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H.711

Introduced by Representatives Marcotte of Coventry, Morley of Barton,
Acinapura of Brandon, Adams of Hartland, Ainsworth of
Royalton, Clark of Vergennes, Clerkin of Hartford, Devereux of
Mount Holly, Fagan of Rutland City, Hubert of Milton, Johnson
of Canaan, Komline of Dorset, Larocque of Barnet, Lawrence
of Lyndon, McAllister of Highgate, McDonald of Berlin,
McFaun of Barre Town, McNeil of Rutland Town, Myers of
Essex, O'Donnell of Vernon, Olsen of Jamaica, Peaslee of
Guildhall, Perley of Enosburg, Reis of St. Johnsbury, Savage of
Swanton, Scheuermann of Stowe, Shaw of Pittsford, Turner of
Milton, Winters of Williamstown and Wright of Burlington

Referred to Committee on

Date:

Subject: Commerce and trade; economic development; job creation

Statement of purpose: This bill proposes to provide economic incentives for
businesses and farms to create and preserve jobs and improve the state's
technological infrastructure and economic environment.

An act relating to the use of state fiscal stabilization funds allocated to
Vermont under the American Recovery and Reinvestment Act of 2009

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. STATE FISCAL STABILIZATION FUND; GENERAL SERVICES
3 FUND; APPROPRIATIONS

4 In fiscal year 2011, \$8,670,000.00 from the state fiscal stabilization fund
5 general services fund available under the American Recovery and
6 Reinvestment Act of 2009, Pub.L. No. 111-5, shall be disbursed as follows:

7 (1) \$2,400,000.00 to the Vermont economic development authority to be
8 disbursed as follows:

9 (A) \$2,000,000.00 to provide interest-rate subsidies on loans
10 approved under 10 V.S.A. § 234.

11 (B) \$400,000.00 to the entrepreneurs' seed capital fund established
12 under chapter 14A of Title 10.

13 (2) \$3,170,000.00 to the Vermont telecommunications authority for the
14 broadband adoption program established in 30 V.S.A. § 8079.

15 (3) \$2,500,000.00 to the Vermont agency of commerce and community
16 development to be disbursed as follows:

17 (A) \$1,500,000.00 to the department of economic, housing and
18 community development for the program operations of the Vermont training
19 program.

20 (B) \$500,000.00 to the department of tourism and marketing to
21 promote Vermont's tourism market.

1 (C) \$100,000.00 to the department of economic, housing and
2 community development to provide grants to those businesses affected by the
3 Lake Champlain bridge at Crown Point closure. The commissioner shall
4 establish such policies and procedures as are necessary to administer and
5 disburse these grants.

6 (4) \$1,000,000.00 to the agency of agriculture, food and markets to be
7 used for loans and grants to support struggling farmers statewide. The agency
8 shall establish such policies and procedures as are necessary to administer and
9 disburse these grants.

10 Sec. 2. 30 V.S.A. § 8079 is added to read:

11 § 8079. BROADBAND ADOPTION PROGRAM

12 (a) There is established the Vermont broadband adoption program to be
13 administered by the Vermont telecommunications authority for the purposes of
14 accelerating the subscription to and use of broadband Internet access by the
15 public and increasing the sustainability of broadband networks in Vermont,
16 especially in rural and underserved communities.

17 (b) The authority shall expend monies appropriated to the Vermont
18 broadband adoption program consistent with this section.

19 (c) For purposes of this section, a “community” shall be a local geographic
20 area of the state defined by the authority and consisting of one or more
21 geographic areas with a defined boundary, including municipalities, telephone
22 exchanges, ZIP codes, or census blocks.

1 (d) For purposes of this section, “broadband” service shall mean Internet
2 access services which provide download speeds not less than 1.5 megabits per
3 second and upload speeds not less than 200 kilobits per second. Service
4 provided by satellite shall not qualify as “broadband.” In addition, the
5 authority shall give priority to broadband services which meet or exceed the
6 minimum technical service characteristic objectives established pursuant to
7 section 8077 of this title, and may adopt any new such objectives established
8 pursuant to section 8077 of this title in place of the definition provided in this
9 subsection.

10 (e) In each fiscal year in which funding is available for the program, the
11 authority shall establish target communities in which it will offer incentives to
12 broadband service providers. In selecting the target communities, the authority
13 shall consider, to the extent possible:

14 (1) the proportion of homes and businesses in those communities
15 without access to broadband service and without access to broadband service
16 meeting the minimum technical service characteristic objectives established
17 under section 8077 of this title;

18 (2) the level of adoption of broadband services by residential and
19 business users within the community;

20 (3) opportunities to leverage or support other sources of federal, state, or
21 local funding for the expansion or adoption of broadband service;

1 (4) the number of potential new subscribers in each community and the
2 total level of funding available for the program; and

3 (5) the geographic diversity of the selected communities.

