

H.360 as Passed House vs. S.118 as Introduced vs. Senate Finance Recommendations
 Section-by-Section Comparison
 Prepared by Legislative Counsel, April 16, 2021

H.360 as Passed House	S.118 as Introduced	Senate Finance Recommendations (TBD)
Findings and Intent (Sec. 1)	N/A	
<p>Vermont Community Broadband Authority (VCBA) (Sec. 2)</p> <ul style="list-style-type: none"> • § 8081. Policy, Findings, and Purpose <ul style="list-style-type: none"> ○ Policy is to support and accelerate community efforts that advance universal access to reliable, high-quality, affordable broadband ○ Purpose is to establish a new entity, the VCBA, to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions • § 8082. Definitions • § 8083. Establishment and Organization <ul style="list-style-type: none"> ○ Public instrumentality performing essential governmental functions 	<p>Vermont Telecommunications Authority (VTA) (Sec. 1)</p> <ul style="list-style-type: none"> • § 8081. Policy and Purpose <ul style="list-style-type: none"> ○ Policy is to support and facilitate efforts that advance the State’s goal of achieving universal access to reliable, high, quality, affordable mobile telecommunications and broadband service ○ Purpose is to reconstitute the VTA as the State entity responsible for coordinating, overseeing, and facilitating statewide mobile telecom and broadband ○ Goal is to foster financially sustainable projects and simultaneously promote competition and universal access • § 8082. Establishment and Organization <ul style="list-style-type: none"> ○ Public instrumentality performing essential governmental functions 	<p><i>(Possibly define unserved and underserved rather than cross-reference Connectivity Initiative)</i></p>

<ul style="list-style-type: none"> ○ Board of Directors <ul style="list-style-type: none"> ▪ 7 members <ul style="list-style-type: none"> • Commissioner of Public Service • 2 members selected by VCUDA • 1 member appointed by Governor • 1 member appointed by Speaker (not legislator) • 1 member appointed by Senate C/Committees (not legislator) • Secretary of Commerce and Community Development ▪ Qualifications <ul style="list-style-type: none"> • Appointing authorities coordinate to ensure at least one of the public members has expertise in finance • Communications technology • Communications law and policy • Broadband deployment in rural, high-cost areas • Electric utility law and policy • Not an owner/employee/member of an ISP or CUD ▪ 3-year terms 	<ul style="list-style-type: none"> ○ Board of Directors <ul style="list-style-type: none"> ▪ 9 members <ul style="list-style-type: none"> • Commissioner of Public Service • 1 member selected by VCUDA • 2 members appointed by Governor • 1 representative appointed by Speaker • 1 senator appointed by Senate C/Committees • 1 member appointed by Telephone Assoc. VT • Chair and CEO of the VTA • Treasurer ▪ Qualifications <ul style="list-style-type: none"> • Communications technology • Communications law and policy • Broadband deployment in rural, high-cost areas • Finance • Electric utility law and policy ▪ 3-year terms 	
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- Chair and vice chair elected from among public members

- Executive Director hired as chief administrative officer
 - May retain or employ technical experts and other employees

- § 8084. Vermont Community Broadband Fund
 - Special fund permitting unexpended balances to remain in the Fund
 - To implement and effectuate policies and purposes of chapter
 - 0.4% of revenue from the 2.4% universal service charge goes into Fund
 - Pays operational expenses of the Authority, including a Rural Broadband Technical Assistance Specialist
 - Remaining funds used to support CUDs as authorized by chapter

- Governor appoints Chair with advice and consent of the Senate
- Chair serves as CEO
 - State employee
 - Exempt from classified system
 - Compensation equal to Superior Judge
- Chair also serves as chief administrative officer
- VTA:
 - May employ technical experts and other officers, agents, and employees as necessary

- § 8083. Vermont Telecommunications Fund
 - Special fund permitting unexpended balances to remain in the Fund
 - To implement and effectuate the policies, purposes, and programs of chapter

