1	H.360
2	Introduced by Committee on Energy and Technology
3	Date:
4	Subject: Communications; broadband deployment; communications union
5	districts; Vermont Community Broadband Authority
6	Statement of purpose of bill as introduced: This bill proposes to coordinate,
7	facilitate, support, and accelerate community broadband deployment
8	throughout Vermont.
9	An act relating to accelerated community broadband deployment
10	It is hereby enacted by the General Assembly of the State of Vermont:
11	* * * Legislative Findings and Intent * * *
12	Sec. 1. FINDINGS AND INTENT
13	(a) The General Assembly finds that:
14	(1) For over a decade, Vermont has pursued many approaches and
15	strategies designed to ensure that every Vermonter has access to reliable,
16	affordable, high-speed broadband.
17	(2) In 2018, through Acts and Resolves No. 169, the General Assembly
18	found that broadband is essential for supporting economic and educational
19	opportunities, strengthening health and public safety networks, and reinforcing
20	freedom of expression and democratic, social, and civic engagement.

1	(3) We further found in Act No. 169 that the lack of a thriving
2	competitive market in Vermont, particularly in isolated locations,
3	disadvantages the ability of consumers and businesses to protect their interests
4	sufficiently, and we recognized that the State may exercise its traditional role
5	in protecting consumers.
6	(4) In 2019, through Acts and Resolves No. 79, the General Assembly
7	found that despite the FCC's "light-touch" regulatory approach under Title I of
8	the Communications Act of 1934, rather than "utility-style" regulation under
9	Title II, existing broadband providers are not providing adequate service to
10	many rural areas where fewer potential customers reduce the profitability
11	necessary to justify network expansion.
12	(5) Accordingly, reaching the last mile will require a grassroots
13	approach founded on input from and support of local communities. Existing
14	broadband grant programs do not offer the scale to solve this problem, and
15	traditional capital sources typically shy away from businesses with limited
16	revenue history and little equity or collateral.
17	(6) To this end, public investment in programs and personnel that
18	provide local communities with much-needed resources and technical
19	assistance is required.
20	(7) In 2020, the COVID-19 public health emergency served as an
21	accelerant to the socioeconomic disparities between the connected and the

1	unconnected in our State. Vermonters who cannot access or cannot afford
2	broadband, many of whom are geographically isolated, face challenges with
3	respect to distance learning; remote working; accessing telehealth services; and
4	accessing government programs and services, including our institutions of
5	democracy, such as the court system.
6	(8) Indeed, the ongoing public health emergency has highlighted the
7	extent to which robust and resilient broadband networks are critical to our
8	economic future as a whole and provide a foundation for our educational,
9	health care, public health and safety, and democratic institutions.
10	(9) Broadband infrastructure is critical infrastructure fundamental to
11	accessing other critical services in sectors such as energy, public safety,
12	government, healthcare, education, and commerce.
13	(10) The goal of universal broadband needs to be elevated as a top
14	priority of the State to meet the economic, health, safety, educational, and
15	social needs of Vermonters.
16	(11) While private broadband providers have brought broadband
17	services to many households, businesses, and locations in Vermont, significant
18	gaps remain.
19	(12) When existing broadband providers fail to achieve the goal of
20	providing reliable, high-quality, universal broadband, it is imperative for the

1	State to support and facilitate the construction of broadband infrastructure
2	through financial and other means.
3	(13) Communications union districts (CUDs) were created by the State
4	to coordinate and implement creative and innovative solutions in their
5	respective territories, particularly where existing providers are not providing
6	adequate service that meets the needs of their residents and businesses while
7	ensuring public accountability.
8	(14) CUDs are thus positioned to be the unofficial "provider of last
9	resort" for broadband and ensure public accountability for serving all
10	Vermonters within their respective service territories. Yet CUDs have limited
11	access to financial capital necessary for expansion of broadband to unserved
12	and underserved areas of the State.
13	(15) All Vermont electric ratepayers are supporting the rollout of clean
14	energy technologies, however not all ratepayers are able to access those
15	technologies because they do not have access to adequate broadband. Equity
16	in the energy sector requires universal broadband.
17	(16) The Department of Public Service simultaneously plays a
18	regulatory role in the telecommunications market while also supporting the
19	development of CUDs in an unregulated competitive broadband market.
20	(17) To ensure universal broadband in Vermont, there is a need for
21	greater coordination of grassroots broadband solutions both among the CUDs

1	themselves and also with respect to their other potential partners, such as
2	electric distribution utilities, nonprofit organizations, the federal government,
3	and private broadband providers.
4	(b) Therefore, this act is intended to protect the public interest by:
5	(1) ensuring broadband availability to all Vermonters and Vermont
6	addresses;
7	(2) ensuring public accountability for maintaining and upgrading critical
8	broadband infrastructure;
9	(3) increasing the reliability of the electric grid and ensuring equal
10	access to clean energy services among all electric ratepayers;
11	(4) protecting Vermonters' privacy and unrestricted access to the
12	Internet;
13	(5) alleviating the inherent tension the Department of Public Service
14	currently experiences as a result of its dual roles as both regulator and
15	community project developer;
16	(6) directing public resources to the development of public broadband
17	assets intended to provide universal access;
18	(7) developing favorable taxing, financing, and regulatory mechanisms
19	to support communications union districts; and
20	(8) providing time-limited leadership for coordinating the buildout of
21	Vermont's communications union districts and their partners and for

1	developing financing mechanisms to fully support that buildout through a
2	newly created State entity, the Vermont Community Broadband Authority,
3	designed specifically to effectuate these purposes.
4	* * * Vermont Community Broadband Authority * * *
5	Sec. 2. 30 V.S.A. chapter 91A is added to read:
6	CHAPTER 91A: VERMONT COMMUNITY BROADBAND AUTHORITY
7	§ 8081. POLICY, FINDINGS, AND PURPOSE
8	(a) Policy. It is the policy of the State of Vermont to support and accelerate
9	community efforts that advance the State's goal of achieving universal access
10	to reliable, high-quality, affordable broadband.
11	(b) Findings. Broadband is an essential service unavailable to many
12	Vermonters. Federal policies that promote an unregulated, competitive
13	broadband market have failed to deliver this essential service in many rural
14	areas of the State. In addition, federal programs designed to subsidize the
15	buildout of broadband in rural areas have fallen far short of delivering
16	broadband to the most remote regions of our State, often as a result of
17	inadequate federal broadband mapping data or insufficient accountability. As
18	a consequence, many locations in Vermont continue to lack access to
19	broadband, and a comprehensive, funded solution through existing federal and
20	State broadband programs is not available to address this critical need we face
21	in Vermont. Despite these challenges, local communities have assembled in

