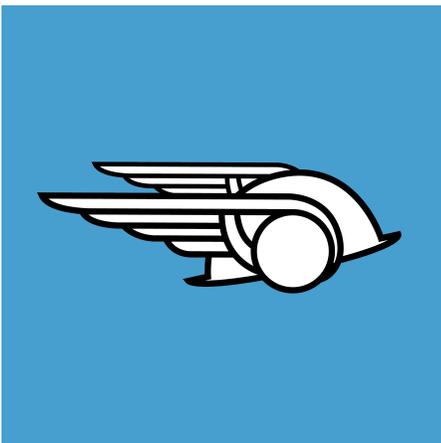
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HOUSING, WORKING & BUSINESS

THE OTHER VIRGINIA

# Legal challenge slows rural broadband plans in Virginia

BY: **NED OLIVER** - SEPTEMBER 15, 2021 12:04 AM



A Rappahannock Electric Cooperative employee strings fiber optic cable. (Rappahannock Electric Cooperative)

Supporters call it a commonsense way to get broadband internet into more homes in rural Virginia. A Culpeper County couple calls it an unconstitutional infringement on their property rights.

The fight, which has already halted an \$600 million broadband expansion project, does not appear to be going away anytime soon.

At issue is a [2020 law](#) allowing electric and communications utilities to string fiber along their existing poles, lines and conduit – an extensive network of infrastructure that already cuts through the far-flung mountains, fields and woodlands where the state is hoping to get residents and businesses hooked up to [high speed internet by 2024](#).

The legislation allows the utility companies to sidestep the trouble and expense of negotiating with property owners along the routes, who otherwise would be entitled to compensation for the additional use of their property, even if it's just a new strand of wire on a pole that's been there for decades.

The law passed with near unanimous, bipartisan support, but when the Rappahannock Electric Cooperative attempted to invoke the provisions, it got hit with a lawsuit by the owners of a farm in Culpeper County, John and Cynthia Grano.

The land, where the couple raises horses and cattle, is bisected by two electric transmission lines and one local distribution line. It is also home to one electric substation.

“This is a corporate greed issue,” said John Grano in a phone interview, arguing utilities are taking advantage of widespread support for broadband expansion to eliminate a business cost at the expense of landowners. “We can't get so caught up with progress that we allow the government to start to trample over property owners.”

Grano said he was open to negotiating a fair price with the cooperative when they approached him last year offering \$5,000. But he said the talks ended when the company noted that under the new law, they would not have to offer him any compensation when it went into effect in July.

The cooperative, which unsuccessfully sought to have the case dismissed in federal court, did not respond to an email seeking comment. But in a news release earlier this year, they said the lawsuit had prompted them to drop plans for what they described as an \$600 million residential broadband initiative.

“The inability for REC to use its existing rights-of-way (easements) would dramatically impact the planned broadband project's financial feasibility,” the member-owned cooperative wrote. “This federal lawsuit illustrates the need for policymakers and courts to provide clarification of the laws and policies needed in order for cooperatives and others to be able to facilitate solutions that will bridge the digital divide.”

Attorney General Mark Herring announced late last year he was intervening in the case to defend the state law, describing internet access as a basic need that's only grown more important amid the pandemic. “Transitioning to an almost exclusively online lifestyle has really highlighted just how critical rural broadband access is,” he said in a statement. “This is why I'm fighting to defend this important policy in court, because we need to make rural broadband access a top priority throughout the Commonwealth.”

But the efforts of the state and the electrical cooperative to bat down the lawsuit have so far been unsuccessful.

The cooperative had argued that because it never actually installed the fiber, exercising its rights under the law, that the Granos had suffered no harm and the case should be dismissed.

Federal District Judge Norman Moon disagreed in a ruling last month, writing that “When the law became effective, the Granos suffered an impairment to their contractual rights under their 1989 easement agreement with REC.”

“Whether REC exercised the right conferred upon it under the statute is beside the point. Significant in this case, is that, as alleged in the complaint, the law stripped the Granos of a paramount property right, altered their contractual agreement with REC, and failed to provide adequate post-deprivation remedies.”

The case is advancing and Granos’ lawyers at the Norfolk firm Waldo & Lyle, which described the new state law as an “unconstitutional broadband boondoggle,” say they hope it will be heard by the end of the year.

“The Fifth Amendment says the government can’t take property without just compensation,” said Joshua Baker, a lawyer with the firm. “To them it’s a constitutional principle to the right to private property.”

Rappahannock Electric Cooperative, meanwhile, has framed its plans as a benefit to the entire community.

How much of a setback the legal challenge presents to the state’s goal of achieving universal broadband coverage by 2024 remains to be seen. Gov. Ralph Northam’s broadband czar, Evan Feinman, declined to comment on the lawsuit, called utilities “incredibly important partners” in the state’s plans.

“We certainly can’t get the job done without the electric coops, so anything that makes their job harder is just going to slow down and make more expensive the goal of universal broadband connectivity,” he said.

For his part, Grano, a newspaper editor who has long telecommuted, said he too recognizes the importance of broadband expansion. He says he just doesn’t want to lose any of his property rights in the process.

The problem of slow internet speeds, however, became less urgent for him recently. He says he signed up for high-speed satellite internet through Elon Musk’s Starlink.

“I need broadband, but I think I got it now,” he said. “I think Elon Musk solved my problem. And he didn’t take anything from me.”

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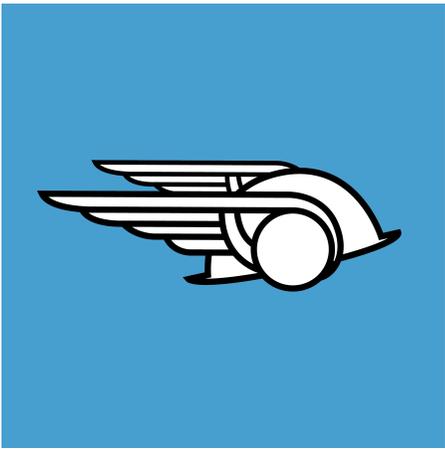
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