1	S.96
2	Introduced by Senator Ashe
3	Referred to Committee on
4	Date:
5	Subject: Telecommunications; Department of Public Service; Division for
6	Telecommunications and Connectivity; Advisory Board; Vermont
7	Universal Service Fund; fiscal agent; Connectivity Fund; High-Cost
8	Program; Connectivity Initiative
9	Statement of purpose of bill as introduced: This bill proposes to establish a
10	Division for Telecommunications and Connectivity within the Department of
11	Public Service, create a Telecommunications and Connectivity Advisory
12	Board, and make various other amendments and clarifications regarding the
13	Vermont Universal Service Fund fiscal agent, the Connectivity Fund, the
14	High-Cost Program, and the Connectivity Initiative.
15 16	An act relating to creating a Division for Telecommunications and Connectivity within the Department of Public Service
17	It is hereby enacted by the General Assembly of the State of Vermont:
18	Sec. 1. REPEAL
19	3 V.S.A. § 2225 (creating the Division for Connectivity within the Agency
20	of Administration) and 2014 Acts and Resolves No. 190, Secs. 12 (Division

1	for Connectivity), 14 (creation of positions; transfer; reemployment rights),
2	and 30(a)(2) and (b) (statutory revision authority regarding the Division for
3	Connectivity) are repealed.
4	Sec. 2. 30 V.S.A. § 1 is amended to read:
5	§ 1. COMPOSITION OF DEPARTMENT
6	(a) The department of public service Department of Public Service shall
7	consist of the <del>commissioner of public service, a director for regulated utility</del>
8	planning, a director for public advocacy, a director for energy efficiency
9	Commissioner of Public Service, a Director for Regulated Utility Planning,
10	a Director for Public Advocacy, a Director for Energy Efficiency, a Director
11	for Telecommunications and Connectivity, and such other persons as the
12	eommissioner Commissioner considers necessary to conduct the business of
13	the department Department.
14	(b) The eommissioner of public service Commissioner shall be appointed
15	by the governor Governor with the advice and consent of the senate Senate.
16	The commissioner of public service Commissioner shall serve for a term of
17	two years beginning on February 1 of the year in which the appointment is
18	made. The commissioner Commissioner shall serve at the pleasure of the
19	governor Governor. The directors for regulated utility planning, for energy
20	efficiency and for public advocacy Directors for Regulated Utility Planning,

for Public Advocacy, and for Energy Efficiency shall be appointed by the

1	commissioner Commissioner. The Director for Telecommunications and
2	Connectivity shall be appointed by the Commissioner in consultation with the
3	Secretary of Administration.
4	(c) The director for public advocacy Directors for Public Advocacy and for
5	Telecommunications and Connectivity may employ, with the approval of the
6	commissioner Commissioner, legal counsel and other experts, and clerical
7	assistance, and the directors of regulated utility planning and energy efficiency
8	Directors for Regulated Utility Planning and for Energy Efficiency may
9	employ, with the approval of the commissioner Commissioner, experts and
10	clerical assistance.
11	Sec. 3. 30 V.S.A. § 202d is amended to read:
12	§ 202d. TELECOMMUNICATIONS PLAN
13	(a) The Department of Public Service shall constitute the responsible
14	planning agency of the State for the purpose of obtaining for all consumers in
15	the State stable and predictable rates and a technologically advanced
16	telecommunications network serving all service areas in the State. The
17	Department shall be responsible for the provision of plans for meeting
18	emerging trends related to telecommunications technology, markets, financing
19	and competition.
20	(b) The Department shall prepare a Telecommunications Plan for the State
21	The Department of Innovation and Information, the Division for Connectivity

for use by government; and

1	and the Agency of Commerce and Community Development shall assist the
2	Department of Public Service in preparing the Plan. The Plan shall be for a
3	ten-year period and shall serve as a basis for State telecommunications policy.
4	Prior to preparing the Plan, the Department shall prepare:
5	(1) an overview, looking ten years ahead, of future requirements for
6	telecommunications services, considering services needed for economic
7	development, technological advances, and other trends and factors which, as
8	determined by the Department of Public Service, will significantly affect State
9	telecommunications policy and programs;
10	(2) a survey of Vermont residents and businesses, conducted in
11	cooperation with the Agency of Commerce and Community Development and
12	the Division for Connectivity, to determine what telecommunications services
13	are needed now and in the succeeding ten years;
14	(3) an assessment of the current state of telecommunications
15	infrastructure;
16	(4) an assessment, conducted in cooperation with the Department of
17	Innovation and Information and the Division for Connectivity, of the current
18	State telecommunications system and evaluation of alternative proposals for
19	upgrading the system to provide the best available and affordable technology

