

1 TO THE HOUSE OF REPRESENTATIVES:

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

8 Sec. 1. REPEAL

9 3 V.S.A. § 2225 (creating the Division for Connectivity within the Agency
10 of Administration) and 2014 Acts and Resolves No. 190, Secs. 12 (Division
11 for Connectivity), 14 (creation of positions; transfer; reemployment rights),
12 and 30(a)(2) and (b) (statutory revision authority regarding the Division for
13 Connectivity) are repealed.

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

15 § 1. COMPOSITION OF DEPARTMENT

16 (a) The ~~department of public service~~ Department of Public Service shall
17 consist of the ~~commissioner of public service, a director for regulated utility~~
18 ~~planning, a director for public advocacy, a director for energy efficiency,~~
19 Commissioner of Public Service, a Director for Regulated Utility Planning,
20 a Director for Public Advocacy, a Director for Energy Efficiency, a Director
21 for Telecommunications and Connectivity, and such other persons as the

1 ~~commissioner~~ Commissioner considers necessary to conduct the business of
2 the ~~department~~ Department.

3 (b) The ~~commissioner of public service~~ Commissioner shall be appointed
4 by the ~~governor~~ Governor with the advice and consent of the ~~senate~~ Senate.

5 The ~~commissioner of public service~~ Commissioner shall serve for a term of
6 two years beginning on February 1 of the year in which the appointment is

7 made. The ~~commissioner~~ Commissioner shall serve at the pleasure of the

8 ~~governor~~ Governor. The ~~directors for regulated utility planning, for energy~~

9 ~~efficiency and for public advocacy~~ Directors for Regulated Utility Planning,

10 for Public Advocacy, and for Energy Efficiency shall be appointed by the

11 ~~commissioner~~ Commissioner. The Director for Telecommunications and

12 Connectivity shall be appointed by the Commissioner in consultation with the

13 Secretary of Administration.

14 (c) The ~~director for public advocacy~~ Directors for Public Advocacy and for
15 Telecommunications and Connectivity may employ, with the approval of the

16 ~~commissioner~~ Commissioner, legal counsel and other experts, and clerical

17 assistance, and the ~~directors of regulated utility planning and energy efficiency~~

18 Directors for Regulated Utility Planning and for Energy Efficiency may

19 employ, with the approval of the ~~commissioner~~ Commissioner, experts and

20 clerical assistance.

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

1 § 202d. TELECOMMUNICATIONS PLAN

2 (a) The Department of Public Service shall constitute the responsible
3 planning agency of the State for the purpose of obtaining for all consumers in
4 the State stable and predictable rates and a technologically advanced
5 telecommunications network serving all service areas in the State. The
6 Department shall be responsible for the provision of plans for meeting
7 emerging trends related to telecommunications technology, markets, financing,
8 and competition.

9 (b) The Department shall prepare a Telecommunications Plan for the State.
10 The Department of Innovation and Information, ~~the Division for Connectivity~~
11 ~~and the Agency of Commerce and Community Development, and the Agency~~
12 ~~of Transportation~~ shall assist the Department of Public Service in preparing the
13 Plan. The Plan shall be for a ten-year period and shall serve as a basis for State
14 telecommunications policy. Prior to preparing the Plan, the Department shall
15 prepare:

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

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

5 (3) an assessment of the current state of telecommunications
6 infrastructure;

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

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

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

17 (d) In establishing plans, public hearings shall be held and the Department
18 shall consult with members of the public, representatives of
19 telecommunications utilities with a certificate of public good, other providers,
20 including the Vermont Electric Power Co., Inc. (VELCO), and other interested
21 State agencies, particularly the Agency of Commerce and Community

1 Development, ~~the Division for Connectivity,~~ the Agency of Transportation,
2 and the Department of Innovation and Information, whose views shall be
3 considered in preparation of the Plan. To the extent necessary, the Department
4 shall include in the Plan surveys to determine existing, needed, and desirable
5 plant improvements and extensions, access and coordination between
6 telecommunications providers, methods of operations, and any change that will
7 produce better service or reduce costs. To this end, the Department may
8 require the submission of data by each company subject to supervision by the
9 Public Service Board.

10 (e) Before adopting a Plan, the Department shall conduct public hearings
11 on a final draft and shall consider the testimony presented at such hearings in
12 preparing the final Plan. At least one hearing shall be held jointly with
13 Committees of the General Assembly designated by the General Assembly for
14 this purpose. The Plan shall be adopted by September 1, 2014, and then
15 reviewed and updated as provided in subsection (f) of this section.