4 (f) For each target community, the authority shall seek proposals through a
5 competitive process from broadband service providers who agree to improve,
6 expand, or introduce broadband service in the community. The authority shall
7 consider in its selection of broadband service providers the factors used in
8 selecting the target communities, and also the quality of the proposed
9 broadband services and the plans of applicants to market and promote the
10 adoption of its broadband services in the target communities. Based on the
11 number and quality of proposals received, the authority may seek additional
12 proposals, adjust the boundaries of the communities it has defined, or elect to
13 not provide assistance in some target communities.

14 (g) Broadband service providers that agree to receive assistance under this
15 program for a target community shall within 18 months make broadband
16 service available to all occupied nonseasonal home and business locations
17 within the community at upload and download speeds which shall be specified
18 in a grant agreement with the authority, which shall not be less than speeds
19 commonly offered by the broadband service provider in other areas it serves in
20 the state.

1 (h) The authority shall provide a broadband service provider selected to
2 receive assistance for a target community with a grant per new broadband
3 subscriber in the target community. The amount of the grant shall be equal to
4 a monthly refund level established by the authority. Prior to July 1, 2013, the
5 authority shall not establish a monthly refund level exceeding \$20.00 per
6 month. Grants shall be sufficient to provide the monthly refund level for a
7 period of 12 months. The broadband service provider shall apply the amount
8 of the monthly refund level as a credit to the amount owed by a subscriber for
9 service. The authority may require new subscribers to claim the credit on line,
10 which may include initiating one or more on-line transactions with state
11 services offered on line. To the extent possible and consistent with the
12 cost-effective administration of the program, the authority shall limit grants
13 awarded such that they are awarded for subscribers who have not previously
14 had broadband service available in the target community.

15 (i) Prior to distribution of grant funding, the authority shall seek and obtain
16 a reasonable demonstration that a selected broadband service provider has
17 adequate capital funding available to complete the expansion of service
18 required by subsection (g) of this section.

19 (j) Broadband service providers that agree to receive assistance under this
20 program shall offer a broadband service on at least one tier of service at a price
21 that shall not exceed the amount of the monthly refund level for one year after

1 the subscriber initiates service. Broadband providers may offer additional tiers
2 of broadband service or bundles of broadband service and other services
3 without limit on price due to participation in this program.

4 (k) For good cause, if no satisfactory proposals to provide service in a
5 target community are received, the authority may provide partial or full
6 refunds for reasonable nonrecurring charges associated with initiation of
7 service and may either establish for a target community a monthly grant level
8 higher than otherwise allowed by subsection (h) of this section, or modify the
9 price limitations of subsection (j) of this section, or both. In no case shall the
10 monthly refund level exceed the price of the lowest tier of broadband service
11 offered in a target community.

12 (l) During any quarter it receives assistance under this program, a
13 broadband service provider shall provide information regarding broadband
14 service availability, adoption, speed, and price to the entity selected by the
15 National Telecommunications and Information Administration to receive
16 funding for broadband data collection in Vermont under the state broadband
17 data and development grant program established under the American Recovery
18 and Reinvestment Act of 2009, Pub.L. No. 111-5 and the Broadband Data
19 Improvement Act of 2008, P.L. No. 110-385.

20 (m) The authority may use up to 10 percent of the funds appropriated to the
21 program to provide financial incentives for new subscribers in target

1 communities to conduct transactions with state government on line instead of
2 in person or in paper form, not to exceed \$50.00 per new subscriber.
3 Notwithstanding any other provision of this section, the authority may use up
4 to 50 percent of the funds appropriated to the program to provide any state
5 match which may be required if Congress extends the federal telephone lifeline
6 program to include broadband service, or if Congress enacts any other program
7 to provide financial assistance for low income consumers of broadband service
8 as it may be defined under federal law. If the authority acts pursuant to this
9 subsection, it shall send notice to the commissioner of public service, the
10 speaker of the house, and the president pro tempore of the senate. Upon
11 receipt of such notice, the commissioner of public service shall make a
12 recommendation to the general assembly within six months regarding changes
13 to Vermont statutes or rules regarding the telephone lifeline program and
14 changes which may be required to provide ongoing support for a similar
15 program for broadband.

16 (n) Of the funds appropriated to the broadband adoption program, the
17 authority may use up to five percent for administration of the funds received.

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect upon passage.