1	(5) an assessment of the state of telecommunications networks and
2	services in Vermont relative to other states, including price comparisons for
3	key services and comparisons of the state of technology deployment.
4	(c) In developing the Plan, the Department shall take into account the State
5	telecommunications policies and goals of section 202c of this title.
6	(d) In establishing plans, public hearings shall be held and the Department
7	shall consult with members of the public, representatives of
8	telecommunications utilities, other providers, and other interested State
9	agencies, particularly the Agency of Commerce and Community Development
10	the Division for Connectivity, and the Department of Innovation and
11	Information, whose views shall be considered in preparation of the Plan. To
12	the extent necessary, the Department shall include in the Plan surveys to
13	determine existing, needed, and desirable plant improvements and extensions,
14	access and coordination between telecommunications providers, methods of
15	operations, and any change that will produce better service or reduce costs. To
16	this end, the Department may require the submission of data by each company
17	subject to supervision by the Public Service Board.
18	(e) Before adopting a Plan, the Department shall conduct public hearings
19	on a final draft and shall consider the testimony presented at such hearings in
20	preparing the final Plan. At least one hearing shall be held jointly with

Committees of the General Assembly designated by the General Assembly for

1	this purpose. The Plan shall be adopted by September 1, 2014, and then
2	reviewed and updated as provided in subsection (f) of this section.
3	(f) The Department, from time to time, but in no event less than every three
4	years, institute proceedings to review a the Plan and make revisions, where
5	necessary. The three-year major review shall be made according to the
6	procedures established in this section for initial adoption of the Plan. For good
7	cause or upon request by a Joint Resolution passed by the General Assembly,
8	an interim review and revision of any section of the Plan may be made after
9	conducting public hearings on the interim revision. At least one hearing shall
10	be held jointly with Committees of the General Assembly designated by the
11	General Assembly for this purpose.
12	(g) The Department shall review and update the minimum technical service
13	characteristic objectives not less than every three years beginning in 2017. In
14	the event such review is conducted separately from an update of the Plan, the
15	Department shall issue revised minimum technical service characteristic
16	objectives as an amendment to the Plan.
17	Sec. 4. 30 V.S.A. § 202e is added to read:
18	§ 202e. TELECOMMUNICATIONS AND CONNECTIVITY
19	(a) Among other powers and duties specified in this title, the Department of
20	Public Service, through the Division for Telecommunications and
21	Connectivity, shall promote:

1	(1) access to affordable broadband service to all residences and
2	businesses in all regions of the State, to be achieved in a manner that is
3	consistent with the State Telecommunications Plan;
4	(2) universal availability of mobile telecommunication services,
5	including voice and high-speed data along roadways, and near universal
6	availability statewide;
7	(3) investment in telecommunications infrastructure in the State that
8	creates or completes the network for service providers to create last-mile
9	connection to the home or business and supports the best available and
10	economically feasible service capabilities;
11	(4) the continuous upgrading of telecommunications and broadband
12	infrastructure in all areas of the State to reflect the rapid evolution in the
13	capabilities of available mobile telecommunications and broadband
14	technologies, the capabilities of mobile telecommunications and broadband
15	services needed by persons, businesses, and institutions in the State; and
16	(5) the most efficient use of both public and private resources through
17	State policies by encouraging the development of open access
18	telecommunications infrastructure that can be shared by multiple service
19	providers.

