




1 **Shading Code for this Draft Committee Amendment**

2  **Blue** – Committee Amendments

3  **Yellow** – Proposed Amendments regarding, primarily,
4 Telecommunications and Connectivity Board, to be considered by
5 Committee

6  **Green** – TBD by Committee

7  **Pink** – February 20, 2015 Committee recommendations for further
8 consideration

9

10 TO THE HOUSE OF REPRESENTATIVES:

11 The Committee on Commerce & Economic Development to which was
12 referred House Bill No. 117 entitled “An act relating to creating a Division for
13 Telecommunications and Connectivity within the Department of Public
14 Service” respectfully reports that it has considered the same and recommends
15 that the bill be amended by striking out all after the enacting clause and
16 inserting in lieu thereof the following:

17 Sec. 1. REPEAL

18 3 V.S.A. § 2225 (creating the Division for Connectivity within the Agency
19 of Administration) and 2014 Acts and Resolves No. 190, Secs. 12 (Division
20 for Connectivity), 14 (creation of positions; transfer; reemployment rights).

1 and 30(a)(2) and (b) (statutory revision authority regarding the Division for
2 Connectivity) are repealed.

3 Sec. 2. 30 V.S.A. § 1 is amended to read:

4 § 1. COMPOSITION OF DEPARTMENT

5 (a) The ~~department of public service~~ Department of Public Service shall
6 consist of the ~~commissioner of public service, a director for regulated utility~~
7 ~~planning, a director for public advocacy, a director for energy efficiency,~~
8 Commissioner of Public Service, a Director for Regulated Utility Planning,
9 a Director for Public Advocacy, a Director for Energy Efficiency, a Director
10 for Telecommunications and Connectivity, and such other persons as the
11 ~~commissioner~~ Commissioner considers necessary to conduct the business of
12 the ~~department~~ Department.

13 (b) The ~~commissioner of public service~~ Commissioner shall be appointed
14 by the ~~governor~~ Governor with the advice and consent of the ~~senate~~ Senate.
15 The ~~commissioner of public service~~ Commissioner shall serve for a term of
16 two years beginning on February 1 of the year in which the appointment is
17 made. The ~~commissioner~~ Commissioner shall serve at the pleasure of the
18 ~~governor~~ Governor. The ~~directors for regulated utility planning, for energy~~
19 ~~efficiency and for public advocacy~~ Directors for Regulated Utility Planning,
20 for Public Advocacy, and for Energy Efficiency shall be appointed by the
21 ~~commissioner~~ Commissioner. The Director for Telecommunications and

1 Connectivity shall be appointed by the Commissioner in consultation with the
2 Secretary of Administration.

3 (c) The ~~director for public advocaey~~ Directors for Public Advocacy and for
4 Telecommunications and Connectivity may employ, with the approval of the
5 ~~commissioner~~ Commissioner, legal counsel and other experts, and clerical
6 assistance, and the ~~directors of regulated utility planning and energy efficiency~~
7 Directors for Regulated Utility Planning and for Energy Efficiency may
8 employ, with the approval of the ~~commissioner~~ Commissioner, experts and
9 clerical assistance.

10 Sec. 3. 30 V.S.A. § 202d is amended to read:

11 § 202d. TELECOMMUNICATIONS PLAN

12 (a) The Department of Public Service shall constitute the responsible
13 planning agency of the State for the purpose of obtaining for all consumers in
14 the State stable and predictable rates and a technologically advanced
15 telecommunications network serving all service areas in the State. The
16 Department shall be responsible for the provision of plans for meeting
17 emerging trends related to telecommunications technology, markets, financing,
18 and competition.