- § 8085. General Powers and Duties of the Authority
 - Coordinate and facilitate community broadband efforts
 - Provide resources to CUDs (technical assistance, grants, loans)
 - Facilitate partnerships between CUDs and communications providers and electric utilities
 - Apply for grants jointly or on behalf of CUD
 - Consult with VEDA and the VT Municipal Bond Bank regarding the financing of community broadband projects
 - Consult with agencies regarding taxes and fees
 - Assist CUDs with fiber route identification and obtaining pole surveys and negotiating pole attachments
 - Identify and publish funding opportunities and assist with applications

Unique to VCBA

- Provide input to the Department of Public Service on State Telecom Plan
- Assist CUDs with business plans
- Advocate at federal level

- § 8084. General Powers and Duties of the VTA
 - Serve as statewide coordinator of mobile telecom and broadband access and adoption
 - Provide resources to mobile and broadband providers (admin. and technical support; grants, loans, etc.)
 - Develop and implement financing and investment strategies
 - Facilitate partnerships and collaborations between State entities, nonprofits, munis, federal government, and the private sector
 - Apply for grants jointly or on behalf of providers
 - Consult with VEDA and VT Municipal Bond Bank regarding the financing of projects
 - Consult with agencies regarding taxes and fees
 - Assist providers with fiber route identification and pole surveys and negotiating pole attachments
 - Identify and publish funding opportunities and assist with applications

Unique to VTA

- Develop State’s Telecom Plan
 - Notification if additional time or resources are needed
- Administer High-Cost Program

<ul style="list-style-type: none"> ○ Trades secrets exempt from PRA ● § 8086. Allocation System; Funding Priorities <ul style="list-style-type: none"> ○ Priority to projects that: <ul style="list-style-type: none"> ▪ Provide service to unserved underserved locations as part of a plan that achieves universal broadband coverage in a community or CUD ▪ Support service capable of at least 100 Mbps symmetrical ▪ Leverage federal or public-private partnership resources 	<ul style="list-style-type: none"> ○ Construct, install, own, acquire, sell, trade, and lease infrastructure; available to multiple providers; not in areas served by existing providers with comparable levels of broadband quality and speed or mobile telecom ○ Create and maintain mobile telecom and broadband service availability maps ○ Create and maintain an inventory of pole data ○ Ensure networks are secure and resilient and designed to reinforce emergency preparedness with regard to outages, cybersecurity or terrorist threats, natural disasters, weather events, and any other potential perils ○ Adopt rules ○ Trade secrets exempt from PRA ● § 8086. Fund Allocations; Eligibility; Requirements <ul style="list-style-type: none"> ○ Entities eligible for broadband funding: <ul style="list-style-type: none"> ▪ CUDs ▪ Small, independent telephone companies ▪ Electric cooperatives ▪ Any other ISP if proposed project is consistent with policies and purposes of the chapter and otherwise in best interest of the State ○ Projects eligible for funding: 	
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- Support low-income or disadvantaged communities
- Promote geographic diversity of funding allocations
- Provide consumers with affordable service options
- Include public broadband assets that can be shared by multiple service providers and that can support a variety of public purposes

- § 8087. Community Broadband **Preconstruction** Grant Program [\$30M]
 - Grants for CUDs for preconstruction costs related to broadband projects
 - Such costs include – feasibility studies, business planning, pole data surveys, engineering and design, and make-ready work
 - Grants are scalable
 - DPS may allocate up to \$9M on or before September 30, 2021

- Broadband – minimum 25/3 Mbps and capable of being upgraded to meet State’s broadband goal (100 Mbps symmetrical)
- Mobile telecom or broadband – infrastructure funded in whole or in part available for the benefit of multiple service providers on a nondiscriminatory basis and at rates deemed reasonable by the VTA

(Reminder - H.315 - \$1.6M in ARPA to DPS for CUD preconstruction costs and general support; plus additional \$200K for position/contract services to support CUDs) (TBD)