1	(b) To achieve the goals specified in subsection (a) of this section, the
2	<u>Division shall:</u>
3	(1) provide resources to local, regional, public, and private entities in the
4	form of grants, technical assistance, coordination, and other incentives;
5	(2) prioritize the use of existing buildings and structures, historic or
6	otherwise, as sites for visually-neutral placement of mobile
7	telecommunications and wireless broadband antenna facilities;
8	(3) inventory and assess the potential to use federal radio frequency
9	licenses held by instrumentalities of the State to enable broadband service in
10	unserved areas of the State; take steps to promote the use of those licensed
11	radio frequencies for that purpose; and recommend to the General Assembly
12	any further legislative measures with respect to ownership, management, and
13	use of these licenses as would promote the general good of the State;
14	(4) coordinate telecommunications initiatives among Executive Branch
15	agencies, departments, and offices;
16	(5) identify the types and locations of infrastructure and services needed
17	to carry out the goals stated in subsection (a) of this section;
18	(6) formulate an action plan that conforms with the State
19	Telecommunications Plan and carries out the goals stated in subsection (a) of
20	this section;

1	(7) coordinate the agencies of the State to make public resources
2	available to support the extension of mobile telecommunications and
3	broadband infrastructure and services to all unserved areas;
4	(8) support and facilitate initiatives to extend the availability of mobile
5	telecommunications and broadband services, and promote development of the
6	infrastructure that enables the provision of these services;
7	(9) through the Department of Innovation and Information, aggregate
8	and broker access at reduced prices to services and facilities required to
9	provide wireless telecommunications and broadband services; and waive or
10	reduce State fees for access to State-owned rights-of-way in exchange for
11	comparable value to the State, unless payment for use is otherwise required by
12	federal law; and
13	(10) receive all technical and administrative assistance as deemed
14	necessary by the Director for Telecommunications and Connectivity.
15	(c)(1) The Director may request from telecommunications service
16	providers voluntary disclosure of information regarding deployment of
17	broadband, telecommunications facilities, or advanced metering infrastructure
18	that is not publicly funded. Such information may include data identifying
19	projected coverage areas, projected average speed of service, service type, and
20	the anticipated date of completion in addition to identifying the location and
21	routes of proposed cables, wires, and telecommunications facilities.

(2) The Director may enter into a nondisclosure agreement with respect
to any voluntary disclosures under this subsection, and the information
disclosed pursuant thereto shall remain confidential. Alternatively, entities that
voluntarily provide information requested under this subsection may select a
third party to be the recipient of such information. The third party may
aggregate information provided by the entities, but shall not disclose
provider-specific information it has received under this subsection to any
person, including the Director. The third party shall only disclose the
aggregated information to the Director. The Director may publicly disclose
aggregated information based upon the information provided under this
subsection. The confidentiality requirements of this subsection shall not affect
whether information provided to any agency of the State or a political
subdivision of the State pursuant to other laws is or is not subject to disclosure.
(d) The Division shall only promote the expansion of broadband services
that offer actual speeds that meet or exceed the minimum technical service
characteristic objectives contained in the State's Telecommunications Plan.
(e) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year,
the Director shall submit a report of its activities for the preceding fiscal year
to the General Assembly. Each report shall include an operating and financial
statement covering the Division's operations during the year, including a
summary of all grant awards and contracts and agreements entered into by the

1	Division, as well as the action plan required under subdivision (b)(6) of this
2	section. In addition, the report shall include an accurate map and narrative
3	description of each of the following:
4	(1) the areas served and the areas not served by wireless
5	communications service, and cost estimates for providing such service to
6	unserved areas;
7	(2) the areas served and the areas not served by broadband that has a
8	download speed of at least 0.768 Mbps and an upload speed of at least 0.2
9	Mbps, and cost estimates for providing such service to unserved areas;
10	(3) the areas served and the areas not served by broadband that has a
11	combined download and upload speed of at least 5 Mbps, and the costs for
12	providing such service to unserved areas; and
13	(4) the areas served and the areas not served by broadband that has a
14	download speed of at least 100 Mbps and is symmetrical, and the costs for
15	providing such service to unserved areas.
16	Sec. 5. 30 V.S.A. § 202f is added to read:
17	§ 202f. TELECOMMUNICATIONS AND CONNECTIVITY ADVISORY
18	BOARD
19	(a) There is created a Telecommunications and Connectivity Advisory
20	Board for the purpose of making recommendations to the Commissioner of
21	Public Service regarding his or her telecommunications responsibilities and