19 (b) The Department shall prepare a Telecommunications Plan for the State.
20 The Department of Innovation and Information, ~~the Division for Connectivity~~
21 ~~and~~ the Agency of Commerce and Community Development, and the Agency

1 of Transportation shall assist the Department of ~~Public Service~~ in preparing the
2 Plan. The Plan shall be for a ten-year period and shall serve as a basis for State
3 telecommunications policy. Prior to preparing the Plan, the Department shall
4 prepare:

5 (1) an overview, looking ten years ahead, of future requirements for
6 telecommunications services, considering services needed for economic
7 development, technological advances, and other trends and factors which, as
8 determined by the Department of Public Service, will significantly affect State
9 telecommunications policy and programs;

10 (2) a survey of Vermont residents and businesses, conducted in
11 cooperation with the Agency of Commerce and Community Development ~~and~~
12 ~~the Division for Connectivity~~, to determine what telecommunications services
13 are needed now and in the succeeding ten years;

14 (3) an assessment of the current state of telecommunications
15 infrastructure;

16 (4) an assessment, conducted in cooperation with the Department of
17 Innovation and Information and the ~~Division for Connectivity~~ Agency of
18 Transportation, of the current State telecommunications system and evaluation
19 of alternative proposals for upgrading the system to provide the best available
20 and affordable technology for use by government; and

1 (5) an assessment of the state of telecommunications networks and
2 services in Vermont relative to other states, including price comparisons for
3 key services and comparisons of the state of technology deployment.

4 (c) In developing the Plan, the Department shall take into account the State
5 telecommunications policies and goals of section 202c of this title.

6 (d) In establishing plans, public hearings shall be held and the Department
7 shall consult with members of the public, representatives of
8 telecommunications utilities, other providers, including the Vermont Electric
9 Power Co., Inc. (VELCO), and other interested State agencies, particularly the
10 Agency of Commerce and Community Development, ~~the Division for~~
11 ~~Connectivity~~, the Agency of Transportation, and the Department of Innovation
12 and Information, whose views shall be considered in preparation of the Plan.

13 To the extent necessary, the Department shall include in the Plan surveys to
14 determine existing, needed, and desirable plant improvements and extensions,
15 access and coordination between telecommunications providers, methods of
16 operations, and any change that will produce better service or reduce costs. To
17 this end, the Department may require the submission of data by each company
18 subject to supervision by the Public Service Board.

19 (e) Before adopting a Plan, the Department shall conduct public hearings
20 on a final draft and shall consider the testimony presented at such hearings in
21 preparing the final Plan. At least one hearing shall be held jointly with

1 Committees of the General Assembly designated by the General Assembly for
2 this purpose. The Plan shall be adopted by September 1, 2014, and then
3 reviewed and updated as provided in subsection (f) of this section.

4 (f) The Department, from time to time, but in no event less than every three
5 years, institute proceedings to review a the Plan and make revisions, where
6 necessary. The three-year major review shall be made according to the
7 procedures established in this section for initial adoption of the Plan. For good
8 cause or upon request by a Joint Resolution passed by the General Assembly,
9 an interim review and revision of any section of the Plan may be made after
10 conducting public hearings on the interim revision. At least one hearing shall
11 be held jointly with Committees of the General Assembly designated by the
12 General Assembly for this purpose.

13 (g) The Department shall review and update the minimum technical service
14 characteristic objectives not less than every three years beginning in 2017. In
15 the event such review is conducted separately from an update of the Plan, the
16 Department shall issue revised minimum technical service characteristic
17 objectives as an amendment to the Plan.

18 Sec. 4. 30 V.S.A. § 202e is added to read:

19 § 202e. TELECOMMUNICATIONS AND CONNECTIVITY

1 (a) Among other powers and duties specified in this title, the Department of
2 Public Service, through the Division for Telecommunications and
3 Connectivity, shall promote:

4 (1) access to affordable broadband service to all residences and
5 businesses in all regions of the State, to be achieved in a manner that is
6 consistent with the State Telecommunications Plan;

7 (2) universal availability of mobile telecommunication services,
8 including voice and high-speed data along roadways, and near universal
9 availability statewide;

10 (3) investment in telecommunications infrastructure in the State that
11 creates or completes the network for service providers to create last-mile
12 connection to the home or business and supports the best available and
13 economically feasible service capabilities;

14 (4) the continuous upgrading of telecommunications and broadband
15 infrastructure in all areas of the State to reflect the rapid evolution in the
16 capabilities of available mobile telecommunications and broadband
17 technologies, the capabilities of mobile telecommunications and broadband
18 services needed by persons, businesses, and institutions in the State; and

19 (5) the most efficient use of both public and private resources through
20 State policies by encouraging the development of open access

1 telecommunications infrastructure that can be shared by multiple service
2 providers.

