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H.513

Introduced by Committee on Energy and Technology

Date:

Subject: Telecommunications; Vermont Universal Service Fund;  
communications union districts; electric utilities; broadband grants  
and loans; municipal broadband deployment

Statement of purpose of bill as introduced: This bill proposes to establish  
measures designed to support broadband deployment in unserved and  
underserved areas in Vermont.

An act relating to broadband deployment throughout Vermont

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Legislative Findings \* \* \*

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Department of Public Service data indicates that seven percent of Vermont addresses do not have access to the most basic high-speed Internet access, which is 4 Mbps download and 1 Mbps upload. Nearly 20 percent of Vermont addresses lack access to modern Internet speeds of 10 Mbps download and 1 Mbps upload. The Federal Communications Commission

1 (FCC) defines broadband as a minimum of 25 Mbps download and 3 Mbps  
2 upload. Approximately 27 percent of Vermont addresses lack access to this  
3 level of service.

4 (2) As Vermont is a rural state with many geographically remote  
5 locations, broadband is essential for supporting economic and educational  
6 activities, strengthening health and public safety networks, and reinforcing  
7 freedom of expression and democratic, social, and civic engagement.

8 (3) The accessibility and quality of communications networks in  
9 Vermont, specifically broadband, is critical to our State's future.

10 (4) The FCC anticipates that a "light-touch" regulatory approach under  
11 Title I of the Communications Act of 1934, rather than "utility-style"  
12 regulation under Title II, will further advance the Congressional goals of  
13 promoting broadband deployment and infrastructure investment.

14 (5) The FCC's regulatory approach is unlikely to achieve the intended  
15 results in Vermont. The policy does little, if anything, to overcome the  
16 financial challenges of bringing broadband service to hard-to-reach locations  
17 with low population density. However, it may result in degraded broadband  
18 quality of service. The State has a compelling interest in preserving and  
19 protecting consumer access to high quality broadband service.

20 (6) Reaching the last mile will require a grassroots approach that is  
21 founded on input from and support of local communities, whose residents are

1 best situated to decide which broadband solution fits their needs. By  
2 developing a toolkit that encompasses numerous innovative approaches to  
3 achieving successful broadband buildout and by investing in programs and  
4 personnel that can provide local communities with much-needed resources and  
5 technical assistance, the State can facilitate and support community efforts to  
6 design and implement broadband solutions.

7 (7) Existing Internet service providers are not providing adequate  
8 service to many rural areas where fewer potential customers reduce the  
9 profitability necessary to justify system expansion.

10 (8) Multiple communities have attempted to implement their own  
11 unique solutions outside of traditional delivery methods but have been  
12 hampered by a lack of access to capital. Existing broadband grant programs  
13 do not offer the scale to solve this problem, and banks and investors typically  
14 shy away from start-up businesses with limited revenue history and little  
15 equity or collateral.

16 (9) Community broadband solutions may mean either partnering with a  
17 new business that must design and build a network or with an established  
18 Internet service provider, which is followed by a 12- to 24-month process of  
19 initial customer acquisition.

20 (10) A growing challenge is the isolation that may result from increased  
21 reliance on the Internet and online communities. In rural settings, the physical

1 and psychological draw into isolation is much greater simply as a result of  
2 limited chances for interaction with neighbors and community members. As  
3 we expand our access and reliance on the Internet, we need to be intentional in  
4 supporting our rural communities and town centers.

5 \* \* \* VUSF; Rate Increase; Connectivity Fund; Specialist \* \* \*

6 Sec. 2. 30 V.S.A. § 7523 is amended to read:

7 § 7523. RATE OF CHARGE

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

10 (b) Beginning on July 1, 2019, the rate of charge established under  
11 subsection (a) of this section shall be increased by one-half of one percent of  
12 retail telecommunications service, and the monies collected from this increase  
13 shall be transferred to the Connectivity Fund established under section 7516 of  
14 this title.

