

**House Commerce Committee**  
**H.117**

**Vermont Independent Telephone Companies**  
**Proposed Amendments and Responses**  
**to Amendments Proposed by Others**

**PROPOSED AMENDMENTS**

The Vermont Independent Telephone Companies respectfully request the following four amendments to H.117.

**Amendment #1. Strike out Section 8 of the bill.**

Section 8 of the bill would amend 30 V.S.A. § 7516 by changing the current 50/50 allocation between the High-Cost Program and the Connectivity Initiative to a 70/30 allocation in favor of the Connectivity Initiative. Striking out Section 8 of the bill will leave 30 V.S.A. § 7516 as it currently exists, with an equal funding allocation between the two programs.

**Amendment #2. Retain and expand the fiduciary duties of the VUSF Fiscal Agent.**

Section 7 of H.117 is amended to read as follows, on Page 17, Lines 5-7:

§ 7503. FISCAL AGENT

\* \* \*

(f) The fiscal agent acts as a fiduciary and holds funds in trust for the ratepayers until the funds have been disbursed as provided pursuant to sections 7511 through ~~7515~~7516 of this chapter.

**Amendment #3. Restore prepaid-wireless funding to the VUSF.**

Delete 30 V.S.A. § 7511(a)(6) and repeal 30 V.S.A. § 7515a. These changes will restore prepaid wireless surcharges to the VUSF and keep the VUSF intact by eliminating the statutory mechanisms that allow VUSF funds to be shifted into the General Fund.

H.117 is amended by inserting new Section 11 and Section 12, as follows:

Sec. 11. 30 V.S.A. § 7511(a) is amended as follows:

§ 7511. Distribution generally

(a) As directed by the Public Service Board, funds collected by the fiscal agent, and interest accruing thereon, shall be distributed as follows:

- (1) to pay costs payable to the fiscal agent under its contract with the Board;
- (2) to support the Vermont telecommunications relay service in the manner provided by section 7512 of this title;
- (3) to support the Vermont Lifeline program in the manner provided by section 7513 of this title;
- (4) to support Enhanced-911 services in the manner provided by section 7514 of this title;
- (5) to support the Connectivity Fund established in section 7516 of this chapter; and
- ~~(6) to support the cost of Executive Branch activities as specified under section 7515a of this title.~~

Sec. 12. 30 V.S.A. § 7515a is repealed as follows:

~~§ 7515a. Additional program support~~

~~The fiscal agent may make distributions to the State Treasurer to fund Executive Branch activities related to and supportive of the programs funded under this chapter, as determined by the General Assembly.~~

**Amendment #4: Increase the VUSF surcharge to 4%.**

H.117 is amended by inserting a new Section 12, as follows:

Sec. 12. 30 V.S.A. § 7523(a) is amended to read:

§ 7523. RATE OF CHARGE

(a) Beginning on July 1, ~~2014~~2015, the rate of charge shall be ~~two~~four percent of retail telecommunications service.

**RESPONSES TO OTHER PROPOSED AMENDMENTS**

- The Vermont Independents **OPPOSE** the amendment proposed by the Department of Public Service to amend Section 9 of the bill, on Page 18 Line 10, by deleting the phrase “as defined by the FCC”. This phrase presently modifies “voice telephony services” and establishes an important standard for voice service that is the same for both the Vermont High Cost Fund and the federal High Cost fund. Deleting this language, as the Department proposes, would eliminate a fundamental requirement for those seeking state-funded support to offer voice service in the State of Vermont. The Vermont Independents would retain the language on Page 18 Line 10 as written.

- The Vermont Independents **OPPOSE** the amendment proposed by Comcast to delete the phrase “supported services” in the bill. The purpose of the High Cost Fund is to provide state support to carriers in exchange for providing two specific services: voice telephony at defined standards and broadband service at defined standards. Comcast’s amendments seek to weaken the relationship between the support that is given and the services that are provided. The bill needs to keep this relationship strong by retaining the phrase “supported services” as-written in the bill.