

1 Introduced by Committee on Energy and Technology

2 Referred to Committee on

3 Date:

4 Subject: Telecommunications; Vermont Universal Service Fund;

5 communications union districts; electric utilities; broadband grants

6 and loans; municipal broadband deployment

7 Statement of purpose of bill as introduced: This bill proposes to establish

8 measures designed to support broadband deployment in unserved and

9 underserved areas in Vermont.

10 An act relating to broadband deployment throughout Vermont

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 * * * Legislative Findings * * *

13 Sec. 1. FINDINGS

14 The General Assembly finds that:

15 (1) Department of Public Service data indicates that seven percent of
16 Vermont addresses do not have access to the most basic high-speed Internet
17 access, which is 4 Mbps download and 1 Mbps upload. Nearly 20 percent of
18 Vermont addresses lack access to modern Internet speeds of 10 Mbps
19 download and 1 Mbps upload. The Federal Communications Commission
20 (FCC) defines broadband as a minimum of 25 Mbps download and 3 Mbps

1 upload. Approximately 27 percent of Vermont addresses lack access to this
2 level of service.

3 (2) As Vermont is a rural state with many geographically remote
4 locations, broadband is essential for supporting economic and educational
5 activities, strengthening health and public safety networks, and reinforcing
6 freedom of expression and democratic, social, and civic engagement.

7 (3) The accessibility and quality of communications networks in
8 Vermont, specifically broadband, ~~will critically impact~~ is critical to our
9 State’s future.

10 ~~(4) Many Vermonters do not have the ability to choose easily~~
11 ~~between Internet service providers. This lack of a thriving competitive~~
12 ~~market, particularly in isolated locations, disadvantages the ability of~~
13 ~~consumers and businesses to protect their interests sufficiently.~~

14 (4) The FCC anticipates that a “light-touch” regulatory approach under
15 Title I of the Communications Act of 1934, rather than “utility-style”
16 regulation under Title II, will further advance the Congressional goals of
17 promoting broadband deployment and infrastructure investment.

18 (5) The FCC’s regulatory approach is unlikely to achieve the intended
19 results in Vermont. The policy does little, if anything, to overcome the
20 financial challenges of bringing broadband service to hard-to-reach locations
21 with low population density. However, it may result in degraded **broadband**

1 quality or service. The State has a compelling interest in preserving and
2 protecting consumer access to high quality **Internet broadband** service.

3 (6) Reaching the last mile will require a grassroots approach that is
4 founded on input from and support of local communities, whose residents are
5 best situated to decide which broadband solution fits their needs. **By**
6 **developing a toolkit that encompasses numerous innovative approaches to**
7 **achieving successful broadband buildout, and by investing in programs**
8 **and personnel that can provide local communities with much needed**
9 **resources and technical assistance, the State can facilitate and support**
10 **community efforts to design and implement broadband solutions.**

11 (7) Existing Internet service providers are not providing adequate
12 service to many rural areas where fewer potential customers reduce the
13 profitability necessary to justify system expansion.

14 (8) Multiple communities have attempted to implement their own
15 unique solutions outside of traditional delivery methods but have been
16 hampered by a lack of access to capital. Existing broadband grant programs do
17 not offer the scale to solve this problem, and banks and investors typically shy
18 away from start-up businesses with limited revenue history and little equity or
19 collateral.

20 (9) Community broadband solutions may mean **either** partnering with a
21 new business that must design and build a network **or with an established**

1 Internet service provider, which is followed by a 12-to 24-month process of
2 initial customer acquisition.

3 (10) A growing challenge is the isolation that may result from increased
4 reliance on the Internet and online communities. In rural settings, the physical
5 and psychological draw into isolation is much greater simply as a result of
6 limited chances for interaction with neighbors and community members. As
7 we expand our access and reliance on the Internet, we need to be intentional in
8 supporting our rural communities and town centers.

9 * * * VUSF; Rate Increase; Connectivity Fund; Specialist * * *

10 Sec. 2. 30 V.S.A. § 7523 is amended to read:

11 § 7523. RATE OF CHARGE

12 (a) Beginning on July 1, 2014, the rate of charge shall be two percent of
13 retail telecommunications service.

14 (b) Beginning on July 1, 2019, the rate of charge established under
15 subsection (a) of this section shall be increased by one-half of one percent of
16 retail telecommunications service, and the monies collected from this increase
17 shall be transferred to the Connectivity Fund established under section 7516 of
18 this title.