15 (c) Universal Service Charges imposed and collected by the fiscal agent  
16 under this subchapter shall not be transferred to any other fund or used to  
17 support the cost of any activity other than in the manner authorized by this  
18 section and section 7511 of this title.

19 Sec. 3. 30 V.S.A. § 7516 is amended to read:

20 § 7516. CONNECTIVITY FUND

1       (a) There is created a Connectivity Fund for the purpose of providing  
2 support to the High-Cost Program established under section 7515 of this  
3 chapter and the Connectivity Initiative established under section 7515b of this  
4 chapter. The fiscal agent shall determine annually, on or before September 1,  
5 the amount of monies available to the Connectivity Fund. Such funds shall be  
6 apportioned as follows: 45 percent to the High-Cost Program and 55 percent  
7 to the Connectivity Initiative.

8       (b) Of the money transferred to the Connectivity Fund pursuant to  
9 subsection 7523(b) of this title, up to \$120,000.00 shall be appropriated  
10 annually to the Department of Public Service to fund a Rural Broadband  
11 Technical Assistance Specialist whose duties shall include providing outreach,  
12 technical assistance, and other support services to communications union  
13 districts established pursuant to chapter 82 of this title and other units of  
14 government, nonprofit organizations, cooperatives, and for-profit businesses  
15 for the purpose of expanding broadband service to unserved and underserved  
16 locations. Support services also may include providing business model  
17 templates for various approaches, including formation of or partnership with a  
18 cooperative, a communications union district, a rural economic development  
19 infrastructure district, an electric utility, or a new or existing Internet service  
20 provider as operator of the network.



1 upload, or the FCC speed requirements established under Connect America  
2 Fund Phase II, whichever is higher, beginning with locations not served as of  
3 December 31, 2013 according to the minimum technical service characteristic  
4 objectives applicable at that time. Within this category of service locations,  
5 priority shall be given first to unserved and then to underserved locations. As  
6 used in this section, “unserved” means a location having access to only  
7 satellite or dial-up Internet service and “underserved” means a location having  
8 access to Internet service with speeds that exceed satellite and dial-up speeds  
9 but are less than 4 Mbps download and 1 Mbps upload. Any new services  
10 funded in whole or in part by monies from this Initiative shall be capable of  
11 being continuously upgraded to reflect the best available, most economically  
12 feasible service capabilities.

13 \* \* \*

14 \* \* \* VUSF; Prepaid Wireless; Point of Sale \* \* \*

15 Sec. 6. 30 V.S.A. § 7521(d) is amended to read:

16 ~~(d)(1) Notwithstanding any other provision of law to the contrary,~~  
17 ~~beginning on September 1, 2014, in the case of prepaid wireless~~  
18 ~~telecommunications service, the Universal Service Charge shall be imposed as~~  
19 ~~follows:~~

1           ~~(A) If the provider sells directly to a consumer in a retail transaction,~~  
2           ~~the provider may collect the Charge from the customer at the rate specified in~~  
3           ~~section 7523 of this title; or~~

4           ~~(B) if the provider does not sell directly to the consumer, or if the~~  
5           ~~provider sells directly to the customer in a retail transaction but elects not to~~  
6           ~~collect the Charge from the customer, the Charge shall be imposed on the~~  
7           ~~provider at the rate determined in subdivision (2) of this subsection (d).~~

8           ~~(2) The Public Utility Commission shall establish a formula to ensure~~  
9           ~~the Universal Service Charge rate imposed on prepaid wireless~~  
10           ~~telecommunications service providers under subdivision (1)(B) of this~~  
11           ~~subsection reflects two percent of retail prepaid wireless telecommunications~~  
12           ~~service in Vermont.~~

13           ~~(3) As used in this subsection, “prepaid wireless telecommunications~~  
14           ~~service” means a telecommunications service as defined in subdivision 203(5)~~  
15           ~~of this title that a consumer pays for in advance and that is sold in~~  
16           ~~predetermined units or dollars that decline with use. [Repealed.]~~

