

**H.297 – As Passed the Senate**  
**Section by Section Summary**  
*Legislative Council – April 30, 2014 at 8:00 AM*

Sec. No.	Topic	Finance Strike All Amendment
<b>1</b>	<b>Purpose and Findings</b>	<ul style="list-style-type: none"> <li>• To promote broadband and cell deployment through greater coordination and consolidation of telecom functions</li> <li>• More equitable application of USF surcharge</li> <li>• New revenue invested in telecom build out</li> </ul>
<b>2</b>	<b>USF Distribution</b>	<ul style="list-style-type: none"> <li>• In addition to existing programs (relay service; Lifeline; E-911), funds go to new Connectivity Fund</li> </ul>
<b>3</b>	<b>Connectivity Fund</b>	<ul style="list-style-type: none"> <li>• To support at least 4-1 service, beginning with those unserved as of 12/31/13 (within that category, priority to those with access only to dial up or satellite)</li> <li>• Fiscal agent determines funds available by September 1</li> <li>• DPS publishes list of eligible census blocks based on most recent mapping data</li> <li>• Reverse auction (providers, VTA, Division for Connectivity can apply)</li> </ul>
<b>4</b>	<b>USF Applied to Prepaid Wireless</b>	<ul style="list-style-type: none"> <li>• Provider assessment based on gross revenue</li> <li>• Public Service Board establishes formula to capture 2% of retail business in VT</li> <li>• Beginning September 1, 2014</li> <li>• Will raise an estimated \$500,000 annually</li> </ul>
<b>5</b>	<b>USF Charge</b>	<ul style="list-style-type: none"> <li>• Raised to a flat 2 percent</li> <li>• Beginning July 1, 2014</li> <li>• Will raise an estimated \$650,000 annually</li> </ul>

<b>6</b>	<b>USF Fiscal Agent Examination</b>	<ul style="list-style-type: none"> <li>Fiscal agent to examine provider records to ensure USF surcharge is applied to all assessable telecommunications services, such as: the federal subscriber line charge, directory assistance, enhanced services unless billed as separate line items, and toll-related services</li> </ul>
<b>7</b>	<b>State Telecom Policy</b>	<ul style="list-style-type: none"> <li>Adds new State objective: support measures designed to ensure 100Mbps (symmetrical) to every E-911 location in VT by end of year 2024</li> </ul>
<b>8</b>	<b>State Telecom Plan</b>	<ul style="list-style-type: none"> <li>Remains the responsibility of DPS</li> <li>Plan period extended from 7 to 10 years</li> <li>DPS receives input and assistance from new Division for Connectivity</li> <li>Minimum technical service objectives revised at least every 3 years</li> </ul>
<b>9</b>	<b>Division for Connectivity</b>	<ul style="list-style-type: none"> <li>Within Agency of Administration</li> <li>Successor in interest to and continuation of Vermont Telecommunications Authority (VTA)</li> <li>Similar goals and duties as the VTA, but no bonding authority</li> <li>Takes over telecom planning, coordination, and reporting functions presently assigned to the Secretary of Administration (as well as responsibility for leasing State lands)</li> <li>Promotes only minimum technical service characteristics in State Telecom Plan</li> <li>Annual report on served and unserved areas, based on speed, and cost estimates for providing service to unserved areas</li> </ul>
<b>10</b>	<b>Repeals</b>	<ul style="list-style-type: none"> <li>Repeals Secretary of Admin telecom duties transferred to Division for Connectivity by this Act</li> <li>Repeals minimum technical service characteristic objectives incorporated in State Telecom Plan by this act</li> <li>Repeals broadband infrastructure investment program, which will be completed by end of year 2015</li> </ul>
<b>11</b>	<b>Creation of Positions for</b>	<ul style="list-style-type: none"> <li>One full-time Director and up to 6 additional FTEs, as deemed necessary by the Secretary of</li> </ul>