1	the form of communications union districts to address the digital divide
2	collectively and creatively. These local projects, and ultimately all
3	Vermonters, will benefit from the establishment of robust statewide leadership
4	and support for community broadband solutions.
5	(c) Purpose. It is the purpose of this chapter to establish the Vermont
6	Community Broadband Authority to coordinate, facilitate, support, and
7	accelerate the development and implementation of universal community
8	broadband solutions.
9	§ 8082. DEFINITIONS
10	As used in this chapter:
11	(1) "Authority" means the Vermont Community Broadband Authority
12	established by this chapter.
13	(2) "Board" means the Board of Directors of the Vermont Community
14	Broadband Authority.
15	(3) "Connectivity Initiative" means the initiative established under
16	section 7515b of this title.
17	(4) "Department" means the Department of Public Service.
18	(5) "Division" means the Division for Telecommunications and
19	Connectivity within the Department of Public Service.
20	(6) "Fund" means the Vermont Community Broadband Fund established
21	by this chapter.

1	(7) "Underserved" has the same meaning as in subsection 7515b(a) of
2	this title.
3	(8) "Unserved" has the same meaning as in subsection 7515b(a) of this
4	title.
5	§ 8083. ESTABLISHMENT AND ORGANIZATION
6	(a) The Vermont Community Broadband Authority is hereby created and
7	established as a body corporate and politic and a public instrumentality of the
8	State. The exercise by the Authority of the powers conferred upon it in this
9	chapter constitutes the performance of essential governmental functions.
10	(b) The Authority shall have a Board of Directors of seven members as
11	<u>follows:</u>
12	(1) the Commissioner of Public Service or designee;
13	(2) The Secretary of Commerce and Community Development or
14	designee;
15	(2) two public members selected by the Vermont Communications
16	Union District Association;
17	(3) one public member appointed by the Governor, who shall not be an
18	employee or officer of the State at the time of appointment;
19	(4) one public member appointed by the Speaker of the House, who
20	shall not be a member of the General Assembly at the time of the appointment
21	<u>and</u>

1	(5) one public member appointed by the Senate Committee on
2	Committees, who shall not be a member of the General Assembly at the time
3	of the appointment.
4	(c) In making appointments of public members, the appointing authorities
5	shall give consideration to persons with knowledge of communications
6	technology; communications law and policy; broadband deployment in rural,
7	high-cost areas; finance; and electric utility law and policy. However, the
8	public members may not be persons with a financial interest in or owners,
9	employees, or members of a governing board of an Internet service provider or
10	a communications union district. The conflict of interest provision in this
11	subsection shall not be construed to disqualify a member who has ownership in
12	a mutual fund, exchange traded fund, pension plan, or similar entity that owns
13	shares in such enterprises as part of a broadly diversified portfolio.
14	(d) The public members shall serve terms of three years beginning on
15	February 1 of the year of appointment. However, the public member first
16	appointed by the Governor shall serve an initial term of one year, and the
17	public members first appointed by the Speaker of the House and the
18	Committee on Committees shall serve initial terms of two years. A vacancy
19	occurring among the public members shall be filled by the respective
20	appointing authority for the balance of the unexpired term. A member may be
21	reappointed.

1	(e) The Authority's powers are vested in the Board of Directors. At its
2	initial organizational meeting, and annually thereafter at the first meeting
3	following February 1, the Board shall elect from among its public members a
4	chair and vice chair. The Board may elect officers as it may determine.
5	Meetings shall be held at the call of the Chair or at the request of three
6	members. A majority of sitting members shall constitute a quorum, and action
7	taken by the Board under the provisions of this chapter may be authorized by a
8	majority of the members present and voting at any regular or special meeting.
9	(f) Members other than ex officio members shall be entitled to per diem
10	compensation authorized under 32 V.S.A. § 1010 for each day spent in the
11	performance of their duties, and each member shall be reimbursed from the
12	Fund for his or her reasonable expenses incurred in carrying out his or her
13	duties under this chapter.
14	(g) The Authority shall hire and employ an Executive Director who shall
15	serve as the Authority's chief administrative officer and shall direct and
16	supervise the Authority's administrative affairs and technical activities in
17	accordance with any rules and policies set forth by the Authority. In addition
18	to any other duties, the Executive Director shall:
19	(1) attend all meetings of the Authority, act as its secretary, and keep
20	minutes of its proceedings;

1	(2) approve all accounts of the Authority, including accounts for
2	salaries, per diems, and allowable expenses of any employee or consultant
3	thereof and expenses incidental to the operation of the Authority;
4	(3) make recommendations to the Board of Directors for financial
5	awards or assistance authorized by this chapter, including grants and loans;
6	(4) make an annual report to the Authority documenting the actions of
7	the Authority and such other reports as the Authority may request; and
8	(5) perform such other duties as may be directed by the Authority in the
9	carrying out of the purposes and provisions of this chapter.
10	(h) The Executive Director may retain or employ technical experts and
11	other officers, agents, employees, and contractors as are necessary to give
12	effect to the purposes of this chapter, including in the areas of finance, network
13	planning, technical design, and grant writing, and may fix their qualifications,
14	duties, and compensation. The Authority shall use the Office of the Attorney
15	General for legal services as well as contract for legal services as needed.
16	§ 8084. VERMONT COMMUNITY BROADBAND FUND
17	(a) There is created a special fund in the State Treasury to be known as the
18	"Vermont Community Broadband Fund." The Fund shall be administered by
19	the Authority and expenditures therefrom shall only be made to implement and
20	effectuate the policies and purposes of this chapter. The Fund shall be
21	composed of any monies from time to time appropriated to the Fund by the

