

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, is critical to our State’s future.

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

13 (5) The FCC’s regulatory approach is unlikely to achieve the intended
14 results in Vermont. The policy does little, if anything, to overcome the
15 financial challenges of bringing broadband service to hard-to-reach locations
16 with low population density. However, it may result in degraded broadband
17 quality of service. The State has a compelling interest in preserving and
18 protecting consumer access to high quality broadband service.

19 (6) Reaching the last mile will require a grassroots approach that is
20 founded on input from and support of local communities, whose residents are
21 best situated to decide which broadband solution fits their needs. By

1 developing a toolkit that encompasses numerous innovative approaches to
2 achieving successful broadband buildout and by investing in programs and
3 personnel that can provide local communities with much-needed resources and
4 technical assistance, the State can facilitate and support community efforts to
5 design and implement broadband solutions.

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

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

15 (9) Community broadband solutions may mean either partnering with a
16 new business that must design and build a network or with an established
17 Internet service provider, which is followed by a 12- to 24-month process of
18 initial customer acquisition.

19 (10) A growing challenge is the isolation that may result from increased
20 reliance on the Internet and online communities. In rural settings, the physical
21 and psychological draw into isolation is much greater simply as a result of

1 limited chances for interaction with neighbors and community members. As
2 we expand our access and reliance on the Internet, we need to be intentional in
3 supporting our rural communities and town centers.

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

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

6 § 7523. RATE OF CHARGE

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

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

14 (c) Universal Service Charges imposed and collected by the fiscal agent
15 under this subchapter shall not be transferred to any other fund or used to
16 support the cost of any activity other than in the manner authorized by this
17 section and section 7511 of this title.

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

19 § 7516. CONNECTIVITY FUND

20 (a) There is created a Connectivity Fund for the purpose of providing
21 support to the High-Cost Program established under section 7515 of this

1 chapter and the Connectivity Initiative established under section 7515b of this
2 chapter. The fiscal agent shall determine annually, on or before September 1,
3 the amount of monies available to the Connectivity Fund. Such funds shall be
4 apportioned as follows: 45 percent to the High-Cost Program and 55 percent
5 to the Connectivity Initiative.

6 (b) Of the money transferred to the Connectivity Fund pursuant to
7 subsection 7523(b) of this title, up to \$120,000.00 shall be appropriated
8 annually to the Department of Public Service to fund a Rural Broadband
9 Technical Assistance Specialist whose duties shall include providing outreach,
10 technical assistance, and other support services to communications union
11 districts established pursuant to chapter 82 of this title and other units of
12 government, nonprofit organizations, cooperatives, and for-profit businesses
13 for the purpose of expanding broadband service to unserved and underserved
14 locations. Support services also may include providing business model
15 templates for various approaches, including formation of or partnership with a
16 cooperative, a communications union district, a rural economic development
17 infrastructure district, an electric utility, or a new or existing Internet service
18 provider as operator of the network.

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

20 Speed Requirements * * *

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

1 § 7515. HIGH-COST PROGRAM

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

6 * * *

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

13 * * *

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

15 § 7515b. CONNECTIVITY INITIATIVE

16 (a) The purpose of the Connectivity Initiative is to provide each service
17 location in Vermont access to Internet service that is capable of speeds of at
18 least ~~10 Mbps download and 1 Mbps upload~~ 25 Mbps download and 3 Mbps
19 upload, or the FCC speed requirements established under Connect America
20 Fund Phase II, whichever is higher, beginning with locations not served as of
21 December 31, 2013 according to the minimum technical service characteristic

1 objectives applicable at that time. Within this category of service locations,
2 priority shall be given first to unserved and then to underserved locations. As
3 used in this section, “unserved” means a location having access to only satellite
4 or dial-up Internet service and “underserved” means a location having access
5 to Internet service with speeds that exceed satellite and dial-up speeds but are
6 less than 4 Mbps download and 1 Mbps upload. Any new services funded in
7 whole or in part by monies from this Initiative shall be capable of being
8 continuously upgraded to reflect the best available, most economically feasible
9 service capabilities.

