

1 **TO THE COMMITTEE ON ENERGY AND TECHNOLOGY:**

2 The Committee on Commerce and Economic Development has reviewed
3 Sec. 15 (concerning the Broadband Expansion Loan Program) of House Bill
4 No. 513 entitled “An act relating to broadband deployment throughout
5 Vermont” and respectfully recommends that the bill be amended as follows:

6 First: In Sec. 15, 10 V.S.A. § 280ee(c)(1), by striking out the word
7 “Program” and by inserting in lieu thereof “Authority”

8 Second: In Sec. 15, 10 V.S.A. § 280ee(c)(2), by striking out the words
9 “adopt by rule standards” and by inserting in lieu thereof “establish policies,”
10 and by striking out the word “rules” and by inserting in lieu thereof “policies”

11 Third: In Sec. 15, 10 V.S.A. § 280ee(c)(2)(C), by striking out the words
12 “borrowers may borrow up to” and by inserting in lieu thereof “a loan shall not
13 exceed”

14 Fourth: In Sec. 15, 10 V.S.A. § 280ee, by adding a subsection (d) to read as
15 follows:

16 (d) On or before January 1, 2020, and annually thereafter, the Authority
17 shall submit a report of its activities pursuant to this section to the Senate
18 Committee on Finance and the House Committees on Commerce and
19 Economic Development and on Energy and Technology. Each report shall
20 include operating and financial statements for the two most recently concluded
21 State fiscal years. In addition, each report shall include information on the

1 Program portfolio, including the number of projects financed; the amount,
2 terms, and repayment status of each loan; and a description of the broadband
3 projects financed in whole or in part by the Program.

4 Fifth: In Sec. 15, 10 V.S.A. § 280ff, by striking out subsection (b) in its
5 entirety and by inserting in lieu thereof a new subsection (b) to read as follows:

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. Any difference between the actual loan losses incurred
10 by the Authority in fiscal year 2020 through Program termination shall be
11 adjusted in the following year's appropriation.

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

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

17 (3) The accumulated total of the appropriation shall not exceed
18 \$8,500,000.00 over the life of the Program.

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

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

3
4 *[The fifth proposal of amendment presumes that \$540K is available in FY*
5 *2020, whether it is budget adjustment carry forward (as drafted in Sec. 16) or*
6 *a FY 2020 appropriation.]*

7
8
9
10
11
12
13
14

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE