

State of Vermont

Senate Chamber



Montpelier, Vermont

Senate Resolution

By Senators Balint, Campion, Rodgers, Sears, and White,

S.R. 13. Senate resolution relating to the federal Rural Utilities Service and the Vermont Telephone Company.

Whereas, in 2009, Congress enacted the American Recovery and Reinvestment Act, Pub.L. 111-5, to stimulate the nation's economy following the 2008 financial crisis, and stimulus dollars included financial support for telecommunications projects, and

Whereas, federal stimulus dollars, allocated through the National Telecommunications and Information Administration in partnership with the Vermont Telecommunications Authority, supported a \$33 million grant for Sovernet Communications' FiberConnect project, which was successfully completed in 2014 and which brought fiber to many unserved and underserved towns in northeastern, central, and southern Vermont, including 115 governmental locations, 108 schools, 42 health-care facilities, 40 libraries, and 32 colleges, and

Whereas, in July 2010, the federal Rural Utilities Service (RUS) awarded an \$81 million broadband stimulus grant and a \$35 million government-backed loan to Vermont Telephone Company (VTel) to build a one gigabit fiber network for VTel's existing customers, which has been completed, and to construct a wireless Internet system to serve nearly all of Vermont's 33,000 unserved households plus additional businesses and anchor institutions, and

Whereas, despite the obligations VTel agreed to in accepting the RUS funding, it is apparent that the wireless project has failed to meet the stated objectives of the grant to the detriment of many expectant Vermont communities, and

Whereas, VTel's wireless coverage seems neither as expansive nor as robust as anticipated, and there is doubt that many of the 33,000 unserved households are now in range to receive a reliable signal, and

Whereas, it also appears that VTel may have placed unwarranted focus on competing with the highest possible speeds in its previously existing service area rather than building out a new wireless system as evidenced, in part, by the failure to build three telecommunications towers that should have been completed by the September 2015 construction deadline set in the RUS stimulus award, and

Whereas, separately, VTel is in default on a \$2 million Federal Communications Commission grant to provide voice and data access along Vermont's roadways through its new wireless system, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont strongly urges the Rural Utilities Service to: (1) conduct a comprehensive financial and performance audit of the grant and loan that it awarded to the Vermont Telephone Company, including a finding related to the number of the 33,000 unserved households that remain unserved; and (2) require the Vermont Telephone Company to construct the three unbuilt towers or provide equivalent service to those areas that the towers would have served, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the Administrator of the Rural Utilities Service, the U.S. Secretary of Agriculture, the Commissioner of Public Service, the Vermont Congressional Delegation, and the Vermont Telephone Company.