10 * * *

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

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

13 ~~(d)(1) Notwithstanding any other provision of law to the contrary,~~
14 ~~beginning on September 1, 2014, in the case of prepaid wireless~~
15 ~~telecommunications service, the Universal Service Charge shall be imposed as~~
16 ~~follows:~~

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

20 ~~(B) if the provider does not sell directly to the consumer, or if the~~
21 ~~provider sells directly to the customer in a retail transaction but elects not to~~

1 collect the Charge from the customer, the Charge shall be imposed on the
2 provider at the rate determined in subdivision (2) of this subsection (d).

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

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

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

13 (e)(1) Notwithstanding any other provision of law to the contrary,
14 beginning on January 1, 2020, the Universal Service Charge shall be imposed
15 on all retail sales of prepaid wireless telecommunications service subject to the
16 sales and use tax imposed under 32 V.S.A. chapter 233. The charges shall be
17 collected by sellers and remitted to the Department of Taxes in the manner
18 provided under 32 V.S.A. chapter 233. Upon receipt of the charges, the
19 Department of Taxes shall have 30 days to remit the funds to the fiscal agent
20 selected under section 7503 of this chapter. The Commissioner of Taxes shall
21 establish registration and payment procedures applicable to the Universal

1 Service Charge imposed under this subsection consistent with the registration
2 and payment procedures that apply to the sales tax imposed on such services.

3 (2) If a minimal amount of prepaid wireless telecommunications service
4 is sold with a prepaid wireless device for a single, nonitemized price, then the
5 seller may elect not to apply the Universal Service Charge to such transaction.

6 (3) As used in this subsection:

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

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

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

15 * * * One-Time Transfer and Appropriation; Broadband Innovation Grant

16 Program; Federal RUS Grants and Loans * * *

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

18 (a) From the General Fund to the Connectivity Fund established pursuant
19 to 30 V.S.A. § 7516: \$955,000.00 to be allocated as follows:

20 (1) \$700,000.00 to fund grants through the Broadband Innovation Grant
21 Program established in Sec. 10 of this act.

1 (2) \$205,000.00 to fund grants through the Connectivity Initiative as
2 provided in 30 V.S.A. §7515b(b).

3 (3) \$50,000.00 to the Department of Public Service to assess the
4 feasibility of providing broadband service using electric utility infrastructure,
5 pursuant to Sec. 11 of this act.

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

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

9 APPROPRIATION

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

14 Sec. 10. DEPARTMENT OF PUBLIC SERVICE; BROADBAND

15 INNOVATION GRANT PROGRAM

16 (a) There is established the Broadband Innovation Grant Program to be
17 administered by the Commissioner of Public Service. The purpose of the
18 Program is to fund feasibility studies related to the deployment of broadband in
19 rural unserved and underserved areas of Vermont. The following conditions
20 shall apply to the Program:

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

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

7 (3) Grantees shall produce an actionable business plan for a potential
8 broadband solution, which may include formation of or partnership with a
9 cooperative, communications union district, rural economic development
10 infrastructure district, municipal communications plant, or utility. The
11 business plan required by this subdivision shall include engineering and design
12 plans, financing models, estimated construction costs, and ideal operational
13 models.

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

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

17 (6) Not more than two electric distribution utilities shall be awarded a
18 grant under the Program for the purpose of determining the market feasibility
19 of providing broadband service using electric company infrastructure. Awards
20 to distribution utilities shall be made pursuant to a competitive bidding process
21 initiated not sooner than January 1, 2020, or upon submission of the report

1 required by Sec. 11 of this act, whichever is sooner, and shall be consistent
2 with the recommendations contained in that report.

3 (7) Studies funded through the Program shall conclude within six
4 months of receipt of the award; distribution utility studies shall conclude
5 within 12 months of receipt of the award.

6 (8) The Commissioner shall retain 50 percent of the grant award until he
7 or she determines that the study has been completed consistent with the terms
8 of the grant.

9 (9) Grant recipients shall report their findings and recommendations to
10 the Commissioner of Public Service within 30 days following the completion
11 of a study funded under the Program.