19 (c) Universal Service Charges imposed and collected by the fiscal agent
20 under this subchapter shall not be transferred to any other fund or used to

1 support the cost of any activity other than in the manner authorized by this
2 section and section 7511 of this title.

3 Sec. 3. 30 V.S.A. § 7516 is amended to read:

4 § 7516. CONNECTIVITY FUND

5 (a) There is created a Connectivity Fund for the purpose of providing
6 support to the High-Cost Program established under section 7515 of this
7 chapter and the Connectivity Initiative established under section 7515b of this
8 chapter. The fiscal agent shall determine annually, on or before September 1,
9 the amount of monies available to the Connectivity Fund. Such funds shall be
10 apportioned as follows: 45 percent to the High-Cost Program and 55 percent
11 to the Connectivity Initiative.

12 (b) Of the money transferred to the Connectivity Fund pursuant to
13 subsection 7523(b) of this title, up to \$120,000.00 shall be appropriated
14 annually to the Department of Public Service to fund a full-time employee
15 Rural Broadband Technical Assistance Specialist whose duties shall include
16 providing outreach, technical assistance, and other support services to
17 communications union districts established pursuant to chapter 82 of this title
18 and other units of government, nonprofit organizations, cooperatives, and for-
19 profit businesses for the purpose of expanding broadband Internet access
20 service broadband service to unserved and underserved locations. Support
21 services also may include providing business model templates for various

1 approaches, including formation of or partnership with a cooperative, a
2 communications union district, a rural economic development infrastructure
3 district, an electric utility, or a new or existing Internet service provider as
4 operator of the network.

5 * * * High-Cost Program; Connectivity Initiative;

6 Speed Requirements * * *

7 Sec. 4. 30 V.S.A. § 7515 is amended to read:

8 § 7515. HIGH-COST PROGRAM

9 (a) The Universal Service Charge shall be used as a means of keeping basic
10 telecommunications service affordable in all parts of this State, thereby
11 maintaining universal service, and as a means of supporting access to
12 broadband service in all parts of the State.

13 * * *

14 (g) Except as provided in subsection (h) of this section, a VETC shall
15 provide broadband Internet access at speeds no lower than ~~4 Mbps download~~
16 ~~and 1 Mbps upload~~ 25 Mbps download and 3 Mbps upload in each high-cost
17 area it serves within five years of designation. A VETC need not provide
18 broadband service to a location that has service available from another service
19 provider, as determined by the Department of Public Service.

20 * * *

21 Sec. 5. 30 V.S.A. § 7515b is amended to read:

1 § 7515B. CONNECTIVITY INITIATIVE

2 (a) The purpose of the Connectivity Initiative is to provide each service
3 location in Vermont access to Internet service that is capable of speeds of at
4 least ~~10 Mbps download and 1 Mbps upload~~ 25 Mbps download and 3 Mbps
5 upload, or the FCC speed requirements established under Connect America
6 Fund Phase II, whichever is higher, beginning with locations not served as of
7 December 31, 2013 according to the minimum technical service characteristic
8 objectives applicable at that time. Within this category of service locations,
9 priority shall be given first to unserved and then to underserved locations. As
10 used in this section, “unserved” means a location having access to only satellite
11 or dial-up Internet service and “underserved” means a location having access
12 to Internet service with speeds that exceed satellite and dial-up speeds but are
13 less than 4 Mbps download and 1 Mbps upload. Any new services funded in
14 whole or in part by monies from this Initiative shall be capable of being
15 continuously upgraded to reflect the best available, most economically feasible
16 service capabilities.

17 * * *

18 * * * VUSF; Prepaid Wireless; Point of Sale * * *

19 Sec. 6. 30 V.S.A. § 7521(d) is amended to read:

20 (d)(1) ~~Notwithstanding any other provision of law to the contrary,~~
21 ~~beginning on September 1, 2014, in the case of prepaid wireless~~

1 ~~telecommunications service, the Universal Service Charge shall be imposed as~~
2 ~~follows:~~

3 ~~(A) If the provider sells directly to a consumer in a retail transaction,~~
4 ~~the provider may collect the Charge from the customer at the rate specified in~~
5 ~~section 7523 of this title; or~~