<ul style="list-style-type: none">• § 8088. Construction Grant and Subordinated Debt Program [<i>\$120M</i>]<ul style="list-style-type: none">○ Grants and loans for CUDs to support broadband projects○ Consistent with funding priorities in § 8086○ May supplement financing available under VEDA’s Broadband Expansion Loan Program○ Grant and lending decisions made by VCBA○ Loans serviced by VEDA	<ul style="list-style-type: none">• VTA administers the existing High-Cost Program and the Connectivity Initiative• § 8085. Communications Infrastructure Revolving Loan Program<ul style="list-style-type: none">○ Continuous source of capital for mobile and broadband projects○ Consistent with funding parameters in § 8086 (above)○ Credit enhancements, loan loss reserves, subordinated debt, and any other financing mechanism or incentive consistent with the Program’s purpose, including the provision of equity to secure lending from other entities○ Intent is to provide financing to projects without access to capital initially but demonstrate an economically sustainable business model and ultimately will be eligible for private or municipal financing• § 8087. Broadband Corps<ul style="list-style-type: none">○ Established by VTA to assist with infrastructure and service deployment, perform outreach and direct technical support to Vermonters, and specifically assist low-income Vermonters with obtaining subsidies and other support○ Leverage federal and private funding, including national service programs such as the National Community Conservation Corps	
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<ul style="list-style-type: none"> • § 8089. Annual Report <ul style="list-style-type: none"> ○ VCBA annual report to legislative committees ○ Description of start-up CUD progress towards achieving long-term financial sustainability not dependent on public funding ○ Progress towards meeting State goal (100 Mbps by end of year 2024) • 8089a. Sunset; Transfer Plan <ul style="list-style-type: none"> ○ Authority sunsets on July 1, 2029 ○ Final annual report to General Assembly shall include a transfer plan and may include recommendation for continued existence of VCBA 	<ul style="list-style-type: none"> ○ Sunsets July 1, 2024 • § 8088. Interagency Cooperation and Assistance <ul style="list-style-type: none"> ○ State entities, including E-911 Board shall assist and cooperate with the VTA • § 8089. Annual and Quarterly Reports <ul style="list-style-type: none"> ○ Reports to legislative committees ○ In 2022 report, include recommendations related to State policy and planning and reasonable timeframe for achieving State’s existing goal of 100 Mbps by 2024 • § 8089a. Sunset; Transfer Plan <ul style="list-style-type: none"> ○ Authority sunsets July 1, 2026 ○ Final report to General Assembly shall include a transfer plan and may include a recommendation for continued existence of the VTA 	
<p>Organizational Meeting; Space Allocation (Sec. 3)</p> <ul style="list-style-type: none"> • Within 60 days, VCBA holds its initial organizational meeting • DPS provides administrative support for 180 days, from VCB Fund • Within 60 days BGS allocates space for VCBA 	<ul style="list-style-type: none"> • Similar (Sec. 2) except: <ul style="list-style-type: none"> ○ Commissioner of Public Service serves as chair until CEO is hired ○ Commissioner develops plan for transferring positions, programs, assets, liabilities, funding sources, and legal and contractual obligations from DPS to the VTA. Presented to VTA at 	

	initial organization meeting, then to JFC for approval	
Repeal of Broadband Innovation Grant Program (effective January 1, 2022) (Sec. 4)		
Position Transfer (Sec. 4a) <ul style="list-style-type: none"> Rural Broadband Technical Assistance Specialist transferred from DPS to VCBA upon hiring of VCBA Executive Director Remains a classified position 	<i>(See above. Commissioner of Public Service submits transfer plan to JFC for approval)</i>	
Vermont Universal Service Charge (Secs. 5-6) <ul style="list-style-type: none"> Requires revenue from 0.4% (about \$950K annually) of the total 2.4% charge to go to the VCB Fund (for operational expenses of VCBA, then remaining funds to VCBA programs) (Existing law requires these funds go to DPS for Rural Broadband Technical Assistance Specialist (\$120K), then Connectivity Initiative) 	N/A	
Transfer of DPS Fiber Assets to CUDs (Sec. 7) <ul style="list-style-type: none"> On or before September 30, 2021, DPS must transfer ownership of its fiber assets to CUDs, along with related contractual arrangements 	N/A	