3 (b) To achieve the goals specified in subsection (a) of this section, the
4 Division shall:

5 (1) provide resources to local, regional, public, and private entities in the
6 form of grants, technical assistance, coordination, and other incentives;

7 (2) prioritize the use of existing buildings and structures, historic or
8 otherwise, as sites for visually-neutral placement of mobile
9 telecommunications and wireless broadband antenna facilities;

10 (3) inventory and assess the potential to use federal radio frequency
11 licenses held by instrumentalities of the State to enable broadband service in
12 unserved areas of the State; take steps to promote the use of those licensed
13 radio frequencies for that purpose; and recommend to the General Assembly
14 any further legislative measures with respect to ownership, management, and
15 use of these licenses as would promote the general good of the State;

16 (4) coordinate telecommunications initiatives among Executive Branch
17 agencies, departments, and offices;

18 (5) identify the types and locations of infrastructure and services needed
19 to carry out the goals stated in subsection (a) of this section;

20 (6) formulate, with the advice and assistance of the Telecommunications
21 and Connectivity Board, an action plan that conforms with the State

1 Telecommunications Plan and carries out the goals stated in subsection (a) of
2 this section, and is developed with input from a public stakeholder process;

3 (7) coordinate the agencies of the State to make public resources
4 available to support the extension of mobile telecommunications and
5 broadband infrastructure and services to all unserved and underserved areas;

6 (8) support and facilitate initiatives to extend the availability of mobile
7 telecommunications and broadband services, and promote development of the
8 infrastructure that enables the provision of these services;

9 (9) through the Department of Innovation and Information, aggregate
10 and broker access at reduced prices to services and facilities required to
11 provide wireless telecommunications and broadband services; and waive or
12 reduce State fees for access to State owned rights of way in exchange for
13 comparable value to the State, unless payment for use is otherwise required by
14 federal law work cooperatively with the Agency of Transportation to assist in
15 making available transportation rights of way for telecommunications projects
16 in conformity with applicable federal statutes and regulations; and

17 (10) receive all technical and administrative assistance as deemed
18 necessary by the Director for Telecommunications and Connectivity.

19 (c)(1) The Director may request from telecommunications service
20 providers voluntary disclosure of information regarding deployment of
21 broadband, telecommunications facilities, or advanced metering infrastructure

1 that is not publicly funded. Such information may include data identifying
2 projected coverage areas, projected average speed of service, service type, and
3 the anticipated date of completion in addition to identifying the location and
4 routes of proposed cables, wires, and telecommunications facilities.

5 (2) The Director may enter into a nondisclosure agreement with respect
6 to any voluntary disclosures under this subsection, and the information
7 disclosed pursuant thereto shall remain confidential. Alternatively, entities that
8 voluntarily provide information requested under this subsection may select a
9 third party to be the recipient of such information. The third party may
10 aggregate information provided by the entities, but shall not disclose
11 provider-specific information it has received under this subsection to any
12 person, including the Director. The third party shall only disclose the
13 aggregated information to the Director. The Director may publicly disclose
14 aggregated information based upon the information provided under this
15 subsection. The confidentiality requirements of this subsection shall not affect
16 whether information provided to any agency of the State or a political
17 subdivision of the State pursuant to other laws is or is not subject to disclosure.

18 (d) The Division shall only promote the expansion of broadband services
19 that offer actual speeds that meet or exceed the minimum technical service
20 characteristic objectives contained in the State's Telecommunications Plan.

1 (e) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year,
2 the Director, with the advice and assistance of the Telecommunications and
3 Connectivity Board, shall submit a report of its activities for the preceding
4 fiscal year to the General Assembly. Each report shall include an operating
5 and financial statement covering the Division’s operations during the year,
6 including a summary of all grant awards and contracts and agreements entered
7 into by the Division, as well as the action plan required under subdivision
8 (b)(6) of this section. In addition, the report shall include an accurate map and
9 narrative description of each of the following:

10 (1) the areas served and the areas not served by wireless
11 communications service, and cost estimates for providing such service to
12 unserved areas;

13 (2) the areas served and the areas not served by broadband that has a
14 download speed of at least 0.768 4 Mbps and an upload speed of at least 0.2
15 1 Mbps, and cost estimates for providing such service to unserved areas;

16 (3) the areas served and the areas not served by broadband that has a
17 combined download and upload speed of at least 5 Mbps download speed of at
18 least 10 Mbps and an upload speed of at least 1 Mbps, and the costs for
19 providing such service to unserved areas; and

1 (4) the areas served and the areas not served by broadband that has a
2 download speed of at least 100 Mbps and is symmetrical, and the costs for
3 providing such service to unserved areas.