6 ~~(B) if the provider does not sell directly to the consumer, or if the~~
7 ~~provider sells directly to the customer in a retail transaction but elects not to~~
8 ~~collect the Charge from the customer, the Charge shall be imposed on the~~
9 ~~provider at the rate determined in subdivision (2) of this subsection (d).~~

10 ~~(2) The Public Utility Commission shall establish a formula to ensure~~
11 ~~the Universal Service Charge rate imposed on prepaid wireless~~
12 ~~telecommunications service providers under subdivision (1)(B) of this~~
13 ~~subsection reflects two percent of retail prepaid wireless telecommunications~~
14 ~~service in Vermont.~~

15 ~~(3) As used in this subsection, “prepaid wireless telecommunications~~
16 ~~service” means a telecommunications service as defined in subdivision 203(5)~~
17 ~~of this title that a consumer pays for in advance and that is sold in~~
18 ~~predetermined units or dollars that decline with use. [Repealed.]~~

19 Sec. 7. 30 V.S.A. § 7521(e) is added to read:

20 (e)(1) Notwithstanding any other provision of law to the contrary,
21 beginning on January 1, 2020, the universal service charge shall be imposed on

1 all retail sales of prepaid wireless telecommunications service subject to the
2 sales and use tax imposed under 32 V.S.A. chapter 233. The charges shall be
3 collected by sellers and remitted to the Department of Taxes in the manner
4 provided under 32 V.S.A. chapter 233. Upon receipt of the charges, the
5 Department of Taxes shall have 30 days to remit the funds to the fiscal agent
6 selected under section 7503 of this chapter. The Commissioner of Taxes shall
7 establish registration and payment procedures applicable to the universal
8 service charge imposed under this subsection consistent with the registration
9 and payment procedures that apply to the sales tax imposed on such services.

10 (2) If a minimal amount of prepaid wireless telecommunications service
11 is sold with a prepaid wireless device for a single, nonitemized price, then the
12 seller may elect not to apply the charge to such transaction.

13 (3) As used in this subsection:

14 (A) “Minimal amount” means an amount of service denominated as
15 not more than 10 minutes or not more than \$5.00.

16 (B) “Prepaid wireless telecommunications service” means a
17 telecommunications service as defined in subdivision 203(5) of this title that a
18 consumer pays for in advance and that is sold in predetermined units or dollars
19 that decline with use.

20 (C) “Seller” means a person who sells prepaid wireless
21 telecommunications service to a consumer.

1 * * * One-Time Transfer and Appropriation; **Broadband Innovation Grant**
2 **Program**; Federal RUS Grants and Loans * * *

3 Sec. 8. FISCAL YEAR 2019 ONE-TIME GENERAL FUND TRANSFER

4 (a) From the General Fund to the Connectivity Fund established pursuant
5 to 30 V.S.A. § 7516: \$955,000 to be allocated as follows:

6 (1) \$700,000 to fund grants through the Broadband Innovation Grant
7 Program established in Sec. 10 of this act.

8 (2) \$205,000 to fund grants through the Connectivity Initiative as
9 provided in 30 V.S.A. §7515b(b).

10 (3) \$50,000 to the Department of Public Service to assess the feasibility
11 of providing broadband service using electric utility infrastructure, pursuant to
12 Sec. 11 of this act.

13 (b) These monies shall not be subject to the distribution requirements of 30
14 V.S.A. § 7511(a)(1)(A)–(D).

15 Sec. 9. FISCAL YEAR 2019 ONE-TIME GENERAL FUND

16 APPROPRIATION

17 To the ThinkVermont Innovation Initiative established in 2018 Acts and
18 Resolves No. 197, Sec. 2, \$45,000.00 is appropriated for the purpose of
19 funding technical assistance grants to Vermont municipalities planning
20 broadband projects.

1 Sec. 10. DEPARTMENT OF PUBLIC SERVICE; **GRANTS FOR STUDIES**
2 **AND PILOT PROJECTS; BROADBAND INNOVATION GRANT**
3 **PROGRAM**

4 (a) There is established a Broadband Innovation Grant Program to be
5 administered by the Commissioner of Public Service. The purpose of the
6 Program is to fund feasibility studies and pilot projects related to the
7 deployment of broadband Internet service in rural, unserved and underserved
8 areas of Vermont. The following conditions shall apply to the Program:

9 (1) Grants shall be used to support studies and projects that contemplate
10 the provision of broadband service at speeds of at least 25 Mbps download and
11 3 Mbps upload.