1	General Assembly or received from any other source, private or public,
2	approved by the Authority. Unexpended balances and any earnings shall
3	remain in the Fund for use in accord with the purposes of this chapter.
4	(b) The money transferred to the Fund pursuant to subsection 7523(b) of
5	this title shall be used to fund the operational expenses of the Authority,
6	including a Rural Broadband Technical Assistance Specialist, who shall report
7	to the Executive Director and whose duties shall include providing outreach,
8	technical assistance, and other support services to communications union
9	districts.
10	(c) From the funds transferred to the Fund under subsection (b) of this
11	section and used to pay the operational expenses of the Authority, any
12	remaining funds shall be used to provide administrative, technical, and
13	financial assistance to communications union districts as authorized in this
14	chapter and, commencing on January 1, 2022, under the Connectivity Initiative
15	established in section 7515b of this title.
16	§ 8085. GENERAL POWERS AND DUTIES; CONFIDENTIALITY
17	(a) The Authority shall have all the powers necessary and convenient to
18	carry out and effectuate the purposes and provisions of this chapter, including
19	those general powers provided to a business corporation by Title 11A and
20	those general powers provided to a nonprofit corporation by Title 11B and

1	including, without limitation of the general powers under Titles 11A and 11B,
2	the power to:
3	(1) coordinate and facilitate community broadband efforts and to
4	provide resources to communications union districts in the form of
5	administrative and technical support as well as through grants, loans, and other
6	forms of financial assistance consistent with the purposes and provisions of
7	this chapter and as deemed appropriate by the Board of Directors, with input
8	by the Executive Director;
9	(2) assist communications union districts with development of business
10	plans that reflect local preferences;
11	(3) facilitate partnerships between communications union districts and
12	potential partners, including incumbent and competitive communications
13	providers and electric transmission and distribution utilities;
14	(4) advocate at the federal level for programs and policies that will
15	accelerate the deployment of universal broadband in rural Vermont that is
16	capable of speeds of at least 100 Mbps symmetrical;
17	(5) receive and accept grants, gifts, loans, or contributions from any
18	source subject to the provisions of 32 V.S.A. § 5 and for the purpose of
19	carrying out the purposes of this chapter;
20	(6) when authorized by one or more communications union districts,
21	apply for grants, loans, permits, licenses, certificates, or approvals, or enter

1	into contractual arrangements for goods or services on behalf of or jointly with
2	a communications union district or districts;
3	(7) consult with the Vermont Economic Development Authority and the
4	Vermont Municipal Bond Bank with regard to financing community
5	broadband projects;
6	(8) consult with agencies and departments regarding the establishment
7	or modification of taxes and fees applicable to broadband providers, including
8	the establishment of criteria for the waiver of such taxes and fees when
9	providers offer to furnish comparable value to the State to meet the public
10	good;
11	(9) assist communications union districts with pursuing route
12	identification for fiber-optic infrastructure and with obtaining pole surveys and
13	negotiating pole attachments;
14	(10) identify and publish State, federal, nonprofit, and any other
15	broadband funding opportunities and assist communications union districts
16	with completing grant and loan applications;
17	(11) provide input to the Department of Public Service on the
18	development of the State's Telecommunications Plan; and
19	(12) do any and all things necessary or convenient to effectuate the
20	purposes and provisions of this chapter and to carry out its purposes and
21	exercise the powers given and granted in this chapter.

1	(b) Any records or information produced or acquired by the Authority that
2	are trade secrets or confidential business information shall be exempt from
3	public inspection and copying pursuant to 1 V.S.A. § 317(c)(9).
4	§ 8086. ALLOCATION SYSTEM; FUNDING PRIORITIES
5	In reviewing funding proposals and determining the allocation of funds
6	pursuant to programs administered by the Authority, the Authority shall give
7	priority to projects that:
8	(1) provide service to unserved and underserved locations as part of a
9	plan that achieves universal broadband coverage in a community or
10	communications union district;
11	(2) support broadband service that is capable of speeds of at least 100
12	Mbps symmetrical;
13	(3) leverage federal or public-private partnership resources;
14	(4) support low-income or disadvantaged communities;
15	(5) promote geographic diversity of fund allocations;
16	(6) provide consumers with affordable service options; and
17	(7) include public broadband assets that can be shared by multiple
18	service providers and that can support a variety of public purposes.

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<u>§ 8087. COMMUNIT</u>	Y BROADBAND PRECONSTRUCTION GRANT
PROGRAM	

(a) There is established the Community Broadband Preconstruction Grant Program to be administered by the Authority. The purpose of the Program is to provide grants to communications union districts for preconstruction costs related to broadband projects. As used in this section, "preconstruction costs" include expenses for feasibility studies, business planning, pole data surveys, engineering and design, and make-ready work associated with the construction of broadband networks, including consultant, legal, and administrative expenses, and any other costs deemed appropriate by the Authority. (b) To ensure an equitable distribution of funds under this Program and to encourage collaborative work among communications union districts, grant awards shall be scalable and shall be commensurate with the size of a broadband project as determined by the project's service area, road mileage, the number of unserved or underserved locations, or any other metric deemed appropriate by the Authority. In addition, the Authority may permit a grantee to use a percentage of a grant award for grant management and may develop standards for the disbursement of grant funds in a manner that both supports

the efficient and timely use of funds and also ensures accountability.

