

1 **Proposal to Amend the Contribution Method for the**
2 **Vermont Universal Service Fund (VUSF)**
3

4 *This draft proposes to replace the existing 2.4% Universal Service Charge*
5 *with a flat (\$0.70), monthly connection charge for each voice line in service,*
6 *except in the case of prepaid wireless telecommunications service, which*
7 *would remain subject to the 2.4% charge applied at the point of sale.*
8

9 Sec. 1. 30 V.S.A. § 7501(a) is amended to read:

10 (a) It is the purpose of this chapter to create a financial structure that will
11 allow every Vermont household to obtain basic telecommunications service at
12 an affordable price, and to finance that structure with a ~~proportional~~ charge on
13 all telecommunications transactions that interact with the public switched
14 network.

15 Sec. 2. 30 V.S.A. § 7523 is amended to read:

16 § 7523. RATE OF CHARGE

17 (a)(1) ~~Beginning on July 1, 2014, the~~ Except as provided in subsection
18 7521(e) of this chapter, which pertains to prepaid wireless telecommunications
19 service, and in subdivision (3) of this subsection, the monthly rate of charge
20 shall be two percent of retail telecommunications service \$0.70 for each retail
21 access line in service. The number of access lines a telecommunications
22 service provider provides a customer shall be deemed equal to the number of
23 inbound or outbound two-way communications by any technology that the
24 customer can maintain at the same time as provisioned by the provider's
25 service.

1 (2) As used in this section,

2 (A) “Access line” means a wire or wireless connection that provides
3 real-time, two-way voice telecommunications service or interconnected VoIP
4 service to or from any device used by a customer, regardless of technology,
5 which is associated with a 10-digit NPA-NXX number or other unique
6 identifier and with a service location or place of primary use in Vermont, and
7 which is capable of accessing the 911 system.

8 (B) “Place of primary use” means:

9 (i) for mobile telecommunications service, the street address
10 where the customer’s use of the mobile telecommunications service primarily
11 occurs that must be:

12 (I) the residential street address or the primary business street
13 address of the customer; and

14 (II) within the service area of the telecommunications provider
15 with whom the customer contracts for the provision of mobile
16 telecommunications service;

17 (ii) for interconnected VoIP service, the street address where the
18 customer’s use of interconnected VoIP service primarily occurs, or a
19 reasonable proxy as determined by the interconnected VoIP service provider,
20 such as the customer’s registered location for 911 purposes.

21 (C) “Interconnected VoIP service” means service that:

1 (i) enables real-time, two-way voice communication that
2 originates from and terminates to the customer's location using Internet
3 Protocol or any successor protocol;

4 (ii) requires a broadband connection from the customer's location;

5 (iii) permits end users, generally, to receive calls that originate on
6 the public switched network and to terminate calls to the public switched
7 telephone network; and

8 (iv) requires Internet Protocol-compatible customer premises
9 equipment.

10 (3) Vermont Lifeline subscribers are exempt from paying the charge
11 required by this section.

12 ~~(b) Beginning on July 1, 2019, the rate of charge established under~~
13 ~~subsection (a) of this section shall be increased by four tenths of one percent of~~
14 ~~retail telecommunications service, and the monies collected from this increase~~
15 From the monies collected by the Universal Service Charge under this chapter,
16 17 percent shall be transferred to the Vermont Community Broadband Fund
17 established under section 8083 of this title, and up to \$120,000.00 shall be used
18 to fund a Rural Broadband Technical Assistance Specialist whose duties shall
19 include providing outreach, technical assistance, and other support services to
20 communications union districts established pursuant to chapter 82 of this title
21 and other units of government, nonprofit organizations, cooperatives, and for-

1 profit businesses for the purpose of expanding broadband service to unserved
2 and underserved locations. Support services also may include providing
3 business model templates for various approaches, including formation of or
4 partnership with a cooperative, a communications union district, a rural
5 economic development infrastructure district, an electric utility, or a new or
6 existing Internet service provider as operator of the network.

7 (c) Universal Service Charges imposed and collected by the fiscal agent
8 under this subchapter shall not be transferred to any other fund or used to
9 support the cost of any activity other than in the manner authorized by this
10 section and section 7511 of this title.

11 Sec. 3. 30 V.S.A. § 7521(e)(1) is amended to read:

12 (e)(1) Notwithstanding any other provision of law to the contrary,
13 ~~beginning on January 1, 2020, the a~~ Universal Service Charge of 2.4 percent
14 shall be imposed on all retail sales of prepaid wireless telecommunications
15 service subject to the sales and use tax imposed under 32 V.S.A. chapter 233.
16 The charges shall be collected by sellers or marketplace facilitators collecting
17 sales tax pursuant to 32 V.S.A. § 9713 and remitted to the Department of
18 Taxes in the manner provided under 32 V.S.A. chapter 233. Upon receipt of
19 the charges, the Department of Taxes shall have 30 days to remit the funds to
20 the fiscal agent selected under section 7503 of this chapter. The Commissioner
21 of Taxes shall establish registration and payment procedures applicable to the

1 Universal Service Charge imposed under this subsection consistent with the
2 registration and payment procedures that apply to the sales tax imposed on
3 such services and also consistent with the administrative provisions of 32
4 V.S.A. chapter 151, including any enforcement or collection action available
5 for taxes owed pursuant to that chapter.

6 Sec. 4. EFFECTIVE DATE

7 This act shall take effect on January 1, 2024.