12 (2) Eligible grant applicants shall include communications union
13 districts and other units of government, nonprofit organizations, cooperatives,
14 and for-profit businesses.

15 (3) Grantees shall produce an actionable business plan for a potential
16 broadband solution, which may include formation of or partnership with a
17 cooperative, communications union district, rural economic development
18 infrastructure district, municipal communications plant, or utility. The
19 business plan required by this subdivision shall include engineering and
20 design plans; financing models; estimated construction costs; and ideal
21 operational models.

1 (4) A grant award may not exceed \$60,000.00.

2 (5) Not more than 2.5 percent of a grant may be used for grant
3 management.

4 (6) Pilot projects funded under the Program shall include efforts
5 undertaken by electric distribution utilities for the purpose of determining the
6 market feasibility of providing broadband using electric company
7 infrastructure. Awards to distribution utilities shall be made pursuant to a
8 competitive bidding process initiated not sooner than December 1, 2019
9 January 1, 2020, or upon submission of the report required by Sec. 11 of this
10 act, whichever is sooner, and shall be consistent with the recommendations
11 contained in that report. Not more than two pilot projects shall be funded
12 under the Program.

13 (7) Studies funded through the Program shall conclude within six
14 months of receipt of the award, pilot projects shall conclude within 12 months
15 of receipt of the award.

16 (8) The Commissioner shall retain 50 percent of the grant award until
17 the study or pilot project is completed he or she determines that the study or
18 pilot project has been completed consistent with the terms of the grant.

19 (9) Grant recipients shall report their findings and recommendations to
20 the Commissioner of Public Service within 30 days of the completion of a
21 study or project funded under the Program.

1 (b) To the extent such information is available, the Commissioner of Public
2 Service shall aggregate the information submitted under subdivision (a)(8) of
3 this section and shall report his or her findings and recommendations to the
4 House Committee on Energy and Technology and the Senate Committee on
5 Finance on or before January 1 January 15, 2020, and annually thereafter until
6 all of the funds in the Program have been expended.

7 Sec. 11. STUDY; FEASIBILITY OF ELECTRIC COMPANIES OFFERING
8 BROADBAND ~~INTERNET ACCESS~~ SERVICE IN VERMONT

9 (a) The Commissioner of Public Service shall study the feasibility of
10 Vermont electric companies providing broadband service using electric
11 distribution and transmission infrastructure. Among other things, a feasibility
12 determination shall address the maturity of the technology potential advantages
13 of serving utilities internal data needs and expanding fiber for Internet access,
14 the compatibility of broadband service with existing electric service, the
15 financial investment necessary to undertake the provision of broadband
16 service, identification of the unserved and underserved areas of the State where
17 the provision of broadband service by an electric company appears feasible;
18 the impact on electric rates, and the financial risk to electric companies. The
19 Commissioner also shall address any financial consequences and any technical
20 or safety issues resulting from attaching such infrastructure in the electric

1 safety space as opposed to the communications space of distribution
2 infrastructure.

3 (b) In performing the feasibility study required by this section, the
4 Commissioner, in consultation with the Public Utility Commission, shall
5 consider regulatory barriers to the provision of broadband service by electric
6 companies, and shall develop legislative proposals to address those barriers. In
7 addition, the Commissioner, in collaboration with electric company
8 representatives, shall evaluate whether it is in the public interest and also in the
9 interest of electric companies for electric companies to:

10 (1) make improvements to the distribution grid in furtherance of
11 providing broadband service in conjunction with electric distribution grid
12 transformation projects;

13 (2) operate BIAS a network using electric distribution and transmission
14 infrastructure to provide such broadband service to unserved and
15 underserved areas of the State at speeds of at least 25 Mbps download and
16 3 Mbps upload; and

17 (3) permit a commercial entity communications union district or other
18 unit of government, nonprofit organization, cooperative, or for-profit business
19 to lease excess utility capacity to provide broadband service to unserved and
20 underserved areas of the State.

1 ~~(c) As used in this section, “unserved” means a location having access~~
2 ~~to Internet service with speeds less than 10 Mbps download and 1 Mbps~~
3 ~~upload, and “underserved” means a location having access to Internet~~
4 ~~service with speeds greater than 10 Mbps download and 1 Mbps upload~~
5 ~~and less than 25 Mbps download and 3 Mbps upload.~~

6 (c) The Commissioner shall report the feasibility findings and
7 recommendations required by this section to the Senate Committee on Finance
8 and to the House Committee on Energy and Technology on or before
9 December 1, 2019 January 1, 2020.

