

CONFIDENTIAL
FINAL LEGISLATIVE BILL REVIEW FORM

Bill Number: H. 297 **Bill Title:** An act relating to duties and functions of the Department of Public Service

Department: Public Service **Author of Bill Review:** Jim Porter

Date of Bill Review: May 22, 2014 **Final Bill Review** XXX yes _____ no

1. SUMMARY OF THIS LEGISLATION:

This bill ceases operation of the Vermont Telecommunications Authority (VTA) on July 1, 2015 and creates, as its successor, the Division of Connectivity which will be under the direction of the AoA. The bill further moves the current possible 2% Vermont Universal Service Fund (VUSF) Cap to a fixed 2% each year. (related to this bill – the budget bill applied the VUSF to prepaid wireless providers). H. 297 also creates a Connectivity Fund (50% of which will go to Incumbent Local Exchange Carriers (ILECs) for high cost voice support and 50% will be available for grants for increased broadband speeds from providers, including the VTA and Division of Connectivity, as defined from PSD mapping and RFP's issued by the PSD. H. 297 removes the sunset provision for 30 V.S.A. Sec. 248a (telecommunications facilities) and gives towns party status should they desire, in any 248a proceeding related to that town. In addition, the PSD may retain experts prior to an actual petition being filed and billback those experts to the Petitioner. The PSD will also be required to participate in meetings between towns and Petitioners' where the town has requested a meeting based upon any substantive issue. H. 297 also contains some seven studies to be conducted by the PSD and AoA relative to broadband mapping, cellular coverage, an action plan, and a plan for transferring from the VTA to the Division of Connectivity. H. 297 also requires a proposal for \$300,000 is savings realized from merging the VCOM, E911, and FirstNet Board and a proposal for moving E911 to either the PSD or the Department of Public Safety.

2. COSTS & PROGRAM IMPLICATIONS:

Presumably there will be cost savings realized from a Division of Connectivity that is smaller than the existing VTA with salaries paid at the state pay scale. In addition, it is anticipated that savings can be realized from structural and/or personnel changes at the E911 Board. The fixed 2% for the VUSF rate could see an increase this year but as the budget has not been set for the coming year – it is conceivable that it could have been 2% in any event.

3. RECOMMENDED POSITION (sign, veto, or allow to become law without signature):

Sign.

4. RATIONALE:

It is very important to the broadband and cellular mission that 248a be extended beyond July 2014. In addition, there is an interest in a restructuring of the VTA and the E911 Board and this bill effectuates those goals.

5. WHO WILL THE BILL IMPACT FISCALLY AND PROGRAMMATICALLY?

The VTA and E911 Board will be impacted programmatically. In addition, prepaid wireless carriers will be required to collect the VUSF (though this is in the budget bill).

Commissioner Signature:  Date: 5/22/14