17           Sec. 7. 30 V.S.A. § 7521(e) is added to read:

18           (e)(1) Notwithstanding any other provision of law to the contrary,  
19           beginning on January 1, 2020, the Universal Service Charge shall be imposed  
20           on all retail sales of prepaid wireless telecommunications service subject to the  
21           sales and use tax imposed under 32 V.S.A. chapter 233. The charges shall be



1 collected by sellers and remitted to the Department of Taxes in the manner  
2 provided under 32 V.S.A. chapter 233. Upon receipt of the charges, the  
3 Department of Taxes shall have 30 days to remit the funds to the fiscal agent  
4 selected under section 7503 of this chapter. ~~The Commissioner of Taxes shall~~  
5 ~~establish registration and payment procedures applicable to the Universal~~  
6 ~~Service Charge imposed under this subsection consistent with the registration~~  
7 ~~and payment procedures that apply to the sales tax imposed on such services.~~

*The Commissioner of Taxes shall establish registration and payment*  
*procedures applicable to the Universal Service Charge imposed under this*  
*subsection consistent with the registration and payment procedures that apply*  
*to the sales tax imposed on such services and also consistent with the*  
*administrative provisions of 32 V.S.A. chapter 151, including any enforcement*  
*or collection action available for taxes owed pursuant to that chapter.*

8 (2) If a minimal amount of prepaid wireless telecommunications service  
9 is sold with a prepaid wireless device for a single, nonitemized price, then the  
10 seller may elect not to apply the Universal Service Charge to such transaction.

11 (3) As used in this subsection:

12 (A) “Minimal amount” means an amount of service denominated as  
13 not more than 10 minutes or not more than \$5.00.

14 (B) “Prepaid wireless telecommunications service” means a  
15 telecommunications service as defined in subdivision 203(5) of this title that a

1 consumer pays for in advance and that is sold in predetermined units or dollars  
2 that decline with use.

3 (C) “Seller” means a person who sells prepaid wireless  
4 telecommunications service to a consumer.

5 \* \* \* One-Time Transfer and Appropriation; Broadband Innovation Grant  
6 Program; Federal RUS Grants and Loans \* \* \*

7 Sec. 8. FISCAL YEAR 2019 ONE-TIME GENERAL FUND TRANSFER

8 (a) From the General Fund to the Connectivity Fund established pursuant  
9 to 30 V.S.A. § 7516: \$955,000.00 to be allocated as follows:

10 (1) \$700,000.00 to fund grants through the Broadband Innovation Grant  
11 Program established in Sec. 10 of this act.

12 (2) \$205,000.00 to fund grants through the Connectivity Initiative as  
13 provided in 30 V.S.A. § 7515b(b).

14 (3) \$50,000.00 to the Department of Public Service to assess the  
15 feasibility of providing broadband service using electric utility infrastructure,  
16 pursuant to Sec. 11 of this act.

17 (b) These monies shall not be subject to the distribution requirements of 30  
18 V.S.A. § 7511(a)(1)(A)–(D).

1       Sec. 9. FISCAL YEAR 2019 ONE-TIME GENERAL FUND

2                    APPROPRIATION

3           To the ThinkVermont Innovation Initiative established in 2018 Acts and  
4       Resolves No. 197, Sec. 2, \$45,000.00 is appropriated for the purpose of  
5       funding technical assistance grants to Vermont municipalities planning  
6       broadband projects.

7       Sec. 10. DEPARTMENT OF PUBLIC SERVICE; BROADBAND

8                    INNOVATION GRANT PROGRAM

9           (a) There is established the Broadband Innovation Grant Program to be  
10       administered by the Commissioner of Public Service. The purpose of the  
11       Program is to fund feasibility studies related to the deployment of broadband  
12       in rural unserved and underserved areas of Vermont. The following conditions  
13       shall apply to the Program:

14           (1) Grants shall be used to support studies that contemplate the  
15       provision of broadband service at speeds of at least 25 Mbps download and 3  
16       Mbps upload.