12 (b) To the extent such information is available, the Commissioner of Public
13 Service shall aggregate the information submitted under subdivision (a)(9) of
14 this section and shall report his or her findings and recommendations to the
15 House Committee on Energy and Technology and the Senate Committee on
16 Finance on or before January 15, 2020, and annually thereafter until all of the
17 funds in the Program have been expended.

18 Sec. 11. STUDY; FEASIBILITY OF ELECTRIC COMPANIES OFFERING
19 BROADBAND SERVICE IN VERMONT

20 (a) The Commissioner of Public Service shall study the feasibility of
21 Vermont electric companies providing broadband service using electric

1 distribution and transmission infrastructure. Among other things, a feasibility
2 determination shall address potential advantages of serving utilities' internal
3 data needs and expanding fiber for providing broadband service, the
4 compatibility of broadband service with existing electric service, the financial
5 investment necessary to undertake the provision of broadband service,
6 identification of the unserved and underserved areas of the State where the
7 provision of broadband service by an electric company appears feasible; the
8 impact on electric rates, and the financial risk to electric companies. The
9 Commissioner also shall address any financial consequences and any technical
10 or safety issues resulting from attaching communications facilities in the
11 electric safety space as opposed to the communications space of distribution
12 infrastructure.

13 (b) In performing the feasibility study required by this section, the
14 Commissioner, in consultation with the Public Utility Commission, shall
15 consider regulatory barriers to the provision of broadband service by electric
16 companies, and shall develop legislative proposals to address those barriers. In
17 addition, the Commissioner, in collaboration with electric company
18 representatives, shall evaluate whether it is in the public interest and also in the
19 interest of electric companies for electric companies to:

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

4 (2) operate a network using electric distribution and transmission
5 infrastructure to provide broadband service at speeds of at least 25 Mbps
6 download and 3 Mbps upload; and

7 (3) permit a communications union district or other unit of government,
8 nonprofit organization, cooperative, or for-profit business to lease excess
9 utility capacity to provide broadband service to unserved and underserved
10 areas of the State.

11 (c) Any electric distribution or transmission company subject to the
12 jurisdiction of the Public Utility Commission shall aid in the development of
13 information and analysis as requested by the Commissioner to complete the
14 report required by this section.

15 (d) The Commissioner shall report the feasibility findings and
16 recommendations required by this section to the Senate Committee on Finance
17 and to the House Committee on Energy and Technology on or before January
18 1, 2020.

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

20 § 3047. COST ALLOCATIONS; SUBSIDIZATION PROHIBITED

1 In carrying out the purposes of this chapter, the electric revenues received
2 from regulated activities of a cooperative shall not subsidize any nonelectric
3 activities of the cooperative. A cooperative shall adopt cost allocation
4 procedures to ensure that the electrical distribution revenues received from
5 regulated activities of a cooperative do not subsidize any of the nonelectric
6 activities and that costs attributable to any nonelectric activities are not
7 included in the cooperative’s rates for electric service. A copy of the cost
8 allocation procedures shall be available to the public upon request.

9 ~~Nonelectric activities of the cooperative shall not be financed by loans or~~
10 ~~grants from the Rural Utilities Service of the U.S. Department of Agriculture~~
11 ~~or any successor federal agency.~~

12 * * * Municipalities; Communications Plants; Public-Private Partnership;

13 Study of General Obligation Bonding Authority * * *

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

15 § 1913. COMMUNICATIONS PLANT; OPERATION AND REGULATION

16 (a) A municipality shall operate its communications plant in accordance
17 with the applicable State and federal law and regulation, and chapter 53 of this
18 title, relating to municipal indebtedness, with regard to the financing,
19 improvements, expansion, and disposal of the municipal communications plant
20 and its operations. However, the powers conferred by such provisions of law

1 shall be supplemental to, construed in harmony with, and not in restriction of,
2 the powers conferred in this chapter.

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

7 (c) A municipality may finance any capital improvement related to its
8 operation of such communications plant for the benefit of the people of the
9 municipality in accordance with the provisions of chapter 53 of this title,
10 provided that revenue-backed bonds shall be paid from net revenues derived
11 from the operation of the communications plant.

