

HB 4023 B STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

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Meeting Dates: 3/1

WHAT THE MEASURE DOES:

Directs Oregon Broadband Advisory Council to study options for a local broadband champion program and report findings to Legislative Assembly by December 1, 2018. Creates the Connecting Oregon Schools Fund for the purpose of providing matching funds for federal moneys received by school districts for broadband access. Establishes eligibility criteria and requires State Board of Education to adopt rules. Appropriates \$750,000 from General Fund to the Connecting Oregon Schools Fund. Allows the State Chief Information Officer (CIO) to provide broadband communications services upon request to local governments, special districts and federally recognized Indian tribes in Oregon via one of two paths: 1) A process to be described in rule - if it's determined that the broadband services to be provided would not duplicate services already offered by telecommunications providers in areas to be served; or 2) Following a public hearing and adoption of a resolution by governing body of a municipality or other public body in the area to be served by the State CIO - finding that the proposed broadband services and operations are necessary and would not otherwise be provided by a for-profit entity within a reasonable time and for a reasonable cost. Requires the State CIO to adopt rules for providing services under an extended rule-making process - utilizing an inclusive rules advisory committee designed to ensure full participation by interested parties prior to rule adoption. Requires the State CIO to present proposed rules to the Joint Legislative Committee on Information Management and Technology prior to rule adoption. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

The -B16 amendment removes \$750,000 appropriation from General Fund to Connecting Oregon Schools Fund.

The -B19 amendment recognizes how vital access to high-speed, affordable broadband is to the delivery of public services to Oregonians, and makes clear that it is not the state's intent to provide broadband services in direct competition with telecommunications providers that offer comparable broadband services. Under this amendment, the State CIO may only provide broadband services to local governments, special districts and federally recognized Indian tribes in Oregon pursuant to adopted rules. The amendment focuses the broadband services State CIO may provide to tribal governments and these other public bodies on unserved or underserved areas of Oregon, and directs State CIO to identify situations in which these services would directly compete with broadband services that could otherwise be provided by a telecommunications provider within a reasonable time and for a reasonable cost. The amendment requires State CIO rules to include a process by which telecommunications providers can demonstrate their ability to meet the specifications set for needed broadband services in geographic areas to be served.

BACKGROUND:

House Bill 3158 (2009) created the Oregon Broadband Advisory Council, which is supported by the Oregon Business Development Department. The mission of the Council is to encourage coordination and collaboration between organizations and economic sectors to leverage the development and utilization of broadband data transmission for education, workforce development, and telehealth, and to promote broadband utilization by citizens and communities. The Council is required to report on the affordability, accessibility and use of broadband in Oregon and its role in economic development to the Joint Legislative Committee on Information Management and Technology by

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November 1 of every even-numbered year.

The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation created in 1997 to collect universal service contributions from telecommunications carriers for administration of programs designed to help communities across the country secure access to affordable telecommunications services. USAC administers universal service programs for high-cost companies in rural areas, low-income consumers, rural health care providers, schools, and libraries under the oversight of the Federal Communications Commission (FCC). The universal service Schools and Libraries Program, commonly known as "E-rate," provides discounts of up to 90 percent to help eligible schools and libraries in the United States obtain affordable telecommunications and Internet access. The FCC created a new state match in December 2014 that provides eligible applicants with an up to 10 percent additional discount for special construction charges and matches state funding for eligible projects on a dollar-to-dollar basis.

The State CIO has formed a partnership with Oregon's four research universities, called OregonFIBER, to provide more affordable, reliable, and higher speed broadband connectivity to state agencies and partner universities. OregonFIBER will utilize and connect existing fiber resources to create a public core fiber network, with last mile connectivity to state office and university locations provided by telecommunications service providers operating throughout Oregon. State agency and university facilities are located in communities all across Oregon - often within a few miles or just down the street from tribal government, local government, school, library, and other public body locations. Under current law, the State CIO is authorized to provide advanced digital telecommunications (i.e. broadband) services only to state agencies, and non-profit organizations under certain circumstances. Under current law, these tribal governments and other public bodies would be unable to access the enhanced broadband communications services made possible by the OregonFIBER network.