

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
Vote:	4 - 1 - 0
Yeas:	Deckert, George L., Monnes Anderson, Metsger
Nays:	Starr
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	2/14, 3/14

WHAT THE MEASURE DOES: Requires the Oregon Economic and Community Development Department to establish a grant program to promote increased web hosting and enhancement of Internet Exchanges. Allocates \$1 million to the department for the grant program beginning July 1, 2007. Directs the department to establish a process for submitting applications and for evaluating and approving projects for funding. Specifies that any person or public body may apply for grants, but requires public bodies other than colleges or universities to partner with private companies in order to apply. Requires the department to report to the 2009 Legislature on the implementation of the grant program.

ISSUES DISCUSSED:

- Appropriate uses of public resources
- Intended stimulation of the software and other industries and institutions in Oregon
- Potential in Oregon due to cable crossings and other existing infrastructure
- Focusing of eligible projects in the amendments

EFFECT OF COMMITTEE AMENDMENT: Adds more specific language regarding purpose and restrictions on the grant program. Limits individual grants to \$150,000. Requires public bodies to partner with a for-profit company to apply for a grant. Requires report from the Economic and Community Development Department to the 2009 Legislature.

BACKGROUND: According to the Oregon Telecommunications Coordinating Council, Oregon's fiber optic network, undersea cable landings, updated cable permitting policies, and existing broadband access make the state an attractive location for companies as making it easier to improve access for education, government, and health care purposes. Improvements in Internet speed and connectivity are necessary and the state lacks major connecting locations. Continued investment by private parties will be critical to take advantage of this basic infrastructure and to keep pace with changes in the Internet economy.

SB 470-A would provide up to \$1 million in grants to private or public applicants who are willing to invest in the necessary infrastructure. Grants would be available through an application process to improve Internet exchanges and Internet web-hosting facilities in the state.

The Oregon Telecommunications Coordinating Council was created by legislation in 2001 to develop recommendations for the Governor and legislators on the status and improvements in the state telecommunications system and to coordinate local and state telecommunication plans. The council is staffed by the Oregon Economic and Community Development Department.

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This summary has not been adopted or officially endorsed by action of the committee.