4 Sec. 5. 30 V.S.A. § 202f is added to read:

5 § 202f. TELECOMMUNICATIONS AND CONNECTIVITY OVERSIGHT

6 BOARD

7 (a) There is created a Telecommunications and Connectivity Board for the
8 purpose of making recommendations to the Commissioner of Public Service
9 regarding his or her telecommunications responsibilities and duties under this
10 title as provided in this section. The Board shall consist of 11 members, nine
11 voting and two nonvoting, selected as follows:

12 (1) the State Treasurer or his or her designee;

13 (2) the Secretary of Administration or his or her designee;

14 (3) the Secretary of Commerce and Community Development or his or
15 her designee;

16 (4) one member of the House of Representatives appointed by the
17 Speaker of the House;

18 (5) one member of the Senate appointed by the Committee on
19 Committees of the Senate;

20 (6) four at-large members appointed by the Governor, who may not be
21 employees or officers of the State at the time of appointment. Two at large

1 members shall be selected by the Speaker of the House and two at large

2 members shall be selected by the Committee on Committees of the Senate.

3 (7) the Secretary of Transportation or his or her designee, who shall be a
4 nonvoting member; and

5 (8) a representative of the Vermont Electric Power Co., Inc. (VELCO),
6 who shall be a nonvoting member.

7 (b) A quorum of the Board shall consist of five members. No action of the
8 Board shall be considered valid unless the action is supported by a majority
9 vote of the members present and voting and then only if at least four members
10 vote in favor of the action. The Chair shall be elected by the members of the
11 Board from among the at-large members. The Governor shall select, from
12 among the at-large members, a Chair and vice chair, who may not be members
13 of the General Assembly or employees or officers of the State at the time of the
14 appointment.

15 (c) In making appointments of at-large and legislative members and the
16 Chair, the appointing authorities shall give consideration to citizens of the
17 State with knowledge of telecommunications technology, telecommunications
18 regulatory law, transportation rights-of-way and infrastructure, finance, and
19 environmental permitting. However, the legislative and four at-large-members
20 may not be persons with a financial interest in or owners or employees of an
21 enterprise that provides broadband or cellular service or that is seeking in-kind

1 or financial support from the Department of Public Service. The conflict of
2 interest provision in this subsection shall not be construed to disqualify a
3 member who has ownership in a mutual fund, exchange traded fund, pension
4 plan, or similar entity that owns shares in such enterprises as part of a broadly
5 diversified portfolio. In addition, at least one at-large member **two legislative**
6 **members** shall represent an area of Vermont determined by the Commissioner
7 to be unserved by broadband at the time of his or her appointment or
8 reappointment, and at least one at-large member **two legislative members** shall
9 represent an area of Vermont determined by the Commissioner to be unserved
10 by mobile telecommunications at the time of his or her appointment or
11 reappointment. The legislative and at-large members shall serve terms of two
12 years beginning February 1 in odd-numbered years, and until their successors
13 are appointed and qualified. However, three of the four at-large members first
14 appointed by the Governor **four of the seven legislative members** shall serve an
15 initial term of three years. Vacancies shall be filled by the respective
16 appointing bodies for the balance of the unexpired term. A member may be
17 reappointed for up to three consecutive terms. Upon completion of a term of
18 service for any reason, including the term's expiration or a member's
19 resignation, and for one year from the date of such completion, a former Board
20 member shall not advocate before the **Board or Department of Public Service**
21 on behalf of an enterprise that provides broadband or cellular service.

1 (d) Except for those members otherwise regularly employed by the State,
2 the compensation of the Board's members is that provided by 32 V.S.A.
3 § 1010(a). Legislative members are entitled to compensation for services and
4 reimbursement of expenses as provided in 2 V.S.A. § 406. All members of the
5 Board, including those members otherwise regularly employed by the State,
6 shall receive their actual and necessary expenses when away from home or
7 office upon their official duties.

