



**Testimony of Ted Case, Executive Director
Oregon Rural Electric Cooperative Association (ORECA) on HB 2173
House Economic Development Committee
February 18, 2019**

Chair Lively, Vice-Chairs, and Members of the Committee: For the record, I am Ted Case, the Executive Director of the Oregon Rural Electric Cooperative Association (ORECA). ORECA represents 18 electric cooperatives in Oregon serving 200,000 customers and a land mass of nearly three-quarters of the state.

I appreciate the opportunity to testify in support of HB 2173, to establish an Oregon Broadband Office within the Oregon Business Development Department. For more than 75 years, America's electric cooperatives have powered local economies across 56 percent of the nation. As times and technology change, broadband has become an indispensable part of electric utility operations – extending beyond the electric meter and into household energy management. These state-of-the-art energy efficiency services increasingly require access to high speed internet.

Many Oregon electric co-ops are reinvesting in rural areas of our state by bringing high speed internet access to rural homes, businesses and schools. Some provide wholesale broadband services while others provide retail and wholesale broadband services. Services generally are provided via a subsidiary or by intergovernmental agreement (IGA) with others. Some are wholly-owned by the electric cooperative or are in partnerships corporations, such as LLCs or IGAs. A few provide wholesale broadband services directly from the electric cooperative. Other electric cooperatives that don't currently provide broadband are in the process of seriously considering providing broadband services.

Whatever the business model, this connectivity serves two key purposes: bridging the digital divide for co-op members and enhancing the co-op business operation network, allowing the co-op and members to adopt emerging energy management technology. These newly connected co-op communities are proven to create jobs, attract new employers, and directly jump start local economies.

The convergence of new technology and partnerships has made rural broadband deployment more achievable than ever. Yet despite these advances, the high cost of rural broadband deployment remains the biggest obstacle to successfully closing the digital divide. Rural service territory is often rugged and remote, which drives up the cost of deployment. At the same time, there are fewer customers to defray the costs.

The Oregon Broadband Office will provide critical leadership for the state at a critical time by leveraging federal sources of broadband funding to achieve the state's goals related to broadband. We appreciate the leadership of Rep. Marsh and others as they focus on finding innovative solutions that will ensure rural Oregon is not left on the wrong side of the digital divide.

Thank you for the opportunity to offer our perspective on HB 2173.