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Testimony of Scott A. Brooks  
on H.657  
Senate Finance Committee  
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Senator Cummings, Vice-Chair and Committee Members, thank you for the opportunity to testify today regarding H.657, the Modernization of Vermont’s Communications Taxes and Fees. My name is Scott Brooks and I’m Director of Government Affairs at Consolidated Communications. I’m testifying today specifically in opposition of Sections 13a, the State-Owned Rights of Way (ROW) provision of the proposed legislation.

As you know, the communications sector is highly competitive and the demand for critical high-speed broadband is ever growing especially in rural parts of the state. The pandemic exposed the need for universal broadband and Consolidated Communications has been a leader expanding our future proof fiber network throughout the state. We have been deploying and upgrading our infrastructure with a predictable regulatory and tax framework so we continue to invest with our own capital. However, to build fiber deeper into the rural communities we also partnered with the Communications Union Districts (CUDs). The first to partner with Consolidated was the Southern Vermont CUD and that partnership allowed the Southern Vermont CUD to be one of the first to offer high-speed universal broadband service in their District which was completed in 2023. Our commitment to the state and residents continues as we have since partnered with two other CUDs, Lamoille and Otter Creek and those builds are set to start in the Q2 and Q3 of this year respectively. Consolidated is committed to continuing to try and find ways to deploy and build high-speed fiber, but as stated above this is all predicated on a predictable regulatory and tax framework that incentivizes us to continue to invest in Vermont. Since 2021, Consolidated has invested \$86M in Fiber deployment in both hardware and fiber and has built 2,500 miles of Fiber in the state and the hope is that this proposed legislation does not slow that deployment and put future growth at risk.



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With that as the backdrop, we understand the important role the government plays to ensure the safety, consistency and competitive neutrality with respect to the access of State-owned ROW. There are two main issues which we have with Sec 13a and that is the data collection and the exemptions that are currently in place.

First, the manner in which Section 13a directs this data collection is unnecessarily burdensome. Consolidated is an attacher to most poles in Vermont now and we do not pull licenses or permits when we attach as we go through the attachment application process with the pole owner (Electric Utility). For areas where we do own poles, we obtain permits/licenses for the poles, but in no system do we indicate that our cable is in the State ROW, on private property or in the Town ROW. Our plant record system GTECH is not GIS spatially accurate, only approximate. This means that if you overlay the records in a system with polygons representing the VT State ROW, our cable may show that it may or may not be in the State ROW, but that may differ from reality. Thus, these sections and corridors will have to be all looked at manually and adjusted to try and true up records. This would require us to most likely hire contractors to try and meet the deadlines at an additional expense since we have cable in roughly 90% of the state.

Second, competitive fairness with respect to all the entities that were given an exemption. At face value it appears that only Consolidated is not exempted which in a highly competitive marketplace is a major disadvantage. For example, one exemption is the “small communications providers” of which, some of them are actually national companies and are roughly the same size as Consolidated, they just happen to have a much smaller footprint here in Vermont. What was the rationale behind the exemption for cable companies? If there were no exemptions then the financial burden would be evenly applied and it would not be discriminatory. I know affordability is also a concern for consumers and with these new taxes we would most likely have to assess our customers on their bills and other providers would not have that same burden. In a time where we’re trying to keep the service affordable, we feel that Sec 13a has an unintended consequence of impacting the less fortunate the most.

To summarize, we strongly oppose Sec 13a, Rent Charged for Use of or Access to State-Owned Rights of Way as currently drafted.



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