<ul style="list-style-type: none"> • CUD may choose not to accept fiber assets; assets remain with DPS unless transferred to a CUD subsequently 		
<p>Connectivity Initiative (existing broadband grant program administered by DPS) (Sec. 8)</p> <ul style="list-style-type: none"> • Increases minimum speed requirement from 25/3 Mbps to 100 Mbps symmetrical • Unserved – less than 4/1 Mbps • Underserved – minimum of 4/1 Mbps, but less than 25/3 Mbps • Priority for unserved then underserved locations <u>that are part of a plan to achieve universal broadband coverage in a community or communications union district</u> • DPS identifies eligible locations by E-911 address rather than census block • Eligible entities include CUDs and service providers working in conjunction with a CUD to provide universal broadband service in a community or CUD • Funding considerations expanded to include the extent to which a proposal leverages federal or private funding opportunities • Payment schedule reflects value of work completed • DPS must maintain a public inventory of funded projects 	<p>N/A</p>	
<p>Connectivity Initiative (Sec. 9)</p>	<p>Connectivity Initiative</p> <ul style="list-style-type: none"> • Administered by the VTA (on passage) 	

<ul style="list-style-type: none"> As of January 1, 2022, this grant program is administered by VCBA 		
<p>Telecommunications and Connectivity Advisory Board (Sec. 10)</p> <ul style="list-style-type: none"> As of January 1, 2022, this Board, which advises DPS, no longer reviews Connectivity Initiative proposals 	<p>TCAP – repealed (Sec. 3)</p>	
<p>VEDA’s Broadband Expansion Loan Program (Secs. 11-14)</p> <ul style="list-style-type: none"> Program established in 2019 Loans are for expanding broadband service to unserved and underserved Vermonters, <u>as part of a plan to achieve universal broadband coverage in a community or CUD</u> Intent clarified to specify goal of providing start-up loans until a borrower can refinance through, e.g., the municipal revenue bond market Eligible borrowers limited to: <ul style="list-style-type: none"> CUDs ISPs working in conjunction with a CUD as part of a plan ISPs working in conjunction with a municipality that was not part of a CUD prior to December 1, 2020 (limited to 1/6 of total allowable loans) Interest and principal deferral period may be extended for up to 3 years Revolving loan program [<i>Note</i>: Secs. 13 and 14 were left as placeholders in the event that House decided to pursue an increase in 	<p>N/A</p>	

<p>VEDA’s total lending capacity. These sections would have transferred some of the dormant VTA’s bonding authority to VEDA.]</p>		
<p>CUD Trade Secrets (Sec. 15)</p> <ul style="list-style-type: none"> • Provides clarification that CUD trade secrets or confidential business information are exempt from disclosure under the Public Records Act until project completion 	<p>Same (Sec. 4)</p>	
<p>Property Tax Exemption for Broadband Infrastructure (Secs. 16-19)</p> <ul style="list-style-type: none"> • Exemption from State and local taxation • Applies to broadband infrastructure that is: • <u>Owned by an electric distribution utility</u>, and <ul style="list-style-type: none"> ○ Leased to a CUD or to an ISP working in conjunction with a CUD ○ Primarily for the purpose of providing broadband service capable of 100 Mbps symmetrical ○ Constructed on or after July 1, 2021 • <u>Owned by an Internet service provider</u>, and <ul style="list-style-type: none"> ○ Capable of at least 100 Mbps symmetrical service ○ Part of a plan to achieve universal broadband coverage in a community or CUD with unserved and underserved locations: <ul style="list-style-type: none"> ▪ The plan is affirmed in writing by DPS ▪ Broadband service is being provided under a contractual arrangement between 	<p>N/A</p>	