1	duties under this title. The Advisory Board shall consist of nine members
2	selected as follows:
3	(1) the State Treasurer or his or her designee;
4	(2) the Secretary of Administration or his or her designee;
5	(3) the Secretary of Commerce and Community Development or his or
6	her designee;
7	(4) one member of the House of Representatives appointed by the
8	Speaker of the House;
9	(5) one member of the Senate appointed by the Committee on
10	Committees of the Senate; and
11	(6) four at-large members appointed by the Governor, who may not be
12	employees or officers of the State at the time of appointment.
13	(b) A quorum of the Advisory Board shall consist of five members. No
14	action of the Advisory Board shall be considered valid unless the action is
15	supported by a majority vote of the members present and voting and then only
16	if at least four members vote in favor of the action. The Governor shall select
17	from among the at-large members, a Chair and vice chair, who may not be
18	members of the General Assembly or employees or officers of the State at the
19	time of the appointment.
20	(c) In making appointments of at-large and legislative members and the
21	Chair, the appointing authorities shall give consideration to citizens of the

State with knowledge of telecommunications technology, telecommunications
regulatory law, transportation rights-of-way and infrastructure, finance, and
environmental permitting. However, the legislative and four at-large members
may not be persons with a financial interest in or owners or employees of an
enterprise that provides broadband or cellular service or that is seeking in-kind
or financial support from the Department of Public Service. The conflict of
interest provision in this subsection shall not be construed to disqualify a
member who has ownership in a mutual fund, exchange traded fund, pension
plan, or similar entity that owns shares in such enterprises as part of a broadly
diversified portfolio. In addition, at least one at-large member shall represent
an area of Vermont determined by the Commissioner to be unserved by
broadband at the time of his or her appointment or reappointment, and at least
one at-large member shall represent an area of Vermont determined by the
Commissioner to be unserved by mobile telecommunications at the time of his
or her appointment or reappointment. The legislative and at-large members
shall serve terms of two years beginning February 1 in odd-numbered years,
and until their successors are appointed and qualified. However, three of the
four at-large members first appointed by the Governor shall serve an initial
term of three years. Vacancies shall be filled by the respective appointing
bodies for the balance of the unexpired term. A member may be reappointed
for up to three consecutive terms. Upon completion of a term of service for

1	any reason, including the term's expiration or a member's resignation, and for
2	one year from the date of such completion, a former Board member shall not
3	advocate before the Department on behalf of an enterprise that provides
4	broadband or cellular service.
5	(d) Except for those members otherwise regularly employed by the State,
6	the compensation of the Advisory Board's members is that provided by
7	32 V.S.A. § 1010(a). All members of the Advisory Board, including those
8	members otherwise regularly employed by the State, shall receive their actual
9	and necessary expenses when away from home or office upon their official
10	duties.
11	(e) In performing its duties, the Advisory Board may use the legal and
12	technical resources of the Department of Public Service. The Department of
13	Public Service shall provide the Board with administrative services.
14	(f) At least annually, the Advisory Board and the Commissioner or
15	designee shall jointly hold a public meeting to review and discuss the status of
16	State telecommunications policy and planning, the Telecommunications Plan,
17	the Connectivity Fund, the Connectivity Initiative, the High-Cost Program, and
18	any other matters they deem necessary to fulfill their obligations under this
19	section.

1	Sec. 6. CREATION OF POSITIONS; TRANSFER OF VACANT
2	POSITIONS; REEMPLOYMENT RIGHTS
3	(a) Up to three additional exempt full-time positions are created within the
4	Division for Telecommunications and Connectivity, as deemed necessary by
5	the Secretary of Administration.
6	(b) The positions created under subsection (a) of this section shall only be
7	filled to the extent there are existing vacant positions in the Executive Branch
8	available to be transferred and converted to the new positions in the Division
9	for Connectivity, as determined by the Secretary of Administration and the
10	Commissioner of Human Resources, so that the total number of authorized
11	positions in the State shall not be increased by this act.
12	(c) All full-time personnel of the Vermont Telecommunications Authority
13	employed by the Authority on the day immediately preceding the effective date
14	of this act who do not obtain a position in the Division for Connectivity
15	pursuant to subsection (a) of this section shall be entitled to the same
16	reemployment or recall rights available to nonmanagement State employees
17	under the existing collective bargaining agreement entered into between the
18	State and the Vermont State Employees' Association.