17           (2) Eligible grant applicants shall include communications union  
18       districts and other units of government, nonprofit organizations, cooperatives,  
19       and for-profit businesses.

20           (3) Grantees shall produce an actionable business plan for a potential  
21       broadband solution, which may include formation of or partnership with a

1 cooperative, communications union district, rural economic development  
2 infrastructure district, municipal communications plant, or utility. The  
3 business plan required by this subdivision shall include engineering and design  
4 plans, financing models, estimated construction costs, and ideal operational  
5 models.

6 (4) A grant award may not exceed \$60,000.00.

7 (5) Not more than 2.5 percent of a grant may be used for grant  
8 management.

9 (6) Not more than two electric distribution utilities shall be awarded a  
10 grant under the Program for the purpose of determining the market feasibility  
11 of providing broadband service using electric company infrastructure. Awards  
12 to distribution utilities shall be made pursuant to a competitive bidding process  
13 initiated not sooner than January 1, 2020, or upon submission of the report  
14 required by Sec. 11 of this act, whichever is sooner, and shall be consistent  
15 with the recommendations contained in that report.

16 (7) Studies funded through the Program shall conclude within six  
17 months of receipt of the award; distribution utility studies shall conclude  
18 within 12 months of receipt of the award.

19 (8) The Commissioner shall retain 50 percent of the grant award until he  
20 or she determines that the study has been completed consistent with the terms  
21 of the grant.

1           (9) Grant recipients shall report their findings and recommendations to  
2           the Commissioner of Public Service within 30 days following the completion  
3           of a study funded under the Program.

4           (b) To the extent such information is available, the Commissioner of Public  
5           Service shall aggregate the information submitted under subdivision (a)(9) of  
6           this section and shall report his or her findings and recommendations to the  
7           House Committee on Energy and Technology and the Senate Committee on  
8           Finance on or before January 15, 2020, and annually thereafter until all of the  
9           funds in the Program have been expended.

10       Sec. 11. STUDY; FEASIBILITY OF ELECTRIC COMPANIES OFFERING  
11                BROADBAND SERVICE IN VERMONT

12           (a) The Commissioner of Public Service shall study the feasibility of  
13           Vermont electric companies providing broadband service using electric  
14           distribution and transmission infrastructure. Among other things, a feasibility  
15           determination shall address potential advantages of serving utilities' internal  
16           data needs and expanding fiber for providing broadband service, the  
17           compatibility of broadband service with existing electric service, the financial  
18           investment necessary to undertake the provision of broadband service,  
19           identification of the unserved and underserved areas of the State where the  
20           provision of broadband service by an electric company appears feasible; the  
21           impact on electric rates, and the financial risk to electric companies. The

1 Commissioner also shall address any financial consequences and any technical  
2 or safety issues resulting from attaching communications facilities in the  
3 electric safety space as opposed to the communications space of distribution  
4 infrastructure.

5 (b) In performing the feasibility study required by this section, the  
6 Commissioner, in consultation with the Public Utility Commission, shall  
7 consider regulatory barriers to the provision of broadband service by electric  
8 companies, and shall develop legislative proposals to address those barriers. In  
9 addition, the Commissioner, in collaboration with electric company  
10 representatives, shall evaluate whether it is in the public interest and also in the  
11 interest of electric companies for electric companies to:

12 (1) make improvements to the distribution grid in furtherance of  
13 providing broadband service in conjunction with electric distribution grid  
14 transformation projects;

15 (2) operate a network using electric distribution and transmission  
16 infrastructure to provide broadband service at speeds of at least 25 Mbps  
17 download and 3 Mbps upload; and

18 (3) permit a communications union district or other unit of government,  
19 nonprofit organization, cooperative, or for-profit business to lease excess  
20 utility capacity to provide broadband service to unserved and underserved  
21 areas of the State.

1       (c) Any electric distribution or transmission company subject to the  
2       jurisdiction of the Public Utility Commission shall aid in the development of  
3       information and analysis as requested by the Commissioner to complete the  
4       report required by this section.

