

H.117 As Passed the House

Section by Section Summary

Legislative Council – April 3, 2015

Last year in Act 190, a new Division for Connectivity was created in the Agency of Administration to become operational July 1, 2015, the same date on which the Vermont Telecommunications Authority (VTA) is set to enter dormant status.

Act 190, however, requested the Secretary of Administration to determine whether in fact the Agency of Administration was the appropriate State entity to “house” the new Division and, if not, recommend where it should go.

H.117 puts into bill form the Secretary’s recommendation; namely, that the new Division should be merged with the existing Division for Telecommunications within the Department of Public Service. The new Divisions would be called the Division for Telecommunications and Connectivity.

In addition to effectuating the transfer of the new Division from one State entity to another, this bill makes additional amendments to Vermont law, as explained below, section by section.

Sec. 1. Essentially, repeals provisions of Act 190 relevant to establishment of the new Division within Administration.

Sec. 2. Amends the composition of the Department of Public of Service (DPS) to replace the Director for Telecommunications, with a Director for Telecommunications and Connectivity.

Sec. 3. Concerns the Telecommunications Plan which is prepared by the Department of Public Service:

- It deletes now irrelevant references to the Division for Connectivity
- It requires the Agency of Transportation to assist DPS with preparation of the Plan
- It requires DPS to specifically consult with utilities that have a certificate of public good (CPG), VELCO, and the AOT in Plan preparation
- It specifies that the Plan shall undergo a major review not later than September 2017

Sec. 4. Establishes the purposes and powers of the Division for Telecommunications and Connectivity (DTC). It largely resembles the language in Act 190 regarding the Division for Connectivity, which incorporated many of the VTA goals and responsibilities

(administering a grant program, but no bonding authority), as well as the Agency of Administration telecommunications duties (action planning; deployment tracking; mapping). The speed requirements for mapping are upgraded to 4-1, 25-3, and 100 symmetrical.

Sec. 5. Establishes a Telecommunications and Connectivity Board. Its duties are as follows:

- review and advise the Commissioner on grant awards under the Connectivity Initiative
- advise the Commissioner on the development of State policy and planning, including the State action plan and the Telecommunications Plan
- advise the Commissioner on the development of RFPs under the Connectivity Initiative
- provide the Commissioner with recommendations for the apportionment of Connectivity Funds between the High-Cost Program and the Connectivity Initiative; and
- advise the Commissioner on recommendations for appropriate Internet access speeds for publicly-funded telecommunication and connectivity projects

Board membership is similar to the existing VTA Board, except it also includes the Secretary of Transportation as a nonvoting member. There are still 5 at large members appointed by the Governor and 2 legislative members that meet knowledge and expertise requirements and do not possess a conflict of interest

Sec. 6. Is very similar to the corresponding provision in Act 190; however, instead of authorizing up to six new exempt full-time positions, it only authorizes up to 3 new positions. It also transfers all assets and liabilities of the VTA to the DPS; and requires the Commissioner's approval of any new VTA contracts (effective on passage; VTA dormant July 1, 2015)

Sec. 7. Concerns the Vermont Universal Service Fund. This section replaces the Public Service Board (PSB) with DPS, as overseer of the fund.

Sec. 8. Repeals a provision added last year which allowed USF monies to support additional Executive Branch telecom-related activities.

Sec. 9. Concerns distribution of USF monies. Essentially, it adds a new provision that allows, for Fiscal year 2016 only, the personnel and administrative costs associated with the Connectivity Initiative to come from the Fund, as determined by the Commissioner in consultation with the Connectivity Board.

Sec. 9a. Concerns funding for Connectivity personnel beyond FY 2016. It requires the Commissioner, by January 15 2016, to determine whether revenue from existing gross receipts tax on public service companies would cover Connectivity personnel and administrative costs beginning in FY 17. If not, Commissioner shall recommend to General Assembly a new rate of tax.

Sec. 10. Act 190 apportioned USF monies equally between the Connectivity Initiative and the High-Cost Program. The proposal here changes that. Instead 45 percent goes to the High-Cost Program and 55 percent goes to the Connectivity Initiative.

Sec. 11. Amends the High-Cost Program so that an incumbent local exchange carrier can only receive High-Cost support that is proportionate to the number of lines and locations it has in service, and any funds remaining at the end of the year are transferred to the Connectivity Initiative.

Sec. 12. Amends the Connectivity Initiative, which is a DPS grant program designed to promote broadband deployment, by updating the speed requirements for funding from 4-1, to 10-1 or the FCC speed requirements, whichever is higher.

Sec. 13. Allows a holder of a CPG for a meteorological station to convert the station to a wireless telecom facility under 30 V.S.A. § 248a, without having to tear down the met station first.

Sec. 14. Authorizes Legislative Council to make statutory revisions consistent with the proposals in this bill.

Sec. 15. The act is effective July 1, 2015, except that Secs. 6(e) (Commissioner approval of VTA contracts), 13 (conversion of a met station to a wireless telecom facility), and 14 (statutory revision authority), are effective on passage.