1	§ 8088. SUBORDINATED LOAN PROGRAM
2	(a) The Authority shall establish a subordinated loan program for
3	communications union districts to support projects that are consistent with the
4	funding priorities established in section 8086 of this chapter, including by
5	supplementing financing under the Vermont Economic Development
6	Authority's Broadband Expansion Loan Program. Loans under this section
7	shall be made upon such terms and conditions as may reasonably be expected
8	to be fulfilled by the borrower.
9	(b) Lending decisions under this section shall be made by the Vermont
10	Community Broadband Authority Board of Directors. The Vermont Economic
11	Development Authority shall service all loans made pursuant to this section.
12	In the event of default by a loan recipient, the Vermont Economic
13	Development Authority shall consult with the Vermont Community Broadband
14	Authority prior to commencing any collection action.
15	§ 8089. ANNUAL REPORT
16	Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year, the
17	Authority shall submit a report of its activities pursuant to this chapter for the
18	preceding year to the Senate Committee on Finance, the House Committee on
19	Energy and Technology, and the Joint Information Technology Oversight
20	Committee. The report shall include an operating and financial statement
21	covering the Authority's operations during the year, including a summary of

1	all grant awards and contracts and agreements entered into by the Authority.
2	In addition, the report shall include a description of the progress each start-up
3	communications union district has made in achieving long-term financial
4	sustainability that is not dependent upon public funding, an update on its
5	efforts to secure additional federal funds for broadband deployment, and
6	progress made towards meeting the State's goal of ensuring every E-911
7	location has access to broadband capable of delivering a minimum of 100
8	Mbps symmetrical service as required in 30 V.S.A. § 202c(b)(10).
9	§ 8089a. SUNSET; TRANSFER PLAN
10	(a) The Authority shall cease to exist on July 1, 2029.
11	(b) As part of its annual report submitted on or before January 15, 2029, the
12	Authority shall develop a plan for transferring its assets, liabilities, and legal
13	and contractual obligations to another appropriate State entity. The Authority
14	may include in its report a recommendation regarding the continued existence
15	of the Authority beyond its statutory sunset date.
16	Sec. 3. ORGANIZATIONAL MEETING; SPACE ALLOCATION
17	(a) Within 60 days following the effective date of this act, the Vermont
18	Community Broadband Authority Board of Directors shall hold its initial
19	organizational meeting. The Department of Public Service shall provide
20	administrative support to the Authority for 180 days commencing on the date

1	of the Authority's initial organizational meeting, which shall be paid for from
2	the Vermont Community Broadband Fund established in Sec. 2 of this act.
3	(b) Within 60 days following the effective date of this act, the
4	Commissioner of Buildings and General Services shall allocate space for the
5	Vermont Community Broadband Authority established in Sec. 2 of this act.
6	Sec. 4. REPEALS
7	The following provisions of law are repealed:
8	(1) 2019 Acts and Resolves No. 79, Sec. 10 (Broadband Innovation
9	Grant Program); and
10	(2) 2020 Acts and Resolves No. 154, Sec. B1105.2 (amending the
11	Broadband Innovation Grant Program).
12	Sec. 4a. POSITION TRANSFER
13	The position of Rural Broadband Technical Assistance Specialist shall be
14	transferred from the Department of Public Service to the Vermont Community
15	Broadband Authority upon the hiring of the Authority's Executive Director.
16	The Authority shall reimburse the Department for any expenses associated
17	with the position and incurred by the Department in fiscal year 2022 prior to
18	the transfer required by this section.

* * * Universal Service Charge; Vermont Community Broadband Fund * * *

- 2 Sec. 5. 30 V.S.A. § 7516 is amended to read:
- 3 § 7516. CONNECTIVITY FUND

- (a) There is created a Connectivity Fund for the purpose of providing support to the High-Cost Program established under section 7515 of this chapter and the Connectivity Initiative established under section 7515b of this chapter. The fiscal agent shall determine annually, on or before November 1, the amount of monies available to the Connectivity Fund. Such funds shall be apportioned as follows: 45 percent to the High-Cost Program and 55 percent to the Connectivity Initiative.
 - (b) Of the money transferred to the Connectivity Fund pursuant to subsection 7523(b) of this title, up to \$120,000.00 shall be appropriated annually to the Department of Public Service to fund a Rural Broadband Technical Assistance Specialist whose duties shall include providing outreach, technical assistance, and other support services to communications union districts established pursuant to chapter 82 of this title and other units of government, nonprofit organizations, cooperatives, and for profit businesses for the purpose of expanding broadband service to unserved and underserved locations. Support services also may include providing business model templates for various approaches, including formation of or partnership with a cooperative, a communications union district, a rural economic development

infrastructure district, an electric utility, or a new or existing Internet service
provider as operator of the network. Any remaining funds shall be used to
support the Connectivity Initiative established under section 7515b of this title.
[Repealed.]
Sec. 6. 30 V.S.A. § 7523(b) is amended to read:
(b) Beginning on July 1, 2019, the rate of charge established under
subsection (a) of this section shall be increased by four-tenths of one percent of
retail telecommunications service, and the monies collected from this increase
shall be transferred to the Connectivity Fund established under section 7516 of
this title Vermont Community Broadband Fund established under section 8084
of this title.
* * * Transfer of Fiber-optic Assets * * *
Sec. 7. TRANSFER OF FIBER-OPTIC ASSETS
On or before September 30, 2021, the Department of Public Service shall
transfer ownership of its fiber-optic assets to the communications union district
in which those assets are located. The transfer shall include the transfer of
rights and obligations under any existing contracts or lease agreements with
third parties regarding the maintenance or use of the fiber-optic assets. In
addition, the transfer shall include a requirement that, upon the dissolution of a
communications union district, any such fiber assets shall become the property
of the State to be managed by the Department of Public Service. A

communications union district may refuse to accept the transfer of assets
authorized by this section, in which case the assets shall remain the property of
the Department of Public Service. Nothing in this section shall preclude the
Department from transferring fiber-optic assets to a communications union
district that initially declined to accept such assets prior to September 30, 2021.
* * * Connectivity Initiative; Department of Public Service * * *
Sec. 8. 30 V.S.A. § 7515b is amended to read:
§ 7515b. CONNECTIVITY INITIATIVE
(a) The purpose of the Connectivity Initiative is to provide each service
location in Vermont access to Internet service broadband that is capable of
speeds of at least 25 Mbps download and 3 Mbps upload, or the FCC speed
requirements established under Connect America Fund Phase II, whichever is
higher, beginning with locations not served as of December 31, 2013 according
to the minimum technical service characteristic objectives applicable at that
time 100 Mbps symmetrical. Within this category of service locations, priority
shall be given first to unserved and then to underserved locations that are part
of a plan to achieve universal broadband coverage in a community or
communications union district. As used in this section, "unserved" means a
location having access to only satellite or dial-up Internet service that only has
access to broadband capable of speeds of less than 4 Mbps download and 1
Mbps upload and "underserved" means a location having access to Internet

