

HE&T Committee Broadband Bill
Section-by-Section Summary of Draft 1.1
Prepared by Legislative Counsel, February 5, 2021

Section	Summary
Sec. 1	Findings and Intent
Secs. 2, 3, 5	<p>Vermont Community Broadband Authority (VCBA) (<u>Sec. 2</u>)</p> <ul style="list-style-type: none"> • § 8081. Policy, Findings, and Purpose <ul style="list-style-type: none"> ○ Support and accelerate community efforts that advance universal access to reliable, high-quality, affordable broadband • § 8082. Definitions • § 8083. Establishment and Organization <ul style="list-style-type: none"> ○ Public instrumentality performing essential governmental functions ○ Board of Directors <ul style="list-style-type: none"> ▪ 11 members <ul style="list-style-type: none"> • Commissioner of Public Service • Secretary of Commerce and Community Development • 3 members representing CUDs, selected by VCUDA • 4 members appointed by Governor (not State employees) • 1 member appointed by Speaker (not legislator) • 1 member appointed by C/Committees (not legislator) ▪ Qualifications <ul style="list-style-type: none"> • Communications technology • Communications law and policy • Finance • Electric utility law and policy ▪ Terms ▪ Elects chair and vice chair from public members ▪ Hires Executive Director, chief administrative officer ▪ May employ technical experts and other employees <ul style="list-style-type: none"> • <i>Legal services of AG</i> • § 8084. Vermont Community Broadband Fund <ul style="list-style-type: none"> ○ Special fund permitting unexpended balances to remain in the Fund • § 8085. General Powers and Duties <ul style="list-style-type: none"> ○ Coordinate and facilitate community efforts ○ Provide resources to CUDs (technical assistance and grants) ○ Transfer State fiber to CUDs ○ Consult with VEDA and VT Municipal Bond Bank ○ Assist CUDs with fiber route identification and obtaining pole surveys and negotiating pole attachments ○ Identify and publish funding opportunities and assist with applications • § 8086. Community Broadband Innovation Grant Program <ul style="list-style-type: none"> ○ Purpose is to fund CUD feasibility studies

	<ul style="list-style-type: none"> ▪ Must develop an actionable business plan, including preconstruction engineering and design plans, financing models, estimated construction costs, and ideal operational models ▪ Award cap of \$60K ▪ Successor to DPS BIG program (remaining funds transferred) <ul style="list-style-type: none"> • § 8087. Annual Report • § 8088. Sunset of July 1, 2026 <p><u>Sec. 3.</u> Repeal of existing DPS Broadband Innovation Grant Program</p> <p><u>Sec. 5.</u> Connectivity Fund Appropriation to VCBA</p> <ul style="list-style-type: none"> ○ Increases amount from \$120K to \$240K ○ For VCBA operational expenses and Rural Broadband Technical Assistance Specialist
Sec. 4	Transfer of DPS Fiber Assets to CUDs
Sec. 6	Telecommunications and Connectivity Advisory Board <ul style="list-style-type: none"> • Continues to advise DPS on policy and planning, not Connectivity Initiative grants
Sec. 7	Appropriation/Funding Source [TBD] <p><i>Governor’s Recommended FY 2022 One-Time General Fund Appropriations for:</i></p> <ul style="list-style-type: none"> ○ Broadband Facilities Deployment Program (grants and revolving loan fund to make loans to facilities-based providers) ○ Statewide Pole Data Harvesting Study ○ Line Extension Consumer Assistance Program
Sec. 8	Connectivity Initiative <ul style="list-style-type: none"> • Administered by VCBA • 100 Mbps symmetrical • Unserved – less than 4/1 Mbps • Underserved – minimum of 4/1 Mbps, but less than 25/3 Mbps • Open access [TBD] • By E-911 location (not census block) • Grants for CUDs only • For [capital improvements only, not for operating and maintenance expenses] • Payment schedule reflects value of work completed • Public inventory of projects
Secs. 9-13	VEDA’s Broadband Expansion Loan Program <ul style="list-style-type: none"> • Loans to CUDs only • Loan cap doubled to \$8M • Interest and principal deferral period extended from 2 to 3 years • Maximum amount of Program loans = \$36M • Revolving loan program

	<ul style="list-style-type: none"> • State appropriations limited to \$27M • VEDA losses capped at \$9M • FY 2022 One-time General Fund Appropriation of \$1.26M for: <ul style="list-style-type: none"> ○ Loan loss reserves ○ Credit enhancements to assist CUDs with securing financing through other lenders • VEDA bonding capacity increased by \$12M • VTA bonding capacity decreased by \$12M
Sec. 14	CUD trade secrets exempt from public inspection until project completion
Sec. 15	<p>Property Tax Exemption – Two Options</p> <ul style="list-style-type: none"> • <i>Option A</i> – exemption from State and local taxation <ul style="list-style-type: none"> ○ Applies to new construction (on or after July 1, 2021) ○ Electric DU broadband infrastructure leased to a CUD ○ Broadband provider infrastructure, provided: <ul style="list-style-type: none"> ▪ Provides universal service in unserved and underserved areas ▪ DPS and affected CUD(s) affirms in writing • <i>Option B</i> – exemption from local taxation only <ul style="list-style-type: none"> ○ Upon opt-in by municipality ○ (Intended to be same eligible taxpayers as above)
Sec. 16	DU Cost Recovery for Pole Survey and Makeready Work for Fiber Projects [TBD]
Sec. 17	Access to DU Middle-mile Fiber at Substations
Sec. 18	Notice of 248a (telecom siting) Applications to Affected CUDs
Sec. 19	<p>Communications Workforce Development [TBD]</p> <p><i>(Proposal Developed by Representatives Scheuermann and Chase)</i></p> <ul style="list-style-type: none"> • Occupational Needs Analysis <ul style="list-style-type: none"> ○ DOL shall conduct an initial “Occupational Needs Analysis” to determine workforce needs in the broadband sector ○ DOL shall work with employers and their subcontractors to determine: <ul style="list-style-type: none"> ▪ Skills needed ▪ Real number of workers needed ▪ Regional needs and challenges ○ Analysis updated annually by DOL • Incumbent Training Program <ul style="list-style-type: none"> ○ <u>Background</u>: This spring, VTC, assisted by DOL, will be conducting a <i>Demonstration</i> Incumbent Training Program called, FTTx for Installers and Technicians. It will be a 4-day program (2 days online and 2 days in-person, hands-on work). The program will be financed with 2021 DOL Training Funds.

	<ul style="list-style-type: none"> ○ Establish this Program as an ongoing program at VTC for incumbent workers ○ \$75K appropriation (estimated cost is \$750-\$1,000/year per student) ● Broadband Installer Apprenticeship Program <ul style="list-style-type: none"> ○ Long-term educational and training program ○ Established by DOL ○ Purpose is to meet State’s broadband workforce needs long-term ○ Fully-registered 18-month apprenticeship program ○ “Earn while you learn” requirement ○ Transferable across state lines ○ \$150K appropriation (cost is \$1,500/student)
Sec. 20	Effective on Passage