16 (f) The Department, from time to time, but in no event less than every three
17 years, shall institute proceedings to review ~~a~~ the Plan and make revisions,
18 where necessary. The three-year major review shall be made according to the
19 procedures established in this section for initial adoption of the Plan. For good
20 cause or upon request by a Joint Resolution passed by the General Assembly,
21 an interim review and revision of any section of the Plan may be made after

1 conducting public hearings on the interim revision. At least one hearing shall
2 be held jointly with Committees of the General Assembly designated by the
3 General Assembly for this purpose.

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

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

10 § 202e. TELECOMMUNICATIONS AND CONNECTIVITY

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

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

17 (2) universal availability of mobile telecommunication services,
18 including voice and high-speed data along roadways, and near universal
19 availability statewide;

20 (3) investment in telecommunications infrastructure in the State that
21 creates or completes the network for service providers to create last-mile

1 connection to the home or business and supports the best available and
2 economically feasible service capabilities;

3 (4) the continuous upgrading of telecommunications and broadband
4 infrastructure in all areas of the State to reflect the rapid evolution in the
5 capabilities of available broadband and mobile telecommunications
6 technologies, the capabilities of broadband and mobile telecommunications
7 services needed by persons, businesses, and institutions in the State; and

8 (5) the most efficient use of both public and private resources through
9 State policies by encouraging the development, funding, and implementation
10 of open access telecommunications infrastructure.

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

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

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

18 (3) inventory and assess the potential to use federal radio frequency
19 licenses held by instrumentalities of the State to enable broadband service in
20 unserved areas of the State; take steps to promote the use of those licensed
21 radio frequencies for that purpose; and recommend to the General Assembly

1 any further legislative measures with respect to ownership, management, and
2 use of these licenses as would promote the general good of the State;

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

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

7 (6) formulate, with the advice and assistance of the Telecommunications
8 and Connectivity Board and with input from the Regional Planning
9 Commissions, an action plan that conforms with the State Telecommunications
10 Plan, as updated and revised, and carries out the goals stated in subsection (a)
11 of this section;

12 (7) coordinate the agencies of the State to make public resources
13 available to support the extension of broadband and mobile
14 telecommunications infrastructure and services to all unserved and
15 underserved areas;

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

19 (9) work cooperatively with the Agency of Transportation and the
20 Department of Buildings and General Services to assist in making available
21 transportation rights-of-way and other State facilities and infrastructure for

1 telecommunications projects in conformity with applicable federal statutes and
2 regulations; and

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

5 (c)(1) The Director may request from telecommunications service
6 providers voluntary disclosure of information regarding deployment of
7 broadband, telecommunications facilities, or advanced metering infrastructure
8 that is not publicly funded. Such information may include data identifying
9 projected coverage areas, projected average speed of service, service type, and
10 the anticipated date of completion in addition to identifying the location and
11 routes of proposed cables, wires, and telecommunications facilities.

12 (2) The Director may enter into a nondisclosure agreement with respect
13 to any voluntary disclosures under this subsection, and the information
14 disclosed pursuant thereto shall remain confidential. Alternatively, entities that
15 voluntarily provide information requested under this subsection may select a
16 third party to be the recipient of such information. The third party may
17 aggregate information provided by the entities, but shall not disclose
18 provider-specific information it has received under this subsection to any
19 person, including the Director. The third party shall only disclose the
20 aggregated information to the Director. The Director may publicly disclose
21 aggregated information based upon the information provided under this

1 subsection. The confidentiality requirements of this subsection shall not affect
2 whether information provided to any agency of the State or a political
3 subdivision of the State pursuant to other laws is or is not subject to disclosure.

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

7 (e) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year,
8 the Director, with the advice and assistance of the Telecommunications and
9 Connectivity Board, shall submit a report of its activities pursuant to this
10 section and duties of title 30 V.S.A. subsection 202f (f) for the preceding fiscal
11 year to the General Assembly. Each report shall include an operating and
12 financial statement covering the Division’s operations during the year,
13 including a summary of all grant awards and contracts and agreements entered
14 into by the Division, as well as the action plan required under subdivision
15 (b)(6) of this section. In addition, the report shall include an accurate map and
16 narrative description of each of the following:

17 (1) the areas served and the areas not served by broadband that has a
18 download speed of at least 4 Mbps and an upload speed of at least 1 Mbps, and
19 cost estimates for providing such service to unserved areas;

20 (2) the areas served and the areas not served by broadband that has a
21 download speed of at least 25 Mbps and an upload speed of at least 3 Mbps, or