10 Sec. 12. 30 V.S.A. § 3047 is amended to read:

11 § 3047. COST ALLOCATIONS; SUBSIDIZATION PROHIBITED

12 In carrying out the purposes of this chapter, the electric revenues received
13 from regulated activities of a cooperative shall not subsidize any nonelectric
14 activities of the cooperative. A cooperative shall adopt cost allocation
15 procedures to ensure that the electrical distribution revenues received from
16 regulated activities of a cooperative do not subsidize any of the nonelectric
17 activities and that costs attributable to any nonelectric activities are not
18 included in the cooperative’s rates for electric service. A copy of the cost
19 allocation procedures shall be available to the public upon request.

20 ~~Nonelectric activities of the cooperative shall not be financed by loans or~~

1 ~~grants from the Rural Utilities Service of the U.S. Department of Agriculture~~
2 ~~or any successor federal agency.~~

3 * * * Municipalities; Communications Plants; Public-Private Partnership;
4 Study of General Obligation Bonding Authority * * *

5 Sec. 13. 24 V.S.A. § 1913 is amended to read:

6 § 1913. COMMUNICATIONS PLANT; OPERATION AND REGULATION

7 (a) A municipality shall operate its communications plant in accordance
8 with the applicable State and federal law and regulation, and chapter 53 of this
9 title, relating to municipal indebtedness, with regard to the financing,
10 improvements, expansion, and disposal of the municipal communications plant
11 and its operations. However, the powers conferred by such provisions of law
12 shall be supplemental to, construed in harmony with, and not in restriction of,
13 the powers conferred in this chapter.

14 (b) A municipality's operation of any communications plant shall be
15 supported solely by the revenues derived from the operation of such
16 communications plant, except that portion which is used for its own municipal
17 purposes.

18 (c) A municipality may finance any capital improvement related to its
19 operation of such communications plant for the benefit of the people of the
20 municipality in accordance with the provisions of chapter 53 of this title,

1 provided that revenue-backed bonds shall be paid from net revenues derived
2 from the operation of the communications plant.

3 (d) Any restriction regarding the maximum outstanding debt that may be
4 issued in the form of general obligation bonds shall not restrict the issuance of
5 any bonds issued by a municipality and payable out of the net revenues from
6 the operation of a public utility project under chapter 53, subchapter 2 of
7 ~~chapter 53~~ of this title.

8 (e) To the extent that a municipality constructs communication
9 infrastructure with the intent of providing communications services, whether
10 wholesale or retail, the municipality shall ensure that any and all losses from
11 these businesses, or in the event these businesses are abandoned or curtailed,
12 any and all costs associated with the investment in communications
13 infrastructure, are not borne by the municipality's taxpayers.

14 (f) Notwithstanding any other provision of law to the contrary, a
15 municipality may enter into a public-private partnership for the purpose of
16 exercising its authority under this subchapter regarding the provision of
17 communications services and may contract with a private entity to own,
18 operate, or manage a communications plant financed in whole or in part
19 pursuant to this chapter and chapter 53, subchapter 2 of this title, provided the
20 municipality first issues a request for proposals seeking an Internet service
21 provider to serve unserved and underserved locations targeted by the issuing

1 municipality. The terms of such a partnership shall specify that that the private
2 Internet service provider shall guarantee the bond and shall be responsible for
3 debt service.

4 Sec. 14. **STUDY RECOMMENDATION**; GENERAL OBLIGATION

5 BOND~~S~~ FOR MUNICIPAL COMMUNICATIONS PLANTS

6 The Secretary of Administration or designee, in collaboration with the State
7 Treasurer or designee and the Director of the Municipal Bond Bank or
8 designee, shall investigate the use of general obligation bonds by a
9 municipality to finance capital improvements related to the operation of a
10 communications plant. On or before December 1, 2019, the Secretary shall
11 report his or her findings and recommendations to the House Committee on
12 Energy and Technology and the Senate Committee on Finance.

13 * * * VEDA; Broadband Expansion Loan Program * * *

14 Sec. 15. 10 V.S.A. chapter 12, subchapter 14 is added to read:

15 Subchapter 14. Broadband Expansion Loan Program

16 § 280ee. BROADBAND EXPANSION LOAN PROGRAM

17 (a) Creation. There is established within the Authority the Vermont
18 Broadband Expansion Loan Program (the Program), the purpose of which is to
19 enable the Authority to make loans that expand broadband Internet access
20 service to unserved and underserved Vermonters.