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

17 (e) To the extent that a municipality constructs communication
18 infrastructure with the intent of providing communications services, whether
19 wholesale or retail, the municipality shall ensure that any and all losses from
20 these businesses, or in the event these businesses are abandoned or curtailed,

1 any and all costs associated with the investment in communications
2 infrastructure, are not borne by the municipality's taxpayers.

3 (f) Notwithstanding any other provision of law to the contrary, a
4 municipality may enter into a public-private partnership for the purpose of
5 exercising its authority under this subchapter regarding the provision of
6 communications services and may contract with a private entity to own,
7 operate, or manage a communications plant financed in whole or in part
8 pursuant to this chapter and chapter 53, subchapter 2 of this title, provided the
9 municipality first issues a request for proposals seeking an Internet service
10 provider to serve unserved and underserved locations targeted by the issuing
11 municipality. The terms of such a partnership shall specify that that the private
12 Internet service provider shall guarantee the bond and shall be responsible for
13 debt service.

14 Sec. 14. RECOMMENDATION; GENERAL OBLIGATION

15 BONDS FOR MUNICIPAL COMMUNICATIONS PLANTS

16 The Secretary of Administration or designee, in collaboration with the State
17 Treasurer or designee and the Director of the Municipal Bond Bank or
18 designee, shall investigate the use of general obligation bonds by a
19 municipality to finance capital improvements related to the operation of a
20 communications plant. On or before December 1, 2019, the Secretary shall

1 report his or her findings and recommendations to the House Committee on
2 Energy and Technology and the Senate Committee on Finance.

3 * * * VEDA; Broadband Expansion Loan Program * * *

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

5 Subchapter 14. Broadband Expansion Loan Program

6 § 280ee. BROADBAND EXPANSION LOAN PROGRAM

7 (a) Creation. There is established within the Authority the Vermont
8 Broadband Expansion Loan Program (the Program), the purpose of which is to
9 enable the Authority to make loans that expand broadband service to unserved
10 and underserved Vermonters.

11 (b) Intent. It is understood that loans under the Program may be high-risk
12 loans to likely start-up businesses and therefore losses in the Program may be
13 higher than the Authority's historical loss rate. Loans shall be underwritten by
14 the Authority utilizing underwriting parameters that acknowledge the higher
15 risk nature of these loans. The Authority shall not make a loan unless the
16 Authority has a reasonable expectation of the long-term viability of the
17 business.

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

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

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

5 (B) eligible borrowers include communications union districts and
6 other units of government, nonprofit organizations, cooperatives, and for-profit
7 businesses;

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

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

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

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

16 (A) ensure that the provider offers service at speeds of at least
17 25 Mbps download and 3 Mbps upload to all customers;

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

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

4 § 280ff. FUNDING

5 (a) The State Treasurer, in consultation with the Secretary of
6 Administration, shall negotiate an agreement with the Authority incorporating
7 the provisions of this section and consistent with the requirements of this
8 subchapter.

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

13 (1) In fiscal year 2020, an appropriation in the amount of \$540,000.00
14 shall be made to the Vermont Economic Development Authority to provide the
15 Authority with estimated loan losses incurred by the Authority in calendar year
16 2020. Any difference between the actual loan losses incurred by the Authority
17 in fiscal year 2020 through Program termination shall be adjusted in the
18 following year’s appropriation.

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

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

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

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

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

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

10 APPROPRIATION

11 To the Vermont Economic Development Authority, \$540,000.00 is
12 appropriated to serve as loan reserves to administer the Broadband Expansion
13 Loan Program established in Sec.15 of this act.

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

15 (d) In order to ensure the maintenance of the debt service reserve
16 requirement in each debt service reserve fund established by the Authority,
17 there may be appropriated annually and paid to the Authority for deposit in
18 each such fund, such sum as shall be certified by the Chair of the Authority, to
19 the Governor, the President of the Senate, and the Speaker of the House, as is
20 necessary to restore each such debt service reserve fund to an amount equal to
21 the debt service reserve requirement for such fund. The Chair shall annually,

1 on or about February 1, make, execute, and deliver to the Governor, the
2 President of the Senate, and the Speaker of the House, a certificate stating the
3 sum required to restore each such debt service reserve fund to the amount
4 aforesaid, and the sum so certified may be appropriated, and if appropriated,
5 shall be paid to the Authority during the then current State fiscal year. The
6 principal amount of bonds or notes outstanding at any one time and secured in
7 whole or in part by a debt service reserve fund to which State funds may be
8 appropriated pursuant to this subsection shall not exceed ~~\$175,000,000.00~~
9 \$181,000,000.00, provided that the foregoing shall not impair the obligation of
10 any contract or contracts entered into by the Authority in contravention of the
11 Constitution of the United States.

