



**STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR**

To: House Committee on Environment and Energy  
Senate Committee on Finance  
Joint Information Technology Oversight Committee  
From: Doug Hoffer, State Auditor  
Re: 10-Year Telecommunication Plan  
Date: 29 September 2023  
Cc: June E. Tierney, Commissioner, Department of Public Service

I recently asked my staff to research the State's telecommunication planning efforts after hearing concerns about Vermont's 10-Year Telecommunications Plan. Through that research we noted what appear to be inconsistencies and gaps in statute related to the telecommunications plan, as well as several shortcomings in the State's current plan that do not appear to have been flagged by the Public Service Department (PSD) or your committees.

This memo is intended to provide a high-level summary of our concerns with the statute and with the State's current Telecommunications Plan. *Legislative committees should especially consider the "Matters of Concern Related to Statute" in order to determine if legislative changes are merited.* I have also sent a memo to the Commissioner Tierney with more details about our concerns with the State's current plan.

PSD is currently developing the State's next 10-year telecommunications plan using the same vendor and under a similar contract as before. Because of that, I'm concerned the State's next telecommunications plan will have the same shortcomings. However, I've decided not to initiate an audit on this topic at this time because the process to develop the next telecommunications plan is still underway. My office will continue to monitor this process, and I may decide to conduct an audit in the future.

**Background**

[Statute](#) requires PSD, with assistance from other State agencies, to prepare a 10-Year Telecommunications Plan for Vermont. [Act 79 \(2019\)](#) required that the plan address each of the State's telecommunications policies and goals, and assess initiatives designed to advance and make measurable progress towards those policies and goals. Act 79 also required that PSD complete a new plan every three years.

PSD finalized the first [10-Year Telecommunications Plan](#) under these new requirements in June 2021. PSD contracted with the same vendor in July 2023 to develop the State's next telecommunications plan which is to be adopted by June 2024. The focus of our research was to evaluate whether the 2021 Plan complied with statutory requirements, and whether the contract for the new plan required the vendor to meet all statutory requirements.

**Matters of Concern Related to Statute**

After preliminary review of the 2021 Plan and relevant statutes, my office identified instances where statute appeared unclear or were left open to PSD's interpretation.

- ***Statute Doesn't Require Plan to Include Recommendations to Achieve State Telecom Goals***

[Statute](#) does not require that the telecommunications plan include recommendations to help the State achieve its telecommunications policies and goals. Rather, statute simply says that the telecommunications plan should “assess initiatives designed to advance and make measurable progress” towards the State’s telecommunications policies and goals. By contrast, the [statute](#) related to the State’s Comprehensive Energy Plan explicitly directs PSD to develop a plan that includes recommendations for State actions. It also requires that PSD complete an annual report with recommendations to “enhance the process for planning, tracking, and reporting progress” towards meeting the State’s energy goals.

- ***Statute is Not Clear About Which Telecom Systems and Infrastructure Are Intended to Be Part of the Plan***

The relevant statute makes several references to assessing telecommunications systems and infrastructure but does not define these terms. This makes it difficult to determine whether the telecommunications plan encompasses all the elements of the State’s telecommunication system as envisioned by the Legislature. As an example, the statute requires PSD to assess “State-owned and managed telecommunications systems and related infrastructure.” However, [16 V.S.A. § 2171](#) establishes Vermont State Colleges as a public corporation and notes that this corporation owns “the real and personal property of” certain State-operated institutions of higher education. As a result, it is unclear if PSD should include an assessment of telecommunications systems and infrastructure owned by Vermont State Colleges in the telecommunications plan. The 2021 Plan did not include such an assessment.

In some cases, public comments on the draft 2021 Plan took issue with how PSD had interpreted statute. One member of the public felt PSD’s reading of statute was too narrow. In response to that comment, the project team wrote that the 2021 Plan was based on PSD’s *belief* about legislative intent but provided no indication that PSD sought legislative advice on these questions.

#### **Matters of Concern Communicated to PSD**

Below is a summary of the concerns I communicated to PSD. My main concern is that the telecommunications plan does not include any method to hold the PSD accountable for achieving the State’s telecommunications goals. Because PSD is using the same vendor to develop the new plan, and the contract’s scope of work is similar, the State’s next telecommunications plan may have similar shortcomings.

#### **The Plan Does Not Ensure Measurable Progress Towards the State’s Telecommunications Policies and Goals**

The 2021 Plan does not clearly identify all recommendations and does not establish meaningful measures that include baselines, targets, and timeframes. Without this information, it is impossible to measure progress towards the State’s goals.

#### **The Plan Doesn’t Address Each of the State’s Telecommunications Policies and Goals**

It does not appear that the current telecommunications plan addressed **each** of the State’s telecommunications goals as required by statute. According to the 2021 Plan, it is a “roadmap” to achieving six telecommunications goals which are “informed by” statute. However, these 6 goals do not align with all 10 of the State’s telecommunications goals outlined in [30 V.S.A. 202c\(b\)](#). As an example, the State’s goal of supporting affordable services for transmitting voice and high-speed data is not covered by any of the six telecommunications goals in the current plan.

#### **Does Not Appear All Statutory Requirements for Preparing the Telecommunications Plan Were Met**

It is unclear if PSD met all the statutory requirements related to preparing the telecommunications plan. For example, statute requires PSD to survey Vermont residents and businesses about future telecommunications needs with a specific focus on the education, health care, public safety, and workforce training and education sectors. While the vendor did survey residents and businesses, it does

not appear that the survey focused on those four sectors, which were clearly high-priority constituencies for the Legislature. Additionally, the survey was conducted online which obviously presents issues if the goal is to identify telecommunication needs. The 2021 Plan even acknowledges this, noting that “there clearly are limitations to online surveys about telecommunications needs.”

PSD’s Contract for the New Telecommunications Plan May Result in Similar Shortcomings

As noted, PSD recently signed a contract to complete the next iteration of the telecommunications plan. This contract includes a verbatim list of the State’s telecommunications policies and goals and requires that the new plan be “implementable” and include “concrete steps” for achieving those goals. However, these were all elements of the Request for Proposals that served as the basis for PSD’s contract for the 2018 Plan. Since PSD is using the same vendor to develop the new telecommunications plan, and the terms for developing the plan are the same, it is likely that the next telecommunications plan will have similar shortcomings.

My staff and I will continue to monitor these issues and I look forward to seeing the results of PSD’s efforts to develop the State’s next 10-year telecommunication plan.