

## H.582 Universal Service Charge provisions

Joint Fiscal Office, 1/30/2018

4-year Universal Service Fund (USF) Summary (in thousands)<sup>1</sup>

State Fiscal Year	Universal Service Charge Revenues	Transfer to Connectivity Fund
FY2014	\$6,089.00	\$0
FY2015	\$6,294.00	\$0
FY2016	\$6,543.00	\$270.00
FY2017	\$6,237.00	\$898.00
<b>4-year average</b>	<b>\$6,291.00</b>	

The strike-all amendment to H.582 that is being considered by the House Committee on Energy and Technology would raise the universal service charge from 2% of retail telecommunications service to 2.5% from July 1, 2018 until June 30, 2022 (4 years). The revenues from the additional 0.5% would go to the Connectivity Fund established in 30 VSA §7516.

Based on the average revenues above, an increase of 0.5% to the universal service charge would raise approximately \$1.55 million to \$1.60 million per year, and \$6.2 million to \$6.4 million over the four-year period of the increased charge. These revenue estimates do not include any additional USF monies that may be transferred to the Connectivity Fund at the discretion of the fiscal agent.

4-year Connectivity Fund 0.5% Surcharge Estimates (in thousands)

State Fiscal Year	To Connectivity Fund
FY2019	\$1,550.00 – 1,600.00
FY2020	\$1,550.00 – 1,600.00
FY2021	\$1,550.00 – 1,600.00
FY2022	\$1,550.00 – 1,600.00
<b>4-year Total</b>	<b>\$6,200.00 – 6,400.00</b>

<sup>1</sup> Numbers were taken from Universal Service Fund audit reports. Links provided below.  
<http://publicservice.vermont.gov/sites/dps/files/documents/Telecom/USF/FY17%20VUSF%20Audit%20Report%20-%20Final.pdf>  
<http://publicservice.vermont.gov/sites/dps/files/documents/Telecom/USF/Vermont%20Universal.pdf>