1 (b) Intent. It is understood that loans under the Program may be high-risk
2 loans to likely start-up businesses and therefore losses in the Program may be
3 higher than the Authority’s historical loss rate. Loans shall be underwritten by
4 the Authority utilizing underwriting parameters that acknowledge the higher
5 risk nature of these loans. The Authority shall not make a loan unless the
6 Authority has a reasonable expectation of the long-term viability of the
7 business.

8 (c)(1) Requirements. The Program shall make loans for start-up and
9 expansion that enable the Internet service providers to expand broadband
10 availability in unserved and underserved locations.

11 (2) The Authority shall adopt by rule standards and procedures for the
12 Program necessary to ensure the expansion of broadband availability to the
13 largest number of Vermont addresses as possible. The rules shall specify that:

14 (A) loans may be made in an amount of up to \$1,800,000.00;

15 (B) eligible borrowers include communications union districts and
16 other units of government, nonprofit organizations, cooperatives, and for-profit
17 businesses;

18 (C) borrowers may borrow up to 90 percent of project costs;

19 (D) interest and principal may be deferred up to two years; and

20 (E) a maximum of \$10,800,000.00 in Authority loans may be made
21 under the Program commencing on the effective date of this act.

1 (3) To ensure the limited funding available through the Program
2 supports the highest-quality broadband available to the most Vermonters and
3 prioritizes delivering services to the unserved and underserved, the Authority
4 shall consult with the Department of Public Service to:

5 (A) ensure that the provider offers service at speeds of at least
6 25 Mbps download and 3 Mbps upload to all customers;

7 (B) certify that at least 33 percent of the provider’s potential
8 customers have access to broadband at speeds that are less than 10 Mbps
9 download and 1 Mbps upload; and

10 (C) certify that at least 10 percent of the potential customers of a
11 provider have access to broadband at speeds that are less than 4 Mbps
12 download and 1 Mbps upload.

13 § 280ff. FUNDING

14 (a) The State Treasurer, in consultation with the Secretary of
15 Administration, shall negotiate an agreement with the Authority incorporating
16 the provisions of this section and consistent with the requirements of this
17 subchapter.

18 (b) Repayment from or appropriation to the Authority in years 2021 and
19 until the Program terminates is based on the Authority’s contributions to loan
20 loss reserves for the Program in accordance with generally accepted
21 accounting principles.

1 (1) In fiscal year 2020, an appropriation in the amount of \$540,000.00
2 shall be made to the Agency of Commerce and Community Development the
3 Vermont Economic Development Authority to provide the Authority with
4 estimated loan losses incurred by the Authority in calendar year 2020. Any
5 difference between the actual loan losses incurred by the Authority in fiscal
6 year 2020 through Program termination shall be adjusted in the following
7 year's appropriation.

8 (2) The Program shall terminate when all borrowers enrolled in the
9 Program have repaid in full or loans have been charged-off against the reserves
10 of the Authority.

11 (3) Upon termination of the Program, any remaining funds held by the
12 Authority and not used for the Program shall be repaid to the State.

13 (4) The accumulated total of the appropriation shall not exceed
14 \$8,500,000.00 over the life of the Program.

15 (5) The Authority shall absorb its historical loan loss reserve rate before
16 any State funds are expended.

17 (6) Additionally, the Authority shall absorb up to \$3,000,000.00 in
18 Program losses shared with the State on a pro rata basis.

19 Sec. 16. FISCAL YEAR 2019 ONE-TIME GENERAL FUND

20 APPROPRIATION

1 To the Vermont Economic Development Authority, \$540,000.00 is
2 appropriated to serve as loan reserves to administer a the Broadband Expansion
3 Loan Program, providing start up capital to alternative broadband providers
4 established in Sec.15 of this act.

