



June 22, 2020

Joint Interim Committee on the First Special Session of 2020
900 Court St. NE
Salem, OR 97301

RE: Support for LC 39 – Rural Telecommunications Investment Act

Dear Co-Chairs Peter Courtney and Tina Kotek -

On behalf of Oregon's 241 cities, the League of Oregon Cities (LOC) is offering the following comments in support of LC 39.

Currently, there is a very real and widening digital divide in Oregon. Communities, primarily in rural areas, are without broadband access. In the last few months, we have seen the digital divide front and center with the COVID-19 crisis. As people continue to work from home, teach from home and technology rapidly progresses, those without broadband at all or without good reliable broadband are at risk for being continually left behind.

LC 39 will help close that divide by expanding the Oregon Universal Service Fund (OUSF) to include cell phone users in the fee pool. The OUSF was established in 1999. The OUSF is designed to support local telephone companies to ensure that basic telephone service is available at reasonable and affordable rates in higher-cost rural areas throughout the state. The OUSF has always included traditional telecommunications/landline users. Landline companies are also responsible for a lot of the existing broadband in rural areas. That landline and broadband infrastructure serves as backhaul for wireless infrastructure. Therefore, cell phone users should help pay for the infrastructure that ultimately benefits them. The additional funds generated by adding cell phone users to the fee pool of the OUSF will establish a sustainably funded broadband grant program within the newly established Broadband Office.

Broadband is a vital component of rural economic development, education and health. The passage of LC 39 will:

- Help communities leverage federal funds. Some federal programs require up to a 10% state match to access federal dollars. The Broadband Fund will be one potential source for that match. Additionally, some federal programs, like USDA Reconnect, require that a community have a broadband strategic plan in place to qualify for federal dollars. The Broadband Fund will provide grants for communities to develop broadband strategic plans.
- Prioritize schools and libraries that serve as anchor institutions and bring connectivity to a community. Once broadband has been brought to a place, it is easier to build upon the network.
- Allows school children growing up in smaller rural communities to have the same opportunity in school as those in larger urban areas.
- Create a critical piece of infrastructure for Oregon's small businesses who are becoming more dependent on technology to be competitive.
- Provide a critical healthcare link for people and families who are not close to health services.

LOC urges your support for LC 39.

Sincerely,

Jenna Jones
Legislative Analyst, LOC