1	service with speeds that exceed satellite and dial-up speeds but are less than
2	that only has access to broadband capable of speeds of at least 4 Mbps
3	download and 1 Mbps upload but less than 25 Mbps download and 3 Mbps
4	upload. Any new services funded in whole or in part by monies from this
5	Initiative shall be capable of being continuously upgraded to reflect the best
6	available, most economically feasible service capabilities.
7	(b) The Department of Public Service shall publish annually a list of eensus
8	blocks E-911 locations eligible for funding based on the Department's most
9	recent broadband mapping data. The Department annually shall solicit
10	proposals from service providers communications union districts and from
11	service providers working in conjunction with a communications union district
12	to provide universal broadband service in a community or communications
13	union district, to deploy broadband to eligible census blocks E-911 locations.
14	Funding shall be available for capital improvements only, not for operating and
15	maintenance expenses. The Department shall give priority to proposals that
16	reflect the lowest cost of providing services to unserved and underserved
17	locations; however, the Department also shall consider:

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

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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; and
7	(7) the extent to which a proposal leverages federal or private funding
8	opportunities.
9	(c) In order to ensure that grants are disbursed based on the value of work
10	completed, the Department shall develop with each grantee a payment
11	schedule that reflects the verified percentage of project completion. To verify
12	project completion, the grantee shall retain a Department-approved third party
13	to conduct independent field testing, which the Department may supplement
14	with provider-supplied data and crowd-sourced user data. If deemed necessary
15	by the Department, the Department may advance a grantee funds necessary for
16	project commencement. The Department shall retain five percent of an award
17	for two years after project completion to ensure continued compliance with
18	contract terms. A grantee shall reimburse the Department any funds received
19	for contracted work that is not completed pursuant to contract specifications.

1	(d) The Department shall maintain a publicly accessible inventory of
2	completed broadband projects financed in whole or in part with grants under
3	this section.
4	* * * Connectivity Initiative; Vermont Community Broadband Authority * * *
5	Sec. 9. 30 V.S.A. § 7515b is amended to read:
6	§ 7515b. CONNECTIVITY INITIATIVE
7	(a) The Connectivity Initiative shall be administered by the Vermont
8	Community Broadband Authority. The purpose of the Connectivity Initiative
9	is to provide each service location in Vermont access to broadband that is
10	capable of speeds of at least 100 Mbps symmetrical. Within this category of
11	service locations, priority shall be given first to unserved and then to
12	underserved locations that are part of a plan to achieve universal broadband
13	coverage in a community or communications union district. As used in this
14	section, "unserved" means a location that only has access to broadband
15	capable of speeds of less than 4 Mbps download and 1 Mbps upload and
16	"underserved" means a location that only has access to broadband capable of
17	speeds of at least 4 Mbps download and 1 Mbps upload but less than 25 Mbps
18	download and 3 Mbps upload.
19	(b) The Department of Public Service shall publish annually a list of E-911
20	locations eligible for funding based on the Department's most recent

broadband mapping data. The Department Authority annually shall solicit

1	proposals from communications union districts and from service providers
2	working in conjunction with a communications union district to provide
3	universal broadband service in a community or communications union district,
4	to deploy broadband to eligible E-911 locations. Funding shall be available for
5	capital improvements only, not for operating and maintenance expenses. The
6	Department Authority shall give priority to proposals that reflect the lowest
7	cost of providing services to unserved and underserved locations; however, the
8	Department Authority also shall consider:
9	(1) the proposed data transfer rates and other data transmission
10	characteristics of services that would be available to consumers;
11	(2) the price to consumers of services;
12	(3) the proposed cost to consumers of any new construction, equipment
13	installation service, or facility required to obtain service;
14	(4) whether the proposal would use the best available technology that is
15	economically feasible;
16	(5) the availability of service of comparable quality and speed;
17	(6) the objectives of the State's Telecommunications Plan; and
18	(7) the extent to which a proposal leverages federal or private funding
19	opportunities.
20	(c) In order to ensure that grants are disbursed based on the value of work

completed, the Department Authority shall develop with each grantee a

1	payment schedule that reflects the verified percentage of project completion.
2	To verify project completion, the grantee shall retain a Department-approved
3	an Authority-approved third party to conduct independent field testing, which
4	the Department Authority may supplement with provider-supplied data and
5	crowd-sourced user data. If deemed necessary by the Department Authority,
6	the Department Authority may advance a grantee funds necessary for project
7	commencement. The Department Authority shall retain five percent of an
8	award for two years after project completion to ensure continued compliance
9	with contract terms. A grantee shall reimburse the Department Authority any
10	funds received for contracted work that is not completed pursuant to contract
11	specifications.
12	(d) The Department Authority shall maintain a publicly accessible
13	inventory of completed broadband projects financed in whole or in part with
14	grants under this section.
15	* * * Telecommunications and Connectivity Advisory Board * * *
16	Sec. 10. 30 V.S.A. § 202f is amended to read:
17	§ 202f. TELECOMMUNICATIONS AND CONNECTIVITY ADVISORY
18	BOARD
19	(a) There is created the Telecommunications and Connectivity Advisory
20	Board for the purpose of making recommendations to the Commissioner of