5       (d) The Commissioner shall report the feasibility findings and  
6       recommendations required by this section to the Senate Committee on Finance  
7       and to the House Committee on Energy and Technology on or before  
8       January 1, 2020.

9       Sec. 12. 30 V.S.A. § 3047 is amended to read:

10       § 3047. COST ALLOCATIONS; SUBSIDIZATION PROHIBITED

11       In carrying out the purposes of this chapter, the electric revenues received  
12       from regulated activities of a cooperative shall not subsidize any nonelectric  
13       activities of the cooperative. A cooperative shall adopt cost allocation  
14       procedures to ensure that the electrical distribution revenues received from  
15       regulated activities of a cooperative do not subsidize any of the nonelectric  
16       activities and that costs attributable to any nonelectric activities are not  
17       included in the cooperative's rates for electric service. A copy of the cost  
18       allocation procedures shall be available to the public upon request.

19       ~~Nonelectric activities of the cooperative shall not be financed by loans or~~  
20       ~~grants from the Rural Utilities Service of the U.S. Department of Agriculture~~  
21       ~~or any successor federal agency.~~

1           \* \* \* Municipalities; Communications Plants; Public-Private Partnership;

2                               Study of General Obligation Bonding Authority \* \* \*

3       Sec. 13. 24 V.S.A. § 1913 is amended to read:

4       § 1913. COMMUNICATIONS PLANT; OPERATION AND REGULATION

5           (a) A municipality shall operate its communications plant in accordance  
6       with the applicable State and federal law and regulation, and chapter 53 of this  
7       title, relating to municipal indebtedness, with regard to the financing,  
8       improvements, expansion, and disposal of the municipal communications plant  
9       and its operations. However, the powers conferred by such provisions of law  
10      shall be supplemental to, construed in harmony with, and not in restriction of,  
11      the powers conferred in this chapter.

12          (b) A municipality's operation of any communications plant shall be  
13      supported solely by the revenues derived from the operation of such  
14      communications plant, except that portion which is used for its own municipal  
15      purposes.

16          (c) A municipality may finance any capital improvement related to its  
17      operation of such communications plant for the benefit of the people of the  
18      municipality in accordance with the provisions of chapter 53 of this title,  
19      provided that revenue-backed bonds shall be paid from net revenues derived  
20      from the operation of the communications plant.



1 (d) Any restriction regarding the maximum outstanding debt that may be  
2 issued in the form of general obligation bonds shall not restrict the issuance of  
3 any bonds issued by a municipality and payable out of the net revenues from  
4 the operation of a public utility project under chapter 53, subchapter 2 of  
5 ~~chapter 53~~ of this title.

6 (e) To the extent that a municipality constructs communication  
7 infrastructure with the intent of providing communications services, whether  
8 wholesale or retail, the municipality shall ensure that any and all losses from  
9 these businesses, or in the event these businesses are abandoned or curtailed,  
10 any and all costs associated with the investment in communications  
11 infrastructure, are not borne by the municipality's taxpayers.

12 (f) Notwithstanding any other provision of law to the contrary, a  
13 municipality may enter into a public-private partnership for the purpose of  
14 exercising its authority under this subchapter regarding the provision of  
15 communications services and may contract with a private entity to own,  
16 operate, or manage a communications plant financed in whole or in part  
17 pursuant to this chapter and chapter 53, subchapter 2 of this title, provided the  
18 municipality first issues a request for proposals seeking an Internet service  
19 provider to serve unserved and underserved locations targeted by the issuing  
20 municipality. The terms of such a partnership shall specify that that the private

1 Internet service provider shall guarantee the bond and shall be responsible for  
2 debt service.

3 Sec. 14. RECOMMENDATION; GENERAL OBLIGATION

4 BONDS FOR MUNICIPAL COMMUNICATIONS PLANTS

The Secretary of Administration or designee, in collaboration with the State  
Treasurer or designee and the ~~Director of the Municipal Bond Bank~~ *Executive*  
*Director of the Vermont Municipal Bond Bank* or designee, shall investigate  
the use of general obligation bonds by a municipality to finance capital  
improvements related to the operation of a communications plant. On or  
before December 1, 2019, the Secretary shall report his or her findings and  
recommendations to the House Committee on Energy and Technology and the  
Senate Committee on Finance.