1 as defined by the FCC in its annual report to Congress required by section 706
2 of the Telecommunications Act of 1996, whichever is higher, and the cost
3 estimates for providing such service to unserved areas;

4 (3) the areas served and the areas not served by broadband that has a
5 download speed of at least 100 Mbps and is symmetrical, and the cost
6 estimates for providing such service to unserved areas; and

7 (4) if monetarily feasible, the areas served and the areas not served by
8 wireless communications service, and cost estimates for providing such service
9 to unserved areas

10
11 Sec. 5. 30 V.S.A. § 202f is added to read:

12 § 202f. TELECOMMUNICATIONS AND CONNECTIVITY BOARD

13 (a) There is created a Telecommunications and Connectivity Board for the
14 purpose of making recommendations to the Commissioner of Public Service
15 regarding his or her telecommunications responsibilities and duties as provided
16 in this section. The Connectivity Board shall consist of 10 members, nine
17 voting and one nonvoting, selected as follows:

18 (1) the State Treasurer or designee;

19 (2) the Secretary of Commerce and Community Development or
20 designee;

1 (3) one member of the House of Representatives appointed by the
2 Speaker of the House;

3 (4) one member of the Senate appointed by the Committee on
4 Committees of the Senate;

5 (5) five at-large members appointed by the Governor, who shall not be
6 employees or officers of the State at the time of appointment;

7 (6) the Secretary of Transportation or designee, who shall be a
8 nonvoting member; and

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

16 (c) In making appointments of at-large and legislative members, the
17 appointing authorities shall give consideration to citizens of the State with
18 knowledge of telecommunications technology, telecommunications regulatory
19 law, transportation rights-of-way and infrastructure, finance, environmental
20 permitting, and expertise regarding the delivery of telecommunications
21 services in rural, high-cost areas. However, the legislative and five at-large

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

19 (d) Except for those members otherwise regularly employed by the State,
20 the compensation of the Board's members is that provided by 32 V.S.A.
21 § 1010(a). Legislative members are entitled to compensation for services and

1 reimbursement of expenses as provided in 2 V.S.A. § 406. All members of the
2 Board, including those members otherwise regularly employed by the State,
3 shall receive their actual and necessary expenses when away from home or
4 office upon their official duties.

5 (e) In performing its duties, the Connectivity Board may use the legal and
6 technical resources of the Department of Public Service. The Department of
7 Public Service shall provide the Board with administrative services.

8 (f) The Connectivity Board shall:

9 (1) have review and nonbinding approval authority with respect to the
10 awarding of grants under the Connectivity Initiative. The Commissioner shall
11 have sole authority to make the final decision on grant awards, as provided in
12 subsection (g) of this section.

13 (2) function in an advisory capacity to the Commissioner on the
14 development of State telecommunications policy and planning, including the
15 action plan required under subdivision 202e(b)(6) of this chapter and the State
16 Telecommunications Plan.

17 (3) annually advise the Commissioner on the development of requests for
18 proposals under the Connectivity Initiative.

19 (4) annually provide the Commissioner with recommendations for the
20 apportionment of funds to the High- Cost Program and the Connectivity
21 Initiative.

1 (5) annually provide the Commissioner with recommendations on the
2 appropriate internet access speeds for publicly funded telecommunication and
3 connectivity projects.

4 (g) The Commissioner shall make an initial determination as to whether a
5 proposal submitted under the Connectivity Initiative meets the criteria of the
6 request for proposals. The Commissioner shall then provide the Connectivity
7 Board a list of all eligible proposals and recommendations. The Connectivity
8 Board shall review the recommendations of the Commissioner and may review
9 any proposal submitted, as it deems necessary, and either approve or
10 disapprove each recommendation and may make new recommendations for the
11 Commissioner’s final consideration. The Commissioner shall have final
12 decision-making authority with respect to the awarding of grants under the
13 Connectivity Initiative. If the Commissioner does not accept a
14 recommendation of the Board, he or she shall provide the Board with a written
15 explanation for such decision.

16 (h) On September 15, 2015, and annually thereafter, the Commissioner
17 shall submit to the Connectivity Board an accounting of monies in the
18 Connectivity Fund and anticipated revenue for the next year. On or before
19 January 1 of each year, the Commissioner, after consulting with the
20 Connectivity Board, shall recommend to the relevant legislative committees of

1 jurisdiction a plan for apportioning such funds to the High-Cost Program and
2 the Connectivity Initiative.

