

VCUDA

The Vermont Communications Union Districts Association serves to unite the interests of Vermont's municipal internet networks, devising ways to share resources and voicing CUD consensus on critical policy issues.

Before the House Ways and Means Committee
April 21, 2023

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About the Communications Union Districts

- **A CUD is a multi-town *municipality*.**
 - Each CUD organized as a result of ***Town Meeting vote to join a CUD.***
 - Each ***town*** appoints ***representatives*** to ***participate directly in the CUD governance.***
- ***Committed to universal service*** - will reach to every on grid address starting with the currently unserved and underserved.
- ***Accountable and Transparent*** - Town representation in governance assures grassroots involvement, transparency and accountability.
- ***Public Ownership*** - All assets funded by the CUD are owned by the CUD municipality.
- ***Private Partnership*** - CUD typically use a traditional RFP to select a commercial partner to operate the CUD infrastructure.

Some variation on public/private partnerships, but core principles are consistent.

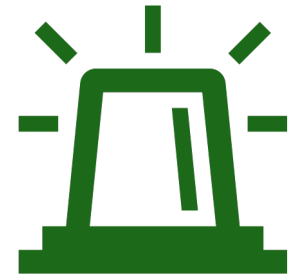
Communications union districts (CUDs) were created ... to coordinate and implement creative and innovative solutions in their respective territories, particularly where existing providers are not providing adequate service that meets the needs of their residents and businesses ...

Vermont Act 71 2021
Findings and Intent (13)

CUDs are Mission-Driven.

VCUDA's Interest in V-USF.

- Communications Union Districts already serve over 18,000 previously unserved residences
- Over 5,000 customer's subscribe to telephone services through CUD offerings.
- CUD provided voice services will continue to grow as the CUD's reach more unserved Vermonters.



The proposed language:

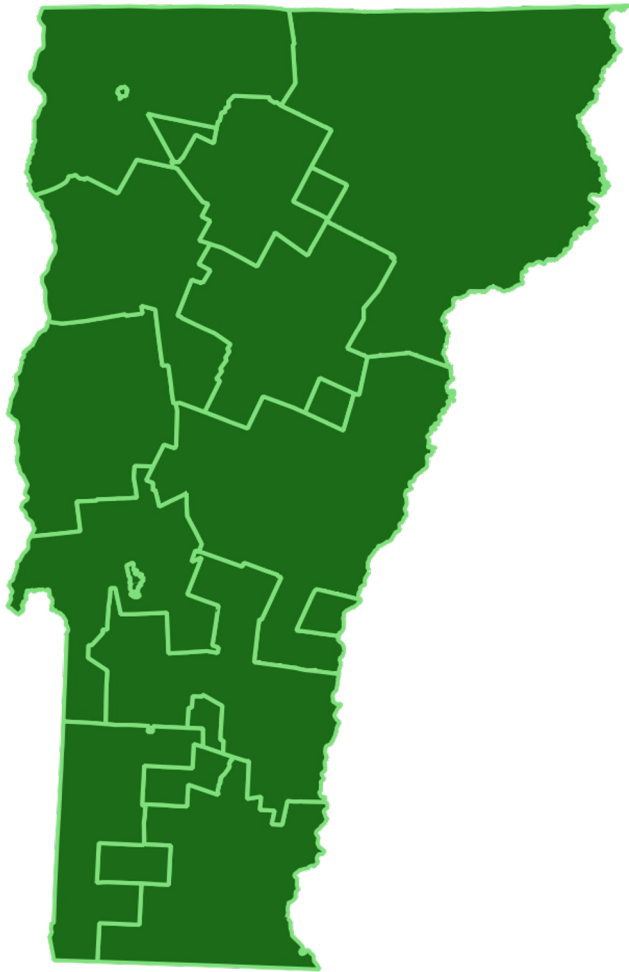
Language in **red** is proposed – based off draft 1.1 from 3/24/23.

(a)(1) ~~Beginning on July 1, 2014, the~~ Except as provided in subsection 7521(e) of this chapter, which pertains to prepaid wireless telecommunications service, the monthly rate of charge shall be two percent of retail telecommunications service 0.70 for each retail **voice** telecommunications service line capable of accessing the 911 system. **The number of retail voice telecommunications service lines subject to the charge shall be the number of such lines, as provisioned by the service provider, capable of simultaneously accessing the 911 system.**

VCUDA Input on E911 Revenue Restructuring

Emergency 911 Services are an essential community and public service , which VCUDA and its members recognize are critical to Vermont citizens.

- Assigning Fees to only landline telephones to support E911 would be a regressive approach that would tax a subset of elderly and rural that can not access cellular services. The broader funding base across all numbers that can access E911 is important.
- In addition to E911, there are other universal services that need consideration and support. Among these is a universal connectivity affordability program that would assure all income levels could access broadband connectivity.
- We support the original language in the proposed language but are unclear about exactly what the “The number of retail voice telecommunications service lines subject to the charge shall be the number of such lines, as provisioned by the service provider, capable of simultaneously accessing the 911 system.” means. We believe this could be interpreted to limit funding or exclude some lines from E911 contributions.
- There are other equity and access concerns where comprehensive review and planning would be beneficial. These include not only affordable connectivity, but other community services funded by telephone and cable revenue as well as the approach used to right of way licenses in the State.
- We would like to see the language include a broad study of appropriate revenue sources and funding sources for broader programmatic needs even if this change is made in the short term. Such a study group could look at broader digital equity and access.



VCUDA

Thank you!

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April 21, 2023 9:00 AM

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