	<b>Division for Connectivity</b>	<p>Administration</p> <ul style="list-style-type: none"> <li>• Filled to extent there are vacancies in Executive Branch</li> <li>• VTA employees not employed in new Division acquire same recall (reemployment rights) as non-management State employees under existing collective bargaining agreement</li> </ul>
<b>12</b>	<b>Transitional Provisions</b>	<ul style="list-style-type: none"> <li>• Secretary of Administration determines where offices of new Division are housed</li> <li>• All assets, liabilities, and legal and contractual obligations of VTA transferred to Agency of Administration</li> </ul>
<b>13</b>	<b>Public Highways and Conduit Standards</b>	<ul style="list-style-type: none"> <li>• Intent is to have developers install telecom conduit within public highways and rights-of-way during construction projects to prevent need for future excavations for telecom deployment</li> <li>• Secretary of Administration, in consultation with Secretary of Transportation, Commissioner of DPS, and VLCT shall adopt rules requiring installation of conduit during construction projects</li> <li>• Rules specify standards</li> <li>• Costs borne by party constructing the public highway</li> </ul>
<b>14-18</b>	<b>248a</b>	<ul style="list-style-type: none"> <li>• Extends sunset for another 2 years (until July 2016)</li> <li>• Provides automatic party status to municipal bodies where telecom is proposed to be located</li> </ul>
<b>19</b>	<b>Administration Report</b>	<ul style="list-style-type: none"> <li>• Report to GA by January 1, 2015</li> <li>• Plan for transferring E-911 to Division for Connectivity, Department of Public Service, or Department of Public Safety</li> <li>• Goals: better coordination and efficiency; reduction in redundancy; and operational savings of at least \$300K</li> <li>• Include recommendation on whether it would be cost effective to select an existing State agency to serve as fiscal agent of VUSF</li> <li>• Include report on status of Vermont Communications Board and Vermont Public Safety Broadband Network Commission (Vermont FirstNet)</li> <li>• Propose draft legislation creating a 15-member advisory board (within Division for Connectivity or Department of Public Safety) merging functions of E-911 Board, Vermont Communications</li> </ul>

		Board, and Vermont FirstNet
<b>20</b>	<b>DPS Deployment Report</b>	<ul style="list-style-type: none"> <li>• DPS submits report to General Assembly on July 15, 2015</li> <li>• Report includes maps indicating service type and average speed of available broadband and mobile telecommunications services within VT by census block as of June 30, 2015</li> </ul>
<b>21</b>	<b>VTA Dormancy</b>	<ul style="list-style-type: none"> <li>• On July 1, 2015, Division for Connectivity becomes successor in interest to and continuation of VTA</li> <li>• VTA ceases operations and does not resume duties unless directed to do so by enactment of the General Assembly; or by order of the JFC, if circumstances change during interim, and bonding seems like most effective means of telecom deployment</li> </ul>
<b>22</b>	<b>CPG Applications – Conform with State Telecom Plan</b>	<ul style="list-style-type: none"> <li>• Applications to operate business in Vermont must conform with State Telecom Plan, if applicable</li> </ul>
<b>23</b>	<b>CPGs for Cable Companies</b>	<ul style="list-style-type: none"> <li>• CPG Applications must conform with State Telecom Plan</li> <li>• Applies to all certificates that expire or new applications filed after 2014 (Telecom Plan expected to be completed in 2014)</li> </ul>
<b>24</b>	<b>Disclosure of Retransmission Fees</b>	<ul style="list-style-type: none"> <li>• A retransmission consent agreement entered into between a cable company and a commercial broadcasting station shall not include terms prohibiting the cable company from disclosing to its subscribers any fees incurred for program content retransmitted on the cable network</li> </ul>
<b>25</b>	<b>State Rev and Leg. Intent</b>	<ul style="list-style-type: none"> <li>• Delete references to “by the end of the year 2013” in 30 V.S.A. chapter 91 (VTA statutes)</li> <li>• Replace Secretary of Administration with Director for Connectivity with respect to leasing of State land for telecom infrastructure (process remains the same)</li> <li>• Clarify that duties of new Division are not operable until the Division is established</li> </ul>

<b>26</b>	<b>Effective Dates</b>	<ul style="list-style-type: none"><li>• <b>Act takes effect on passage, except sections pertaining to the new Division for Connectivity take effect on July 1, 2015</b></li></ul>