8 (e) In performing its duties, the Board may use the legal and technical
9 resources of the Department of Public Service. The Department of Public
10 Service shall provide the Board with administrative services.

11 (f) The Board shall have review and non-binding approval authority with
12 respect to the awarding of grants under the Connectivity Initiative. The
13 Commissioner shall have sole authority to make the final decision on grant
14 awards, as provided in subsection (g) of this section. The Board shall function
15 in an advisory capacity to the Commissioner on the development of State
16 telecommunications policy and planning, including the 5-year strategic plan
17 and the State Telecommunications Plan.

18 (g) The Commissioner shall make an initial determination as to whether a
19 proposal submitted under the Connectivity Initiative is eligible for funding.
20 The Commissioner shall then provide the Board a list of all eligible providers,
21 and make recommendations to the Board as to which applications merit

1 funding. The Board shall review the recommendations of the Commissioner
2 and may review any eligible provider specific proposals, as it deems necessary,
3 and either approve or disapprove each recommendation and may make new
4 recommendations for the Commissioner’s final consideration. The
5 Commissioner shall have final decision-making authority with respect to the
6 awarding of grants under the Connectivity Initiative. Decisions of the Board
7 shall be administrative decisions not subject to the contested case hearing
8 requirements of 3 V.S.A. chapter 25. The Board’s decisions are final and not
9 subject to judicial review, or review by the Public Service Board.

10 (h) On September 15, 2015, and annually thereafter, the Commissioner
11 shall submit to the Board an accounting of monies in the Connectivity Fund
12 and anticipated revenue for the next year. Not later than January 1 of each
13 year, the Board shall recommend to the relevant legislative committees of
14 jurisdiction a plan for apportioning such funds to the High-Cost Program and
15 the Connectivity Initiative.

16 (i) The Chair shall call the first meeting of the Board. The Chair or a
17 majority of Board members may call a Board meeting. The Board may meet
18 up to six times a year.

19 (j) At least annually, the Board and the Commissioner or designee shall
20 jointly hold a public meeting to review and discuss the status of State
21 telecommunications policy and planning, the Telecommunications Plan, the

1 Connectivity Fund, the Connectivity Initiative, the High-Cost Program, and
2 any other matters they deem necessary to fulfill their obligations under this
3 section.

4 (k) Information and materials submitted by a telecommunications service
5 provider concerning confidential financial or proprietary information shall not
6 be subject to public disclosure under the Public Records Act, nor shall any
7 information that would identify a provider who has submitted a proposal under
8 the Connectivity Initiative be disclosed without the consent of the provider,
9 unless a grant award has been made to that provider. Nothing in this
10 subsection shall be construed to prohibit the publication of statistical
11 information, determinations, reports, opinions, or other information so long as
12 the data are disclosed in a form that cannot identify or be associated with a
13 particular telecommunications service provider.

14 Sec. 6. CREATION OF POSITIONS; TRANSFER OF VACANT
15 POSITIONS; REEMPLOYMENT RIGHTS

16 (a) Up to three additional exempt full-time positions are created within the
17 Division for Telecommunications and Connectivity, as deemed necessary by
18 the Secretary of Administration.

19 (b) The positions created under subsection (a) of this section shall only be
20 filled to the extent there are existing vacant positions in the Executive Branch
21 available to be transferred and converted to the new positions in the Division

1 for Telecommunications and Connectivity, as determined by the Secretary of
2 Administration and the Commissioner of Human Resources, so that the total
3 number of authorized positions in the State shall not be increased by this act.

4 (c) All full-time personnel of the Vermont Telecommunications Authority
5 employed by the Authority on the day immediately preceding the effective date
6 of this act who do not obtain a position in the Division for
7 Telecommunications and Connectivity pursuant to subsection (a) of this
8 section shall be entitled to the same reemployment or recall rights available to
9 nonmanagement State employees under the existing collective bargaining
10 agreement entered into between the State and the Vermont State Employees’
11 Association.