1	Sec. 7. 30 V.S.A. § 7503 is amended to read:
2	§ 7503. FISCAL AGENT
3	(a) A fiscal agent shall be selected to receive and distribute funds under this
4	chapter.
5	(b) The fiscal agent shall be selected by the Public Service Board
6	Commissioner of Public Service after competitive bidding. No
7	telecommunications service provider shall be eligible to be the fiscal agent.
8	The duties of the fiscal agent shall be determined by a contract with a term not
9	greater than three years.
10	(c) In order to finance grants and other expenditures that have been
11	approved by the Public Service Board, the fiscal agent may borrow money
12	from time to time in anticipation of receipts during the current fiscal year. No
13	such note shall have a term of repayment in excess of one year, but the fiscal
14	agent may pledge its receipts in the current and future years to secure
15	repayment. Financial obligations of the fiscal agent are not guaranteed by the
16	State of Vermont.
17	(d) The fiscal agent shall be audited annually by a certified public
18	accountant in a manner determined by and under the direction of the Public
19	Service Board.
20	(e) The financial accounts of the fiscal agent shall be available at

reasonable times to any telecommunications service provider in this State. The

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1	Public Service Board may investigate the accounts and practices of the fiscal
2	agent and may enter orders concerning the same.
3	(f) The fiscal agent acts as a fiduciary and holds funds in trust for the
4	ratepayers until the funds have been disbursed as provided pursuant to sections
5	7511 through 7515 section 7515 of this chapter.
6	Sec. 8. 30 V.S.A. § 7516 is amended to read:
7	§ 7516. CONNECTIVITY FUND
8	There is created a Connectivity Fund for the purpose of providing support
9	to the High-Cost Program established under section 7515 of this chapter and
10	the Connectivity Initiative established under section 7515b of this chapter.
11	The fiscal agent shall determine annually, on or before September 1, the
12	amount of monies available to the Connectivity Fund. Such funds shall be
13	apportioned equally as follows: 30 percent to the High-Cost Program and 70
14	percent to the Connectivity Initiative referenced in this section.
15	Sec. 9. 30 V.S.A. § 7515 is amended to read:
16	§ 7515. HIGH-COST PROGRAM
17	(a) The Universal Service Charge shall be used as a means of keeping basic
18	telecommunications service affordable in all parts of this State, thereby

maintaining universal service, and as a means of supporting access to

broadband service in all parts of the State.

1	(b) The Public Service Board, after review of a petition of a company
2	holding a certificate of public good to provide telecommunications service in
3	Vermont, and upon finding that the company meets all requirements for
4	designation as an "eligible telecommunications carrier" as defined by the FCC
5	may designate the company as a Vermont-eligible telecommunications carrier
6	(VETC).
7	(c) The supported services a designated VETC must provide are voice
8	telephony services and broadband Internet access, directly or through an
9	affiliate. A VETC receiving support under this section shall use that support
10	for capital improvements in high cost areas, as defined in subsection (f) of this
11	section, to build broadband capable networks.
12	(d) The Board may designate multiple VETCs for a single high cost area,
13	but each designated VETC shall:
14	(1) offer supported services to customers at all locations throughout the
15	service high cost area or areas for which it has been designated; and
16	(2) for its voice telephone services, meet service quality standards set by
17	the Board.
18	(e) A VETC shall receive support as defined in subsection (i) of this
19	section from the fiscal agent of the Vermont Universal Service Fund for each
20	telecommunications line in service or service location, whichever is greater in