<p>the ISP and either a CUD or a municipality that was not part of a CUD prior to December 1, 2020</p> <ul style="list-style-type: none"> ○ Constructed on or after July 1, 2021 • Statutory purpose of the exemptions is to lower the cost of broadband deployment in unserved and underserved areas of Vermont • Takes effect July 1, 2021 		
<p>Broadband Occupational Needs Survey (Sec. 20)</p> <ul style="list-style-type: none"> • Conducted by Commissioner of Labor • To determine workforce needs in communications sector • Facilitate worker recruitment and establish a talent pipeline to support goals of act • Report to legislative committees January 15, 2022 • Employers who do not participate in supplying information for the report will not be eligible for grant funding under this act 	<p>N/A</p>	
<p>Incumbent Training Program (Sec. 21)</p> <ul style="list-style-type: none"> • Established by VTC, in consultation with DOL • For current communications installers and technicians • Goal is to provide skills upgrade for existing employees • Supported by a FY 2022 Training Fund appropriation (up to \$40K). There is not a separate General Fund appropriation in this act 	<p>N/A</p>	

<p>Broadband Installer Apprenticeship Program (Sec. 22)</p> <ul style="list-style-type: none"> • Established by the Commissioner of Labor, working with broadband employers • Shall be a federally registered apprenticeship program • Program must meet one or more occupational needs related to installation and maintenance of broadband networks 	<p>N/A</p>	
<p>N/A</p>	<p>Study on VTA Bonding Authority (Sec. 5)</p> <ul style="list-style-type: none"> • VTA shall study the opportunities and risks associated with its potential ability to issue revenue bonds to support broadband and mobile telecom deployment in VT • Report submitted to General Assembly on or before December 15, 2022; findings and recommendations updated annually thereafter 	
<p>Appropriations; Grant Administration (Sec. 23)</p> <ul style="list-style-type: none"> • Commissioner of Finance and Management authorized to expend funds in anticipation of federal ARPA funds allocated to the State • In FY 2021, \$150M of ARPA funds appropriated as follows: <ul style="list-style-type: none"> ○ \$30M for the Community Broadband Preconstruction Grant Program ○ \$120M for the Construction Grant and Subordinated Debt Program 	<p>Appropriation (Sec. 6)</p> <ul style="list-style-type: none"> • FY 21 one-time General Fund appropriation in the amount of \$20 million to the Vermont Telecommunications Fund to support the activities of the VTA 	

<ul style="list-style-type: none"> • In FY 2021, \$100K of ARPA funds to the Department of Labor and allocated as follows: <ul style="list-style-type: none"> ○ \$3K for development of the apprenticeship program ○ \$90K for tuition and contracts with employers under the apprenticeship program ○ \$7K to cover the non-federally funded aspects of the occupational needs survey • In FY 2022, the VCBA is authorized to expend \$500K in anticipated receipts under 30 V.S.A. § 7523(b) (0.4 percent of the Vermont Universal Service Charge) to support its start-up costs • VCBA redesignated as administrator of \$1,000,000.00 grant award to the Department of Public Service by the Northern Border Regional Commission <ul style="list-style-type: none"> ○ Award supports CUDs ○ Funds one position, which shall be overseen and managed by VCBA 		<p><i>(Clarify, “To extent consistent with federal law and guidance;” permit carry forward)</i></p>
<p>Legislative Priorities for Federal Funds (Sec. 24)</p> <ul style="list-style-type: none"> • Federal funds potentially available to the State in FYs 2021 and 2022 • High priority for providing support for community efforts consistent with VCBA policies, purposes, and programs 		
<p>Effective Dates (Sec. 25)</p> <ul style="list-style-type: none"> • Effective on passage except: 	<p>Effective – on passage</p>	

<ul style="list-style-type: none">○ Property tax exemption effective July 1, 2021○ Repeal of BIG Program; VCBA administration of Connectivity Initiative; TCAB revised role, effective January 1, 2022		