Public Service regarding his or her telecommunications responsibilities and

1	duties as provided in this section. The Connectivity Advisory Board shall
2	consist of eight members selected as follows:
3	(1) the State Treasurer or designee;
4	(2) the Secretary of Commerce and Community Development or
5	designee;
6	(3) five at-large members appointed by the Governor, who shall not be
7	employees or officers of the State at the time of appointment; and
8	(4) the Secretary of Transportation or designee.
9	(b) A quorum of the Connectivity Advisory Board shall consist of four
10	voting members. No action of the Board shall be considered valid unless the
11	action is supported by a majority vote of the members present and voting and
12	then only if at least four members vote in favor of the action. The Governor
13	shall select, from among the at-large members, a chair and vice chair.
14	(c) In making appointments of at-large members, the Governor shall give
15	consideration to citizens of the State with knowledge of telecommunications
16	technology, telecommunications regulatory law, transportation rights-of-way
17	and infrastructure, finance, environmental permitting, and expertise regarding
18	the delivery of telecommunications services in rural, high-cost areas.
19	However, the five at-large members may not be persons with a financial
20	interest in or owners or employees of an enterprise that provides broadband or

cellular service or that is seeking in-kind or financial support from the

1	Department of Public Service. The conflict of interest provision in this
2	subsection shall not be construed to disqualify a member who has ownership in
3	a mutual fund, exchange traded fund, pension plan, or similar entity that owns
4	shares in such enterprises as part of a broadly diversified portfolio. The at-
5	large members shall serve terms of two years beginning on February 1 in odd-
6	numbered years and until their successors are appointed and qualified.
7	However, three of the five at-large members first appointed by the Governor
8	shall serve an initial term of three years. Vacancies shall be filled for the
9	balance of the unexpired term. A member may be reappointed for up to three
10	consecutive terms. Upon completion of a term of service for any reason,
11	including the term's expiration or a member's resignation, and for one year
12	from the date of such completion, a former Board member shall not advocate
13	before the Connectivity Board, Department of Public Service, or the Public
14	Utility Commission on behalf of an enterprise that provides broadband or
15	cellular service.
16	(d) Except for those members otherwise regularly employed by the State,
17	the compensation of the Board's members is that provided by 32 V.S.A.
18	§ 1010(a). All members of the Board, including those members otherwise
19	regularly employed by the State, shall receive their actual and necessary

expenses when away from home or office upon their official duties.

connectivity broadband projects.

1	(e) In performing its duties, the Connectivity Advisory Board may use the
2	legal and technical resources of the Department of Public Service. The
3	Department of Public Service shall provide the Board with administrative
4	services.
5	(f) The Connectivity Advisory Board shall:
6	(1) have review and nonbinding approval authority with respect to the
7	awarding of grants under the Connectivity Initiative. The Commissioner shall
8	have sole authority to make the final decision on grant awards, as provided in
9	subsection (g) of this section.
10	(2) function in an advisory capacity to the Commissioner on the
11	development of State telecommunications policy and planning, including the
12	action plan required under subdivision 202e(b)(6) of this chapter and the State
13	Telecommunications Plan-; and
14	(3) annually advise the Commissioner on the development of requests
15	for proposals under the Connectivity Initiative.
16	(4) annually provide the Commissioner with recommendations for the
17	apportionment of funds to the High-Cost Program and the Connectivity
18	Initiative.
19	(5)(2) annually provide the Commissioner with recommendations on the
20	appropriate Internet access speeds for publicly funded telecommunications and

(g) The Commissioner shall make an initial determination as to whether a
proposal submitted under the Connectivity Initiative meets the criteria of the
request for proposals. The Commissioner shall then provide the Connectivity
Advisory Board a list of all eligible proposals and recommendations. The
Connectivity Advisory Board shall review the recommendations of the
Commissioner and may review any proposal submitted, as it deems necessary
and either approve or disapprove each recommendation and may make new
recommendations for the Commissioner's final consideration. The
Commissioner shall have final decision-making authority with respect to the
awarding of grants under the Connectivity Initiative. If the Commissioner
does not accept a recommendation of the Board, he or she shall provide the
Board with a written explanation for such decision.
(h) On November 15, 2019, and annually thereafter, the Commissioner
shall submit to the Connectivity Advisory Board an accounting of monies in
the Connectivity Fund and anticipated revenue for the next year.
(i)(h) The Chair shall call the first meeting of the Connectivity Advisory
Board. The Chair or a majority of Board members may call a Board meeting.
The Board may meet up to six times a year.
(j)(i) At least annually, the Connectivity Advisory Board and the
Commissioner or designee shall jointly hold a public meeting to review and
discuss the status of State telecommunications policy and planning, the

1	Telecommunications Plan, the Connectivity Fund, the Connectivity Initiative,
2	the High-Cost Program, and any other matters they deem necessary to fulfill
3	their obligations under this section.
4	(k)(j) Information and materials submitted by a telecommunications service
5	provider concerning confidential financial or proprietary information shall be
6	exempt from public inspection and copying under the Public Records Act, nor
7	shall any information that would identify a provider who has submitted a
8	proposal under the Connectivity Initiative be disclosed without the consent of
9	the provider, unless a grant award has been made to that provider. Nothing in
10	this subsection shall be construed to prohibit the publication of statistical
11	information, determinations, reports, opinions, or other information so long as
12	provided the data are disclosed in a form that cannot identify or be associated
13	with a particular telecommunications service provider.
14	* * * VEDA; Broadband Expansion Loan Program; Lending Capacity * * *
15	Sec. 11. 10 V.S.A. § 280ee is amended to read:
16	§ 280ee. BROADBAND EXPANSION LOAN PROGRAM
17	(a) Creation. There is established within the Authority the Vermont
18	Broadband Expansion Loan Program (the Program), the purpose of which is to
19	enable the Authority to make loans that expand broadband service to unserved
20	and underserved Vermonters as part of a plan to achieve universal broadband

coverage in a community or communications union district.