3 (i) The Chair shall call the first meeting of the Connectivity Board. The
4 Chair or a majority of Board members may call a Board meeting. The Board
5 may meet up to six times a year.

6 (j) At least annually, the Connectivity Board and the Commissioner or
7 designee shall jointly hold a public meeting to review and discuss the status of
8 State telecommunications policy and planning, the Telecommunications Plan,
9 the Connectivity Fund, the Connectivity Initiative, the High-Cost Program, and
10 any other matters they deem necessary to fulfill their obligations under this
11 section.

12 (k) Information and materials submitted by a telecommunications service
13 provider concerning confidential financial or proprietary information shall be
14 exempt from public inspection and copying under the Public Records Act, nor
15 shall any information that would identify a provider who has submitted a
16 proposal under the Connectivity Initiative be disclosed without the consent of
17 the provider, unless a grant award has been made to that provider. Nothing in
18 this subsection shall be construed to prohibit the publication of statistical
19 information, determinations, reports, opinions, or other information so long as
20 the data are disclosed in a form that cannot identify or be associated with a
21 particular telecommunications service provider.

1 Sec. 6. CREATION OF POSITIONS; TRANSFER OF VACANT
2 POSITIONS; REEMPLOYMENT RIGHTS; TRANSITIONAL
3 PROVISIONS

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

7 (b) The positions created under subsection (a) of this section shall only be
8 filled to the extent there are existing vacant positions in the Executive Branch
9 available to be transferred and converted to the new positions in the Division
10 for Telecommunications and Connectivity, as determined by the Secretary of
11 Administration and the Commissioner of Human Resources, so that the total
12 number of authorized positions in the State shall not be increased by this act.

13 (c) All full-time personnel of the Vermont Telecommunications Authority
14 employed by the Authority on the day immediately preceding the effective date
15 of this act who do not obtain a position in the Division for
16 Telecommunications and Connectivity pursuant to subsection (a) of this
17 section shall be entitled to the same reemployment or recall rights available to
18 nonmanagement State employees under the existing collective bargaining
19 agreement entered into between the State and the Vermont State Employees'
20 Association.

1 (d) The Department of Public Service shall assume possession and
2 responsibility for all assets and liabilities of the Vermont Telecommunications
3 Authority (VTA).

4 (e) The VTA shall not enter into any new contracts without the approval of
5 the Commissioner of Public Service.

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

7 § 7503. FISCAL AGENT

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

10 (b) The fiscal agent shall be selected by the ~~Public Service Board~~
11 Commissioner of Public Service after competitive bidding. No
12 telecommunications service provider shall be eligible to be the fiscal agent.
13 The duties of the fiscal agent shall be determined by a contract with a term not
14 greater than three years.

15 (c) In order to finance grants and other expenditures that have been
16 approved by the ~~Public Service Board~~ Commissioner of Public Service, the
17 fiscal agent may borrow money from time to time in anticipation of receipts
18 during the current fiscal year. No such note shall have a term of repayment in
19 excess of one year, but the fiscal agent may pledge its receipts in the current
20 and future years to secure repayment. Financial obligations of the fiscal agent
21 are not guaranteed by the State of Vermont.

1 (d) The fiscal agent shall be audited annually by a certified public
2 accountant in a manner determined by and under the direction of the ~~Public~~
3 ~~Service Board~~ Commissioner of Public Service.

4 (e) The financial accounts of the fiscal agent shall be available at
5 reasonable times to any telecommunications service provider in this State. The
6 ~~Public Service Board~~ Commissioner of Public Service may investigate the
7 accounts and practices of the fiscal agent and may enter orders concerning the
8 same.

9 (f) The fiscal agent acts as a fiduciary and holds funds in trust for the
10 ratepayers until the funds have been disbursed as provided pursuant to ~~sections~~
11 ~~7511 through 7515~~ section 7511 of this chapter.

12

13 Sec. 8. REPEAL

14 30 V.S.A. § 7515a (additional program support for Executive Branch
15 activities) is repealed.

16 Sec. 9. 30 V.S.A. § 7511 is amended to read:

17 § 7511. DISTRIBUTION GENERALLY

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

1 (1) to pay costs payable to the fiscal agent under its contract with the
2 ~~Board~~ Commissioner;

3 (2) to support the Vermont telecommunications relay service in the
4 manner provided by section 7512 of this title;

5 (3) to support the Vermont Lifeline program in the manner provided by
6 section 7513 of this title;

7 (4) to support Enhanced-911 services in the manner provided by section
8 7514 of this title; and

9 (5) to support the Connectivity Fund established in section 7516 ~~of this~~
10 ~~chapter; and~~ of this title; and

11 (6) Any personnel or administrative costs associated with the
12 Connectivity Initiative shall come from the Connectivity Fund as determined
13 by the Commissioner in consultation with the Connectivity Board.