12 Sec. 7. 30 V.S.A. § 7503 is amended to read:

13 § 7503. FISCAL AGENT

14 (a) A fiscal agent shall be selected to receive and distribute funds under this
15 chapter.

16 (b) The fiscal agent shall be selected by the ~~Public Service Board~~
17 Commissioner of Public Service after competitive bidding. No
18 telecommunications service provider shall be eligible to be the fiscal agent.

19 The duties of the fiscal agent shall be determined by a contract with a term not
20 greater than three years.

1 (c) In order to finance grants and other expenditures that have been
2 approved by the Public Service Board, the fiscal agent may borrow money
3 from time to time in anticipation of receipts during the current fiscal year. No
4 such note shall have a term of repayment in excess of one year, but the fiscal
5 agent may pledge its receipts in the current and future years to secure
6 repayment. Financial obligations of the fiscal agent are not guaranteed by the
7 State of Vermont.

8 (d) The fiscal agent shall be audited annually by a certified public
9 accountant in a manner determined by and under the direction of the Public
10 Service Board.

11 (e) The financial accounts of the fiscal agent shall be available at
12 reasonable times to any telecommunications service provider in this State. The
13 Public Service Board may investigate the accounts and practices of the fiscal
14 agent and may enter orders concerning the same.

15 (f) The fiscal agent acts as a fiduciary and holds funds in trust for the
16 ratepayers until the funds have been disbursed as provided pursuant to ~~sections~~
17 ~~7511 through 7515~~ section 7511 of this chapter. [~~Delete 7515a.~~] [~~Increase~~
18 ~~surcharge from 2 to 4 percent.~~]

19 Sec. 8. 30 V.S.A. § 7516 is amended to read:

20 § 7516. CONNECTIVITY FUND

1 There is created a Connectivity Fund for the purpose of providing support
2 to the High-Cost Program established under section 7515 of this chapter and
3 the Connectivity Initiative established under section 7515b of this chapter.

4 The fiscal agent shall determine annually, on or before September 1, the
5 amount of monies available to the Connectivity Fund. Such funds shall be
6 apportioned ~~equally as follows: 30 percent to the High-Cost Program and 70~~
7 ~~percent to~~ the Connectivity Initiative ~~referenced in this section.~~

8 Sec. 9. 30 V.S.A. § 7515 is amended to read:

9 § 7515. HIGH-COST PROGRAM

10 (a) The Universal Service Charge shall be used as a means of keeping basic
11 telecommunications service affordable in all parts of this State, thereby
12 maintaining universal service, and as a means of supporting access to
13 broadband service in all parts of the State.

14 (b) The Public Service Board, after review of a petition of a company
15 holding a certificate of public good to provide telecommunications service in
16 Vermont, and upon finding that the company meets all requirements for
17 designation as an “eligible telecommunications carrier” as defined by the FCC,
18 may designate the company as a Vermont-eligible telecommunications carrier
19 (VETC).

20 (c) The ~~supported services~~ a designated VETC must provide are voice
21 telephony services, ~~as defined by the FCC,~~ and broadband Internet access,

1 directly or through an affiliate. A VETC receiving support under this section
2 shall use that support for capital improvements in high cost areas, as defined in
3 subsection (f) of this section, to build broadband capable networks.

4 (d) The Board may designate multiple VETCs for a single high cost area,
5 but each designated VETC shall:

6 (1) offer **supported services** to customers at all locations throughout the
7 ~~service~~ high cost area or areas for which it has been designated; and

8 (2) for its voice telephone services, meet service quality standards set by
9 the Board.

10 (e) A VETC shall receive support as defined in subsection (i) of this
11 section from the fiscal agent of the Vermont Universal Service Fund for each
12 telecommunications line in service or service location, whichever is greater in
13 number, in each high cost area it services. Such support may be made in the
14 form of a net payment against the carrier's liability to the Fund. If multiple
15 VETCs are designated for a single area, then each VETC shall receive support
16 for each line it has in service.

17 (f) As used in this section, a Vermont telephone exchange is a "high cost
18 area" if the exchange is served by a rural telephone company, as defined by
19 federal law, or if the exchange is designated as a rural exchange in the
20 wholesale tariff of a regional bell operating company (RBOC), as defined by
21 the FCC, or of a successor company to an RBOC. An exchange is not a high

1 cost area if the Public Service Board finds that the supported services are
2 available to all locations throughout the exchange from at least two service
3 providers.