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

13 (a)(1) The Authority may issue its negotiable notes and bonds in such
14 principal amount as the Authority determines to be necessary to provide
15 sufficient funds for achieving any of its corporate purposes, including the
16 payment of interest on notes and bonds of the Authority, establishment of
17 reserves to secure the notes and bonds including the reserve funds created
18 under section 8065 of this title, and all other expenditures of the Authority
19 incident to and necessary or convenient to carry out its corporate purposes and
20 powers. However, the bonds or notes of the Authority outstanding at any one
21 time shall not exceed ~~\$40,000,000.00~~ \$34,000,000.00. No bonds shall be

1 issued under this section without the prior approval of the Governor and the
2 State Treasurer or their respective designees. In addition, before the Authority
3 may initially exercise its bonding authority granted by this section, it shall
4 submit to the Emergency Board of the State a current business plan, including
5 an explanation of the bond issue or issues initially proposed.

6 * * * Pole Attachments * * *

7 Sec. 19. POLE ATTACHMENTS; PUBLIC UTILITY COMMISSION

8 RULES

9 (a) The Public Utility Commission shall revise Rule 3.700 to implement the
10 following:

11 (1) one-touch make-ready policies for pole attachments;

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

14 (3) specifications for when a make-ready completion period commences
15 and ends, including a process for extending the make-ready completion period
16 in limited circumstances as defined by the Commission; and

17 (4) any other revisions deemed relevant by the Commission.

18 (b) The Commission shall file a final proposed rule with the Secretary of
19 State and with the Legislative Committee on Administrative Rules pursuant to
20 3 V.S.A. § 841 on or before December 1, 2019.

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

1 (i)(1) Pole attachments; broadband. For the purposes of Commission rules
2 on attachments to poles owned by companies subject to regulation under this
3 title, broadband service providers shall be considered “attaching entities” with
4 equivalent rights to attach facilities as those provided to “attaching entities” in
5 the rules, regardless of whether such broadband providers offer a service
6 subject to the jurisdiction of the Commission. The Commission shall adopt
7 rules in accordance with 3 V.S.A. chapter 25 to further implement this section.
8 The rules shall be aimed at furthering the State’s interest in ubiquitous
9 deployment of mobile telecommunications and broadband services within the
10 State.

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

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

14 (B) At the time of an initial pole make-ready survey application,
15 when a pole is jointly owned, the joint owners shall inform the applicant which
16 owner is responsible for all subsequent stages and timely completion of the
17 make-ready process.

18 (C) If the make-ready work is not completed within the applicable
19 make-ready completion period, the pole owner shall refund the portion of the
20 payment received for make-ready work that is not yet completed, and the
21 attaching entity may hire a qualified contractor to complete the make-ready

1 work. All pole owners and attaching entities shall submit to the Commission a
2 list of contractors whom they allow to perform make-ready surveys, make-
3 ready installation or maintenance, or other specified tasks upon their
4 equipment. The Commission shall provide the appropriate list to an attaching
5 entity, upon request.

6 * * * Department of Public Service; Rural Broadband Technical Assistance
7 Specialist * * *

8 Sec. 21. COMMUNICATIONS UNION DISTRICT SPECIALIST

9 One new classified position, Rural Broadband Technical Assistance
10 Specialist, is authorized to be established within the Department of Public
11 Service in fiscal year 2020. Beginning in fiscal year 2020, this position shall
12 be funded as provided under 30 V.S.A. § 7516(b).

13 * * * Effective Dates * * *

14 Sec. 22. EFFECTIVE DATES

15 This act shall take effect on passage, except that Sec. 6 (repeal of prepaid
16 wireless revenue surcharge) shall take effect on January 1, 2020.