14 (b) If insufficient funds exist to support all of the purposes contained in
15 subsection (a) of this section, the ~~Board~~ Commissioner shall conduct an
16 expedited proceeding to allocate the available funds, giving priority in the
17 order listed in subsection (a).

18 Sec. 10. 30 V.S.A. § 7516 is amended to read:

19 § 7516. CONNECTIVITY FUND

20 There is created a Connectivity Fund for the purpose of providing support
21 to the High-Cost Program established under section 7515 of this chapter and

1 the Connectivity Initiative established under section 7515b of this chapter.

2 The fiscal agent shall determine annually, on or before September 1, the
3 amount of monies available to the Connectivity Fund. Such funds shall be
4 apportioned ~~equally~~ **as follows: 45 percent** to the High-Cost Program and
5 **55 percent** to the Connectivity Initiative ~~referenced in this section~~.

6 Sec. 11. 30 V.S.A. § 7515 is amended to read:

7 § 7515. HIGH-COST PROGRAM

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

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

18 (c) The **supported** services a designated VETC must provide are voice
19 telephony services, **as defined by the FCC**, and broadband Internet access,
20 directly or through an affiliate. A VETC receiving support under this section

1 shall use that support for capital improvements in high cost areas, as defined in
2 subsection (f) of this section, to build broadband capable networks.

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

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

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

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

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

1 available to all locations throughout the exchange from at least two service
2 providers.

3 (g) Except as provided in subsection (h) of this section, a VETC shall
4 provide broadband Internet access at speeds no lower than 4 Mbps download
5 and 1 Mbps upload in each high cost area it serves within five years of
6 designation. A VETC need not provide broadband service to a location that
7 has service available from another service provider, as determined by the
8 Department of Public Service.

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

16 (i) The amount of the monthly support under this section shall be the pro
17 rata share of available funds ~~as provided in subsection (e) of this section~~ based
18 on the total number of incumbent local exchange carriers in the State and
19 reflecting each carrier's lines in service or service locations in its high-cost
20 area or areas, as determined under subsection (e) of this section. If an
21 incumbent local exchange carrier does not petition the Board for VETC

1 designation, or is found ineligible by the Board, the share of funds it otherwise
2 would have received under this section shall be used to support the
3 Connectivity Initiative established in section 7515b of this chapter.

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

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

14 Sec. 12. 30 V.S.A. § 7515b is amended to read:

15 § 7515b. CONNECTIVITY INITIATIVE

16 (a) The purpose of the Connectivity Initiative is to provide each service
17 location in Vermont access to Internet service that is capable of speeds of at
18 least ~~4~~ 10 Mbps download and 1 Mbps upload, or the FCC speed requirements
19 established under Connect America Fund Phase II, whichever is higher,
20 beginning with locations not served as of December 31, 2013 according to the
21 minimum technical service characteristic objectives applicable at that time.

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

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

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

20 (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. 13. 30 V.S.A. § 246(e) is added to read:

8 (e) Notwithstanding any contrary provisions of this section, the holder of a
9 certificate of public good for a constructed meteorological station may apply
10 under section 248a of this title or 10 V.S.A. chapter 151 to convert the station
11 to a wireless telecommunications facility, provided the application is filed at
12 least 90 days before the expiration of the certificate for the station. Any such
13 application shall constitute a new application to be reviewed under the facts
14 and circumstances as they exist at the time of the review.

15 Sec. 14. STATUTORY REVISION

16 In its statutory revision capacity under 2 V.S.A. § 424, the Office of
17 Legislative Council shall, where appropriate in 30 V.S.A. chapter 88:

18 (1) replace the words “Public Service Board” with the words
19 “Department of Public Service”;

20 (2) replace the word “Board” with the word “Commissioner”; and

1 (3) make other similar amendments necessary to effect the purposes of
2 this act.

3 Sec. 15. EFFECTIVE DATES

4 This act shall take effect on July 1, 2015, except that this section and
5 Secs. 6(e) (Commissioner approval of all Vermont Telecommunications
6 Contracts), 13 (conversion of a meteorological station to wireless
7 telecommunications facility), and 14 (statutory revision authority) shall take
8 effect on passage.

9

10

11

12 (Committee vote: _____)

13

14

Representative _____

15

FOR THE COMMITTEE