5 Sec. 17. 10 V.S.A. § 219(d) is amended to read:

6 (d) In order to ensure the maintenance of the debt service reserve
7 requirement in each debt service reserve fund established by the Authority,
8 there may be appropriated annually and paid to the Authority for deposit in
9 each such fund, such sum as shall be certified by the Chair of the Authority, to
10 the Governor, the President of the Senate, and the Speaker of the House, as is
11 necessary to restore each such debt service reserve fund to an amount equal to
12 the debt service reserve requirement for such fund. The Chair shall annually,
13 on or about February 1, make, execute, and deliver to the Governor, the
14 President of the Senate, and the Speaker of the House, a certificate stating the
15 sum required to restore each such debt service reserve fund to the amount
16 aforesaid, and the sum so certified may be appropriated, and if appropriated,
17 shall be paid to the Authority during the then current State fiscal year. The
18 principal amount of bonds or notes outstanding at any one time and secured in
19 whole or in part by a debt service reserve fund to which State funds may be
20 appropriated pursuant to this subsection shall not exceed ~~\$175,000,000.00~~
21 \$181,000,000.00, provided that the foregoing shall not impair the obligation of

1 any contract or contracts entered into by the Authority in contravention of the
2 Constitution of the United States.

3 Sec. 18. 30 V.S.A. § 8064(a)(1) is amended to read:

4 (a)(1) The Authority may issue its negotiable notes and bonds in such
5 principal amount as the Authority determines to be necessary to provide
6 sufficient funds for achieving any of its corporate purposes, including the
7 payment of interest on notes and bonds of the Authority, establishment of
8 reserves to secure the notes and bonds including the reserve funds created
9 under section 8065 of this title, and all other expenditures of the Authority
10 incident to and necessary or convenient to carry out its corporate purposes and
11 powers. However, the bonds or notes of the Authority outstanding at any one
12 time shall not exceed ~~\$40,000,000.00~~ \$34,000,000.00. No bonds shall be
13 issued under this section without the prior approval of the Governor and the
14 State Treasurer or their respective designees. In addition, before the Authority
15 may initially exercise its bonding authority granted by this section, it shall
16 submit to the Emergency Board of the State a current business plan, including
17 an explanation of the bond issue or issues initially proposed.

18 * * * Pole Attachments * * *

19 Sec. 19. POLE ATTACHMENTS; PUBLIC UTILITY COMMISSION

20 RULES

1 (a) The Public Utility Commission shall **consider implement** the following
2 standards and procedures related to pole attachments, and shall revise Rule
3 3.700 accordingly:

4 (1) one-touch make-ready policies for pole attachments **as defined in**
5 **the petition for rulemaking filed with the Public Utility Commission by**
6 **the Department of Public Service on January 24, 2019;**

7 (2) measures designed to minimize delays and costs and promote fair
8 and reasonable rates and the rapid resolution of disputes;

9 (3) standards and procedures that will provide clarity for when a make-
10 ready completion period commences and ends; and

11 (4) any other standards or procedures deemed relevant by the
12 Commission.

13 (b) The Commission shall file a final proposed rule with the Secretary of
14 State and with the Legislative Committee on Administrative Rules pursuant to
15 3 V.S.A. § 841 on or before **September 1 December 1**, 2019.

16 Sec. 20. 30 V.S.A. § 209(i) is amended to read:

17 (i)(1) Pole attachments; broadband. For the purposes of Commission rules
18 on attachments to poles owned by companies subject to regulation under this
19 title, broadband service providers shall be considered “attaching entities” with
20 equivalent rights to attach facilities as those provided to “attaching entities” in
21 the rules, regardless of whether such broadband providers offer a service

1 subject to the jurisdiction of the Commission. The Commission shall adopt
2 rules in accordance with 3 V.S.A. chapter 25 to further implement this section.
3 The rules shall be aimed at furthering the State’s interest in ubiquitous
4 deployment of mobile telecommunications and broadband services within the
5 State.

6 (2) The rules adopted pursuant to this subsection shall specify that:

7 (A) The applicable make-ready completion period shall not be
8 extended solely because a utility pole is jointly owned.

9 (B) If the make-ready work is not completed within the applicable
10 make-ready completion period, the attaching entity may hire a qualified
11 contractor to complete the make-ready work and bill back any costs incurred to
12 the pole owner or owners, as applicable. All pole owners and attaching
13 entities shall submit to the Commission a list of contractors whom they
14 allow to perform make-ready surveys, make-ready installation or
15 maintenance, or other specified tasks upon their equipment. The
16 Commission shall provide the appropriate list to an attaching entity, upon
17 request.

18 * * * Department of Public Service; Rural Broadband Technical Assistance

19 Specialist * * *

20 Sec. 21. COMMUNICATIONS UNION DISTRICT SPECIALIST