5 \* \* \* VEDA; Broadband Expansion Loan Program \* \* \*

6 Sec. 15. 10 V.S.A. chapter 12, subchapter 14 is added to read:

7 Subchapter 14. Broadband Expansion Loan Program

8 § 280ee. BROADBAND EXPANSION LOAN PROGRAM

9 (a) Creation. There is established within the Authority the Vermont  
10 Broadband Expansion Loan Program (the Program), the purpose of which is to  
11 enable the Authority to make loans that expand broadband service to unserved  
12 and underserved Vermonters.

1        (b) Intent. It is understood that loans under the Program may be high-risk  
2        loans to likely start-up businesses and therefore losses in the Program may be  
3        higher than the Authority's historical loss rate. Loans shall be underwritten by  
4        the Authority utilizing underwriting parameters that acknowledge the higher  
5        risk nature of these loans. The Authority shall not make a loan unless the  
6        Authority has a reasonable expectation of the long-term viability of the  
7        business.

(c)(1) Requirements. The ~~Program~~ Authority shall make loans for start-up  
and expansion that enable the Internet service providers to expand broadband  
availability in unserved and underserved locations.

(2) The Authority shall ~~adopt by rule standards~~ establish policies and  
procedures for the Program necessary to ensure the expansion of broadband  
availability to the largest number of Vermont addresses as possible. The ~~rules~~  
policies shall specify that:

8            (A) loans may be made in an amount of up to \$1,800,000.00;

9            (B) eligible borrowers include communications union districts and  
10          other units of government, nonprofit organizations, cooperatives, and for-profit  
11          businesses;

(C) ~~borrowers may borrow up to~~ a loan shall not exceed 90 percent  
of project costs;

12          (D) interest and principal may be deferred up to two years; and

1           (E) a maximum of \$10,800,000.00 in Authority loans may be made  
2           under the Program commencing on the effective date of this act.

3           (3) To ensure the limited funding available through the Program  
4           supports the highest-quality broadband available to the most Vermonters and  
5           prioritizes delivering services to the unserved and underserved, the Authority  
6           shall consult with the Department of Public Service to:

7           (A) ensure that the provider offers service at speeds of at least  
8           25 Mbps download and 3 Mbps upload to all customers;

9           (B) certify that at least 33 percent of the provider's potential  
10          customers have access to broadband at speeds that are less than 10 Mbps  
11          download and 1 Mbps upload; and

12          (C) certify that at least 10 percent of the potential customers of a  
13          provider have access to broadband at speeds that are less than 4 Mbps  
14          download and 1 Mbps upload.

*(d) On or before January 1, 2020, and annually thereafter, the*  
*Authority shall submit a report of its activities pursuant to this section to the*  
*Senate Committee on Finance and the House Committees on Commerce and*  
*Economic Development and on Energy and Technology. Each report shall*  
*include operating and financial statements for the two most recently concluded*  
*State fiscal years. In addition, each report shall include information on the*  
*Program portfolio, including the number of projects financed; the amount,*

terms, and repayment status of each loan; and a description of the broadband projects financed in whole or in part by the Program.

1     § 280ff. FUNDING

2           (a) The State Treasurer, in consultation with the Secretary of  
3           Administration, shall negotiate an agreement with the Authority incorporating  
4           the provisions of this section and consistent with the requirements of this  
5           subchapter.