4 (g) Except as provided in subsection (h) of this section, a VETC shall
5 provide broadband Internet access at speeds meeting 4 Mbps download and
6 1 Mbps upload in each high cost area it serves within five years of designation.
7 A VETC need not provide broadband service to a location that has service
8 available from another service provider, as determined by the Department of
9 Public Service.

10 (h) The Public Service Board may modify the build out requirements of
11 subsection (d) of this section as it relates to broadband Internet access to be the
12 geographic area that could be reached using one-half of the funds to be
13 received over five years. A VETC may seek such waiver of the build out
14 requirements ~~in subsection (e)~~ within one year of designation and shall
15 demonstrate the cost of meeting broadband Internet access requirements on an
16 exchange basis and propose an alternative build out plan.

17 (i) The amount of the monthly support under this section shall be the pro
18 rata share of available funds ~~as provided in subsection (e) of this section~~ based
19 on the total number of incumbent local exchange carriers in the State and
20 reflecting each carrier's lines in service or service locations in its high-cost
21 area or areas, as determined under subsection (e) of this section. If an

1 incumbent local exchange carrier does not petition the Board for VETC
2 designation, or is found ineligible by the Board, the share of funds it otherwise
3 would have received under this section shall be used to support the
4 Connectivity Initiative established in section 7515b of this chapter.

5 (j) The Public Service Board shall adopt by rule standards and procedures
6 for ensuring projects funded under this section are not competitive overbuilds
7 of existing wired telecommunications services.

8 (k) Each VETC shall submit certification that it is meeting the
9 requirements of this section and an accounting of how it expended the funds
10 received under this section in the previous calendar year, with its annual report
11 to the Department of Public Service. For good cause shown, the Public
12 Service Board may investigate submissions required by this subsection and
13 may revoke a company's designation if it finds that the company is not
14 meeting the requirements of this subsection.

15 Sec. 10. 30 V.S.A. § 7515b is amended to read:

16 § 7515b. CONNECTIVITY INITIATIVE

17 (a) The purpose of the Connectivity Initiative is to provide each service
18 location in Vermont access to Internet service that is capable of speeds of at
19 least 4 Mbps download and 1 Mbps upload, or the FCC speed requirements
20 established under Connect America Fund Phase II, whichever is higher,
21 beginning with locations not served as of December 31, 2013 according to the

1 minimum technical service characteristic objectives applicable at that time.
2 Within this category of service locations, priority shall be given first to
3 unserved and then to underserved locations. As used in this section,
4 “unserved” means a location having access to only satellite or dial-up Internet
5 service and “underserved” means a location having access to Internet service
6 with speeds that exceed satellite and dial-up speeds but are less than 4 Mbps
7 download and 1 Mbps upload. Any new services funded in whole or in part by
8 monies ~~in this Fund~~ from this Initiative shall be capable of being continuously
9 upgraded to reflect the best available, most economically feasible service
10 capabilities.

11 (b) The Department of Public Service shall publish annually a list of census
12 blocks eligible for funding based on the Department’s most recent broadband
13 mapping data. The Department annually shall solicit proposals from service
14 providers, ~~the Vermont Telecommunications Authority, and the Division for~~
15 ~~Connectivity~~ to deploy broadband to eligible census blocks. The Department
16 shall give priority to proposals that reflect the lowest cost of providing services
17 to unserved and underserved locations; however, the Department also shall
18 consider:

19 (1) the proposed data transfer rates and other data transmission
20 characteristics of services that would be available to consumers;

21 (2) the price to consumers of services;

1 (3) the proposed cost to consumers of any new construction, equipment
2 installation service, or facility required to obtain service;

3 (4) whether the proposal would use the best available technology that is
4 economically feasible;

5 (5) the availability of service of comparable quality and speed; and

6 (6) the objectives of the State’s Telecommunications Plan.

7 Sec. 11. EFFECTIVE DATE

8 This act shall take effect on July 1, 2015.

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16 (Committee vote: _____)

17

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Representative _____

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FOR THE COMMITTEE