(b) Intent. It is understood that loans under the Program may be high-
risk loans to likely start-up businesses and therefore losses in the Program may
be higher than the Authority's historical loss rate. Loans shall be underwritten
by the Authority utilizing underwriting parameters that acknowledge the higher
risk nature of these loans. The Authority shall not make a loan unless the
Authority has a reasonable expectation of the long-term viability of the
business. The Program is intended to provide start-up loans until such time as
the borrower can refinance the loans through, for example, the municipal
revenue bond market.
(c)(1) Requirements. The Authority shall make loans for start-up and
expansion that enable Internet service providers to expand broadband
availability of broadband projects in unserved and underserved locations as
part of a plan to achieve universal broadband coverage in a community or
communications union district.
(2) The Authority shall 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 policies shall specify
that:
(A) loans may be made in an amount of up to \$4,000,000.00;

1	(B) eligible borrowers include communications union districts and
2	other units of government, nonprofit organizations, cooperatives, and for-profit
3	businesses:
4	(i) communications union districts;
5	(ii) Internet service providers working in conjunction with a
6	communications union district to expand broadband service to unserved and
7	underserved locations as part of a plan to achieve universal broadband
8	coverage in the district; and
9	(iii) Internet service providers working in conjunction with a
10	municipality that was not part of a communications union district prior to
11	December 1, 2020 to expand broadband service to unserved and underserved
12	locations as part of a plan to achieve universal broadband coverage in such
13	municipality;
14	(C) a loan shall not exceed 90 percent of project costs;
15	(D) interest and principal may be deferred up to two three years;
16	(E)(D) a maximum of \$10,800,000.00 in Authority loans may be
17	made outstanding under the Program commencing on June 20, 2019; and
18	(F)(E) the provider shall offer to all customers broadband service that
19	is capable of speeds of at least 100 Mbps symmetrical; and

1	(F) not more than one-sixth of the total allowable loans under this
2	Program shall be available to eligible borrowers under subdivision (2)(B)(iii)
3	of this subsection (c).
4	(3) To ensure the limited funding available through the Program
5	supports the highest-quality broadband available to the most Vermonters and
6	prioritizes delivering services to the unserved and underserved, the Authority
7	shall consult with the Department of Public Service and the Vermont
8	Community Broadband Authority.
9	(d) On or before January 1, 2020, and annually thereafter, the Authority
10	shall submit a report of its activities pursuant to this section to the Senate
11	Committee on Finance and the House Committees on Commerce and
12	Economic Development and on Energy and Technology. Each report shall
13	include operating and financial statements for the two most recently concluded
14	State fiscal years. In addition, each report shall include information on the
15	Program portfolio, including the number of projects financed; the amount,
16	terms, and repayment status of each loan; and a description of the broadband
17	projects financed in whole or in part by the Program.
18	Sec. 12. 10 V.S.A. § 280ff is amended to read:
19	§ 280ff. FUNDING
20	(a) The State Treasurer, in consultation with the Secretary of
21	Administration, shall negotiate an agreement with the Authority incorporating

1	the provisions of this section and consistent with the requirements of this
2	subchapter.
3	(b) Repayment from or appropriation State appropriations to the Authority
4	in years 2021 and until the Program terminates is are based on the Authority's
5	contributions to loan loss reserves for the Program in accordance with
6	generally accepted accounting principles. Any difference between the actual
7	loan losses incurred by the Authority in <u>a</u> fiscal year 2020 through Program
8	termination shall be adjusted in the following year's appropriation.
9	(1) The Program shall terminate when all borrowers enrolled in the
10	Program have repaid in full or loans have been charged off against the reserves
11	of the Authority.
12	(2) Upon termination of the Program, any remaining funds held by the
13	Authority and not used for the Program shall be repaid to the State This is a
14	revolving loan program.
15	(3)(2) The accumulated total of the appropriation shall not exceed
16	\$8,500,000.00 over the life of the Program.
17	(4)(3) The Authority shall absorb its historical loan loss reserve rate
18	before any State funds are expended.
19	(5)(4) Additionally, the Authority shall absorb up to \$3,000,000.00 in
20	Program losses shared with the State on a pro rata basis.

1	Sec. 13. [Deleted.]
2	Sec. 14. [Deleted.]
3	* * * CUDs; Public Records Act; Trade Secret Exemption; Intent * * *
4	Sec. 15. 30 V.S.A. § 3084 is added to read:
5	§ 3084. CONFIDENTIALITY; LEGISLATIVE INTENT
6	The purpose of this section is to clarify that any records or information
7	produced or acquired by a district that are trade secrets or confidential business
8	information shall be exempt from public inspection and copying pursuant to
9	1 V.S.A. § 317(c)(9). Such records or information shall be available for
10	public inspection after project completion.
11	* * * Property Tax Exemption; Broadband Infrastructure * * *
12	Sec. 16. 32 V.S.A. § 3802 is amended to read:
13	§ 3802. PROPERTY TAX
14	The following property shall be exempt from taxation:
15	* * *
16	(19) Real and personal property, except land, owned by an electric
17	distribution utility that comprises broadband infrastructure, including
18	structures, machinery, lines, poles, wires, and fixtures, provided the
19	infrastructure is leased to a communications union district or to an Internet
20	service provider working in conjunction with a communications union district,
21	and is primarily for the purpose of providing broadband service capable of

1	speeds of at least 100 Mbps symmetrical. This exemption applies only to
2	broadband infrastructure constructed on or after July 1, 2021.
3	(20) Real and personal property, except land, owned by an Internet
4	service provider that comprises broadband infrastructure, including structures,
5	machinery, lines, poles, wires, and fixtures, provided the infrastructure is
6	capable of speeds of at least 100 Mbps symmetrical, is part of a plan to achieve
7	universal broadband coverage in a community or communications union
8	district with unserved and underserved locations, is constructed on or after
9	July 1, 2021, and further provided:
10	(A) this plan is affirmed in writing by the Department of Public
11	Service; and
12	(B) the broadband service is being provided pursuant to a contractual
13	arrangement entered into between the Internet service provider and either a
14	communications union district in which the broadband infrastructure is located
15	or other municipality in which the broadband infrastructure is located,
16	provided such other municipality was not part of a communications union
17	district prior to December 1, 2020.
18	Sec. 17. 32 V.S.A. § 3800(n) is added to read:
19	(n) The statutory purpose of the exemptions for broadband infrastructure in
20	subdivisions 3802(19) and (20) of this title is to lower the cost of broadband
21	deployment in unserved and underserved areas of Vermont.

