

**No. R-119. Joint resolution urging the Federal Communications Commission to protect the financial viability of telephone service in rural communities.**

(J.R.H.15)

Offered by: Committee on Commerce and Economic Development

Whereas, Vermonters who live in rural areas deserve and expect the same high-quality affordable communications services that are available to their urban neighbors, and

Whereas, rural businesses including farms, entrepreneurial operations, and small cottage industries compete in the global marketplace and depend on affordable access to robust broadband services for their economic success, and

Whereas, affordable access to robust broadband service is critical to the success of Vermont's employers, job market, and economy, and

Whereas, many rural areas encounter significant economic development challenges in bringing high-quality well-paying jobs to their communities, and insufficiently robust broadband speeds further hamper the economic development needs of many rural communities, and

Whereas, all Vermont children, whether residing in rural or urban areas, are entitled to the same educational opportunities, and rural students can only access certain specialized courses electronically from a distant location, and

Whereas, the Communications Act of 1934 provided that all Americans shall have "rapid, efficient Nation-wide . . . communication service with adequate facilities at reasonable charges," and

Whereas, the Telecommunications Act of 1996 subdivided the definition of universal service into four subcategories including high-cost support, low income support, rural health care, and schools and libraries, and

Whereas, the high-cost subcategory usually means telephone service in rural areas that is often delivered via rural telephone companies, and

Whereas, the Universal Service Fund (USF), as authorized under federal law, and the companion federal Intercarrier Compensation (ICC) provide for transfer payments between regional carriers and the rural telephone companies to assure the vitality of rural telephone services, and

Whereas, telecommunications providers serving rural Vermont work diligently to ensure subscribers access to affordable and reliable broadband services, and they utilize the United States Department of Agriculture's Rural Utilities Service loan and grant programs for this purpose, and

Whereas, despite the continuing extension of broadband in rural areas, the Federal Communication Commission's (FCC) new National Broadband Plan will hinder rural Vermonters from realizing the full benefits of robust broadband service, and

Whereas, although the plan proposes a 2020 nationwide goal of broadband transmission speed of one hundred megabits per second, it also provides that federal financing for broadband construction in high-cost rural areas would be limited to service that is no faster than four megabits per second, and

Whereas, the National Broadband Plan runs counter to the federal universal service policy, which ensures access to reasonably comparable communications services and rates regardless of the subscriber's location, and

Whereas, on February 8, 2011, the FCC issued a notice of proposed rulemaking and further proposed rulemaking to convert the current USF into a new Connect America Fund intended to expand broadband availability to all areas of the country, and

Whereas, the FCC seeks to revise the USF and the ICC in a manner that will create an unstable transfer payment system resulting in increased rates for individual rural subscribers and that would frustrate the fundamental goal of assuring the affordability and availability of telecommunications services, including rural high-speed broadband services, and

Whereas, although enhanced federal financing to extend broadband in rural areas is welcome, it must be structured equitably and fairly in order that it fosters the continued expansion, maintenance, and upgrade of broadband in rural areas, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly urges the Federal Communications Commission to design any new system of federal financial support for rural telecommunications services in a manner that does not threaten the viability of existing rural telephone and broadband service or the future economic livelihood and social well-being of rural consumers, and be it further

Resolved: That it is vital to express the importance of robust broadband deployment to rural Vermont and to encourage those amendments to the National Broadband Plan that ensure the extension and continuing sustainability of high-quality broadband service throughout Vermont, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Federal Communications Commission, the Vermont Congressional Delegation, the department of public service, and the public service board.