6           ~~(b) Repayment from or appropriation to the Authority in years 2021 and~~  
7           ~~until the Program terminates is based on the Authority's contributions to loan~~  
8           ~~loss reserves for the Program in accordance with generally accepted~~  
9           ~~accounting principles.~~

10           (1) In fiscal year 2020, an appropriation in the amount of \$540,000.00  
11           shall be made to the Vermont Economic Development Authority to provide the  
12           Authority with estimated loan losses incurred by the Authority in calendar year  
13           2020. Any difference between the actual loan losses incurred by the Authority  
14           in fiscal year 2020 through Program termination shall be adjusted in the  
15           following year's appropriation.

16           (2) The Program shall terminate when all borrowers enrolled in the  
17           Program have repaid in full or loans have been charged-off against the reserves  
18           of the Authority.

1 ~~(3) Upon termination of the Program, any remaining funds held by the~~  
2 ~~Authority and not used for the Program shall be repaid to the State.~~

3 ~~(4) The accumulated total of the appropriation shall not exceed~~  
4 ~~\$8,500,000.00 over the life of the Program.~~

5 ~~(5) The Authority shall absorb its historical loan loss reserve rate before~~  
6 ~~any State funds are expended.~~

7 ~~(6) Additionally, the Authority shall absorb up to \$3,000,000.00 in~~  
8 ~~Program losses shared with the State on a pro rata basis.~~

*(b) Repayment from or appropriation to the Authority in years 2021 and until the Program terminates is based on the Authority's contributions to loan loss reserves for the Program in accordance with generally accepted accounting principles. Any difference between the actual loan losses incurred by the Authority in fiscal year 2020 through Program termination shall be adjusted in the following year's appropriation.*

*(1) The Program shall terminate when all borrowers enrolled in the Program have repaid in full or loans have been charged-off against the reserves of the Authority.*

*(2) Upon termination of the Program, any remaining funds held by the Authority and not used for the Program shall be repaid to the State.*

*(3) The accumulated total of the appropriation shall not exceed \$8,500,000.00 over the life of the Program.*

(4) The Authority shall absorb its historical loan loss reserve rate before any State funds are expended.

(5) Additionally, the Authority shall absorb up to \$3,000,000.00 in Program losses shared with the State on a pro rata basis.

1 Sec. 16. FISCAL YEAR 2019 ONE-TIME GENERAL FUND

2 APPROPRIATION

3 To the Vermont Economic Development Authority, \$540,000.00 is  
4 appropriated to serve as loan reserves to administer the Broadband Expansion  
5 Loan Program established in Sec.15 of this act.

6 Sec. 17. 10 V.S.A. § 219(d) is amended to read:

7 (d) In order to ensure the maintenance of the debt service reserve  
8 requirement in each debt service reserve fund established by the Authority,  
9 there may be appropriated annually and paid to the Authority for deposit in  
10 each such fund, such sum as shall be certified by the Chair of the Authority, to  
11 the Governor, the President of the Senate, and the Speaker of the House, as is  
12 necessary to restore each such debt service reserve fund to an amount equal to  
13 the debt service reserve requirement for such fund. The Chair shall annually,  
14 on or about February 1, make, execute, and deliver to the Governor, the  
15 President of the Senate, and the Speaker of the House, a certificate stating the  
16 sum required to restore each such debt service reserve fund to the amount  
17 aforesaid, and the sum so certified may be appropriated, and if appropriated,

1 shall be paid to the Authority during the then current State fiscal year. The  
2 principal amount of bonds or notes outstanding at any one time and secured in  
3 whole or in part by a debt service reserve fund to which State funds may be  
4 appropriated pursuant to this subsection shall not exceed ~~\$175,000,000.00~~  
5 \$181,000,000.00, provided that the foregoing shall not impair the obligation of  
6 any contract or contracts entered into by the Authority in contravention of the  
7 Constitution of the United States.