1	Sec. 18. 32 V.S.A. § 3602a is amended to read:
2	§ 3602a. FACILITIES USED IN THE GENERATION, TRANSMISSION,
3	OR DISTRIBUTION OF ELECTRIC POWER
4	All structures, machinery, poles, wires, and fixtures of all kinds and
5	descriptions used in the generation, transmission, or distribution of electric
6	power that are so fitted and attached as to be part of the works or facilities used
7	to generate, transmit, or distribute electric power shall be set in the grand list as
8	real estate. Nothing in this section shall alter the scope of the exemption in
9	subdivision exemptions in subdivisions 3803(2) and 3802(19) and (20) of this
10	title, nor shall it alter the taxation of municipally owned improvements
11	accorded by section 3659 of this title.
12	Sec. 19. 32 V.S.A. § 3620 is amended to read:
13	§ 3620. ELECTRIC UTILITY POLES, LINES, AND FIXTURES
14	Electric utility poles, lines, and fixtures owned by nonmunicipal utilities
15	shall be taxed at appraisal value as defined by section 3481 of this title, except
16	as provided under subdivisions 3802(19) and (20) of this title.
17	* * * Communications Workforce Development * * *
18	Sec. 20. BROADBAND OCCUPATIONAL NEEDS <u>SURVEY</u>
19	(a) The Commissioner of Labor shall conduct an occupational needs survey
20	to determine workforce needs in the communications sector specific to
21	broadband buildout and maintenance. In conducting this survey, the

1	Commissioner shall solicit input from employers and subcontractors
2	throughout the State. The Department of Public Service and communications
3	union districts shall assist the Department of Labor in identifying employers
4	with workforce needs connected to this act. The purpose of the survey is to
5	identify current and future employment opportunities and the prerequisite skills
6	needed for widespread worker recruitment and building a talent pipeline to
7	support the goals of this act.
8	(b) The Commissioner shall report his or her findings and
9	recommendations to the relevant legislative committees of jurisdiction on or
10	before January 15, 2022.
11	(c) Employers who do not participate in supplying information for this
12	report will not be eligible for grant funding under this act.
13	Sec. 21. FTTX; INCUMBENT TRAINING PROGRAM
14	Vermont Technical College, in consultation with the Vermont Department
15	of Labor, shall establish an incumbent training program for communications
16	installers and technicians. The goal of the program is to provide skills
17	upgrades for existing employees. Up to \$40,000.00 is appropriated from the
18	Vermont Department of Labor's fiscal year 2022 Training Fund to support this
19	training program.

1	Sec. 22. BROADBAND INSTALLER APPRENTICESHIP PROGRAM
2	The Commissioner of Labor, working with broadband employers, shall
3	establish a federally registered apprenticeship program that meets one or more
4	occupational needs related to the installation and maintenance of broadband
5	networks.
6	* * * Appropriations; Fund Transfers * * *
7	Sec. 23. APPROPRIATIONS; FUND TRANSFERS
8	(a) Appropriations. The following appropriations are contemplated by this
9	act:
10	(1) \$6,300,000.00 to the Community Broadband Preconstruction Grant
11	Program established in Sec. 2 of this act;
12	(2) \$500,000.00 to the Vermont Community Broadband Fund
13	established in Sec. 2 of this act to support the start-up costs of the Vermont
14	Community Broadband Authority; however, the Authority shall reimburse the
15	General Fund this amount in fiscal year 2022;
16	(3) \$100,000.00 to the Department of Labor to support the broadband
17	occupational needs survey required by Sec. 20 and the broadband installer
18	apprenticeship program established in Sec. 22 of this act as follows:
19	(A) \$3,000.00 to finance the development of the apprenticeship
20	program;

1	(B) \$90,000.00 to support the related instruction tuition and on-the-
2	job training contracts with employer-sponsors under the apprenticeship
3	program; and
4	(C) \$7,000.00 to support work related to developing, conducting, and
5	reporting on the occupational needs survey that is not federally funded; and
6	(4) \$24,000,000.00 to the Vermont Community Broadband Authority
7	for the subordinated loan program established in Sec. 2 of this act.
8	(b) Funding sources. Funding sources for the appropriations in subsection
9	(a) of this section are as follows:
10	(1) Unexpended Coronavirus Relief Funds appropriated to the
11	Department of Public Service in 2020.
12	(2) Unexpended funds from the \$900,000.00 appropriated to the
13	Department of Public Service in 2017 Acts and Resolves No. 84, Sec. 16c, as
14	amended by 2018 Acts and Resolves No. 190, Sec. 14, and by 2019 Acts and
15	Resolves No. 79, Secs. 27a and 27b.
16	(3) Fiscal year 2021, one-time General Fund appropriations shall
17	support the programs in subdivisions (a)(1), (2), (3), and (4) of this section.
18	(c) Fund transfers.
19	(1) Any funds remaining in the Broadband Innovation Grant Program
20	established by 2019 Acts and Resolves No. 79, Sec. 10, as of January 1, 2022
21	shall be transferred to the Vermont Community Broadband Fund.

1	(2) The Vermont Community Broadband Authority shall be
2	redesignated as the responsible entity for administering the \$1,000,000.00
3	grant award to the Department of Public Service by the Northern Border
4	Regional Commission (NBRC) for the purpose of supporting communication
5	union districts.
6	* * * Legislative Priorities for Federal Funds * * *
7	Sec. 24. LEGISLATIVE PRIORITIES; FEDERAL FUNDS
8	With respect to federal funds potentially available to the State of Vermont
9	in fiscal years 2021 and 2022, the General Assembly establishes as a high
10	priority providing support for community efforts that advance the State's goal
11	of achieving universal access to reliable, high-quality, affordable broadband
12	consistent with the policies, purposes, and programs established under
13	30 V.S.A. chapter 91A, concerning the Vermont Community Broadband
14	Authority established in Sec. 2 of this act.
15	* * * Effective Dates * * *
16	Sec. 25. EFFECTIVE DATES
17	This act shall take effect on passage, except that:
18	(1) Secs. 16–19 (property tax exemption for broadband infrastructure)
19	shall take effect on July 1, 2021; and
20	(2) Sec. 4 (repeal of the Broadband Innovation Grant Program), Sec. 9
21	(administration of the Connectivity Initiative by the Vermont Community

- Broadband Authority), and Sec. 10 (Telecommunications and Connectivity
- Advisory Board) shall take effect on January 1, 2022.