number, in each high cost area it services. Such support may be made in the

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1 form of a net payment against the carrier's liability to the Fund. If multiple 2 VETCs are designated for a single area, then each VETC shall receive support 3 for each line it has in service. 4 (f) As used in this section, a Vermont telephone exchange is a "high cost 5 area" if the exchange is served by a rural telephone company, as defined by 6 federal law, or if the exchange is designated as a rural exchange in the 7 wholesale tariff of a regional bell operating company (RBOC), as defined by 8 the FCC, or of a successor company to an RBOC. An exchange is not a high 9 cost area if the Public Service Board finds that the supported services are 10 available to all locations throughout the exchange from at least two service 11 providers. 12 (g) Except as provided in subsection (h) of this section, a VETC shall 13 provide broadband Internet access at speeds meeting 4 Mbps download and 14 1 Mbps upload in each high cost area it serves within five years of designation. 15 A VETC need not provide broadband service to a location that has service 16 available from another service provider, as determined by the Department of 17 Public Service. 18 (h) The Public Service Board may modify the build out requirements of

subsection (d) of this section as it relates to broadband Internet access to be the

geographic area that could be reached using one-half of the funds to be

received over five years. A VETC may seek such waiver of the build out

1	requirements in subsection (c) within one year of designation and shall
2	demonstrate the cost of meeting broadband Internet access requirements on an
3	exchange basis and propose an alternative build out plan.
4	(i) The amount of the monthly support under this section shall be the pro
5	rata share of available funds as provided in subsection (e) of this section based
6	on the total number of incumbent local exchange carriers in the State and
7	reflecting each carrier's lines in service or service locations in its high-cost
8	area or areas, as determined under subsection (e) of this section. If an
9	incumbent local exchange carrier does not petition the Board for VETC
10	designation, or is found ineligible by the Board, the share of funds it otherwise
11	would have received under this section shall be used to support the
12	Connectivity Initiative established in section 7515b of this chapter.
13	(j) The Public Service Board shall adopt by rule standards and procedures
14	for ensuring projects funded under this section are not competitive overbuilds
15	of existing wired telecommunications services.
16	(k) Each VETC shall submit certification that it is meeting the
17	requirements of this section and an accounting of how it expended the funds
18	received under this section in the previous calendar year, with its annual repor
19	to the Department of Public Service. For good cause shown, the Public

Service Board may investigate submissions required by this subsection and

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capabilities.

1 may revoke a company's designation if it finds that the company is not 2 meeting the requirements of this subsection. 3 Sec. 10. 30 V.S.A. § 7515b is amended to read: 4 § 7515b. CONNECTIVITY INITIATIVE 5 (a) The purpose of the Connectivity Initiative is to provide each service 6 location in Vermont access to Internet service that is capable of speeds of at 7 least 4 Mbps download and 1 Mbps upload, or the FCC speed requirements 8 established under Connect America Fund Phase II, whichever is higher, 9 beginning with locations not served as of December 31, 2013 according to the 10 minimum technical service characteristic objectives applicable at that time. 11 Within this category of service locations, priority shall be given first to 12 unserved and then to underserved locations. As used in this section, 13 "unserved" means a location having access to only satellite or dial-up Internet 14 service and "underserved" means a location having access to Internet service 15 with speeds that exceed satellite and dial-up speeds but are less than 4 Mbps 16 download and 1 Mbps upload. Any new services funded in whole or in part by 17 monies in this Fund from this Initiative shall be capable of being continuously

(b) The Department of Public Service shall publish annually a list of census blocks eligible for funding based on the Department's most recent broadband

upgraded to reflect the best available, most economically feasible service

1	mapping data. The Department annually shall solicit proposals from service
2	providers, the Vermont Telecommunications Authority, and the Division for
3	Connectivity to deploy broadband to eligible census blocks. The Department
4	shall give priority to proposals that reflect the lowest cost of providing services
5	to unserved and underserved locations; however, the Department also shall
6	consider:
7	(1) the proposed data transfer rates and other data transmission
8	characteristics of services that would be available to consumers;
9	(2) the price to consumers of services;
10	(3) the proposed cost to consumers of any new construction, equipment
11	installation service, or facility required to obtain service;
12	(4) whether the proposal would use the best available technology that is
13	economically feasible;
14	(5) the availability of service of comparable quality and speed; and
15	(6) the objectives of the State's Telecommunications Plan.
16	Sec. 11. EFFECTIVE DATE
17	This act shall take effect on July 1, 2015.