8 Sec. 18. 30 V.S.A. § 8064(a)(1) is amended to read:

9 (a)(1) The Authority may issue its negotiable notes and bonds in such  
10 principal amount as the Authority determines to be necessary to provide  
11 sufficient funds for achieving any of its corporate purposes, including the  
12 payment of interest on notes and bonds of the Authority, establishment of  
13 reserves to secure the notes and bonds including the reserve funds created  
14 under section 8065 of this title, and all other expenditures of the Authority  
15 incident to and necessary or convenient to carry out its corporate purposes and  
16 powers. However, the bonds or notes of the Authority outstanding at any one  
17 time shall not exceed ~~\$40,000,000.00~~ \$34,000,000.00. No bonds shall be  
18 issued under this section without the prior approval of the Governor and the  
19 State Treasurer or their respective designees. In addition, before the Authority  
20 may initially exercise its bonding authority granted by this section, it shall



1 submit to the Emergency Board of the State a current business plan, including  
2 an explanation of the bond issue or issues initially proposed.

3 \* \* \* Pole Attachments \* \* \*

4 Sec. 19. POLE ATTACHMENTS; PUBLIC UTILITY COMMISSION

5 RULES

6 (a) The Public Utility Commission shall revise Rule 3.700 to implement  
7 the following:

8 (1) one-touch make-ready policies for pole attachments;

9 (2) measures designed to minimize delays and costs and promote fair  
10 and reasonable rates and the rapid resolution of disputes;

11 (3) specifications for when a make-ready completion period commences  
12 and ends, including a process for extending the make-ready completion period  
13 in limited circumstances as defined by the Commission; and

14 (4) any other revisions deemed relevant by the Commission.

15 (b) The Commission shall file a final proposed rule with the Secretary of  
16 State and with the Legislative Committee on Administrative Rules pursuant to  
17 3 V.S.A. § 841 on or before December 1, 2019.

18 Sec. 20. 30 V.S.A. § 209(i) is amended to read:

19 (i)(1) Pole attachments; broadband. For the purposes of Commission rules  
20 on attachments to poles owned by companies subject to regulation under this  
21 title, broadband service providers shall be considered “attaching entities” with

1 equivalent rights to attach facilities as those provided to “attaching entities” in  
2 the rules, regardless of whether such broadband providers offer a service  
3 subject to the jurisdiction of the Commission. The Commission shall adopt  
4 rules in accordance with 3 V.S.A. chapter 25 to further implement this section.  
5 The rules shall be aimed at furthering the State’s interest in ubiquitous  
6 deployment of mobile telecommunications and broadband services within the  
7 State.

8 (2) The rules adopted pursuant to this subsection shall specify that:

9 (A) The applicable make-ready completion period shall not be  
10 extended solely because a utility pole is jointly owned.

11 (B) At the time of an initial pole make-ready survey application,  
12 when a pole is jointly owned, the joint owners shall inform the applicant which  
13 owner is responsible for all subsequent stages and timely completion of the  
14 make-ready process.

15 (C) If the make-ready work is not completed within the applicable  
16 make-ready completion period, the pole owner shall refund the portion of the  
17 payment received for make-ready work that is not yet completed, and the  
18 attaching entity may hire a qualified contractor to complete the make-ready  
19 work. All pole owners and attaching entities shall submit to the Commission a  
20 list of contractors whom they allow to perform make-ready surveys, make-  
21 ready installation or maintenance, or other specified tasks upon their

1 equipment. The Commission shall provide the appropriate list to an attaching  
2 entity, upon request.

3 \* \* \* Department of Public Service; Rural Broadband  
4 Technical Assistance Specialist \* \* \*

5 Sec. 21. COMMUNICATIONS UNION DISTRICT SPECIALIST

6 One new classified position, Rural Broadband Technical Assistance  
7 Specialist, is authorized to be established within the Department of Public  
8 Service in fiscal year 2020. Beginning in fiscal year 2020, this position shall  
9 be funded as provided under 30 V.S.A. § 7516(b).

10 \* \* \* Effective Dates \* \* \*

11 Sec. 22. EFFECTIVE DATES

12 This act shall take effect on passage, except that Sec. 6 (repeal of prepaid  
13 wireless revenue surcharge) shall take effect on January 1, 2020.