

TESTIMONY OF MR. JOSEPH FRANELL
OREGON BROADBAND ADVISORY COUNCIL
Testimony before the House Revenue Committee

Tuesday, April 2, 2019
(8:30 AM, Rm A)

Chair Nathanson, Vice-Chairs Findley and Marsh;

For the record, my name is Joseph Franell, Chair of the Oregon Broadband Advisory Council, on which I serve representing rural Oregon. I am also the General Manager and Chief Executive Officer of Eastern Oregon Telecom, a rural competitive telephone company and Internet service provider. I appreciate the opportunity to submit this testimony to you in writing.

I personally support House Bill 2184 and I am pleased to also communicate the support of the Oregon Broadband Advisory Council.

It is our State's policy to promote broadband adoption and utilization and to reduce the digital divide. To help with this, the Oregon Broadband Advisory Council was created in the 2009 Legislative session to help ensure the implementation of statewide broadband strategies. The mission of the council is to:

- Encourage coordination and collaboration between organizations and economic sectors
- Leverage the development and utilization of broadband for education, workforce development, government and healthcare
- Promote broadband adoption by citizens and communities.

The council members represent Oregon's

- Cities
- Counties
- Telecommunications service providers
- Tribes
- Educators
- Economic development organizations
- Public safety agencies
- Healthcare providers
- E-government
- The Public Utility Commission
- The State House of Representatives and the State Senate.

Members of the Council are appointed by the Governor, the Speaker of the House and the President of the Senate.

While Oregon has done a remarkable job of increasing broadband availability, we still have large portions of our state that are underserved by any measure. In fact, we estimate that there are still 43 school districts and charter schools in Oregon without access to high-speed Internet.

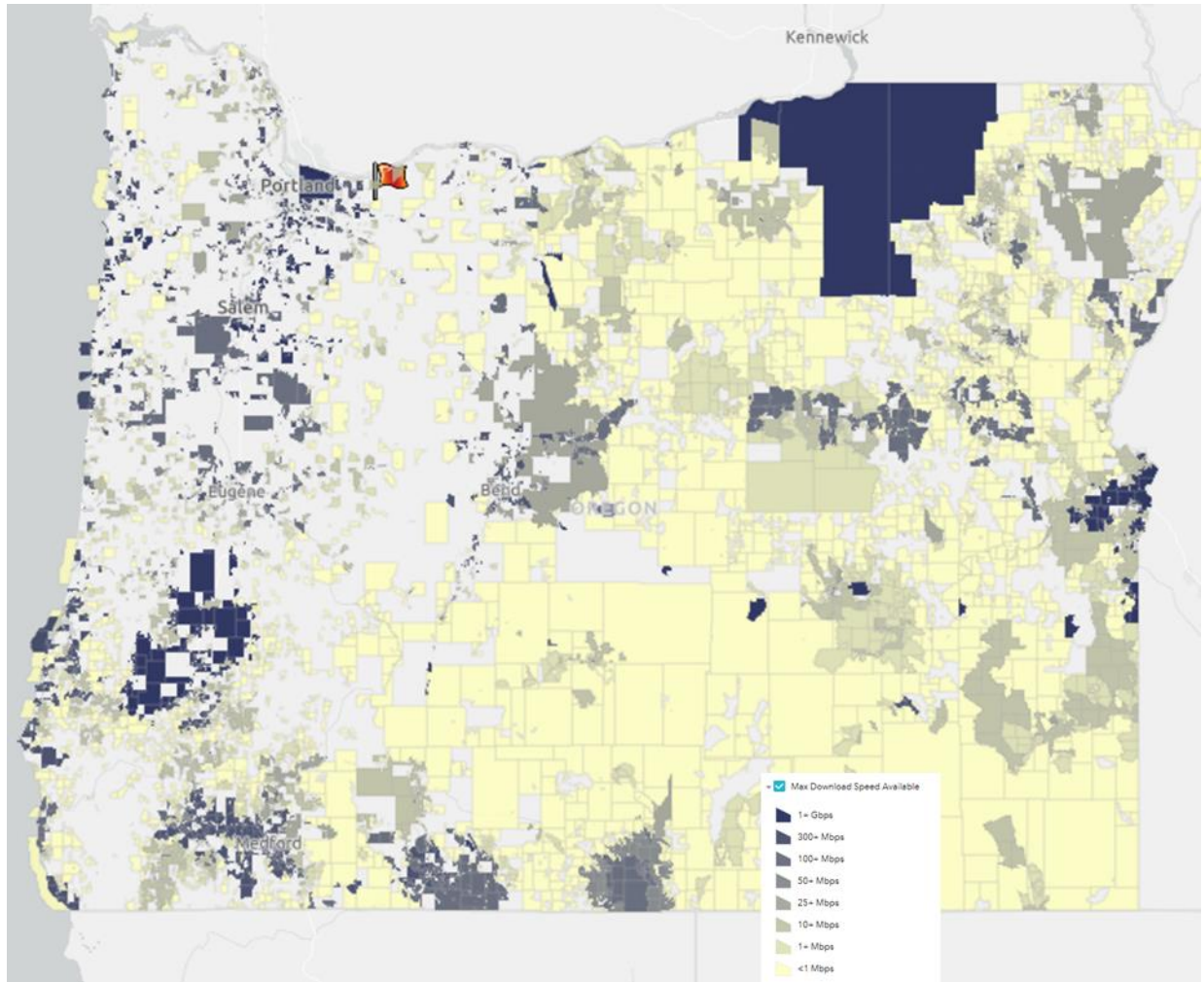
On November 1, 2018, "Broadband in Oregon: A Report of the Oregon Broadband Advisory Council," was submitted to the Joint Legislative Committee on Information Management and Technology and individually to all the members of the Legislative Assembly for the Eightieth Legislative Assembly in accordance with ORS 285A.070 (Sec. 4). The report was also submitted to the Office of the Governor and posted on the Council website: www.broadband-oregon.org

This is our fifth report to the legislature and is a wealth of information. I have been told by many telecommunications professionals all across the U.S. that this is one of the best reports on broadband produced anywhere. I recommend at a minimum, reviewing the Executive Summary and recommendations sections of the report.

One of the key challenges addressed in the report is Digital Inclusion - referring to the activities necessary to ensure that all individuals and communities, including the most disadvantaged, have access to and use of Information and Communication Technologies needed for full participation in our society, democracy and economy. A rising tide lifts all ships. If we are to realize our potential as a State, we must insure that all citizens can access reliable and affordable broadband.

The below map shows maximum download speeds as reported on the FCC Form 477. It is important to note that coverage is reported by census block. So, if one address is served with a certain download speed, the entire census block is considered to have availability at that speed. As a result, what is pictured here is the best-case scenario for our current availability.

As you can see, the majority of Oregon still is reporting download speeds at less than one megabit per second. This means that many Oregonians cannot easily participate in the global economy, receive the same level of education as urban dwellers, have access to the benefits of tele-health and tele-medicine, and leverage all the tools that e-government provides. This is a stark picture of the digital divide in our State.



House Bill 2184 provides consistent and predictable funding to help us solve this disparity.

Some will tell you that it is unfair to ask cellular companies to help fund efforts to expand broadband infrastructure in Oregon. They say that applying the Oregon Universal Service Fund (OUSF) fee structure to cellular voice customers doesn't make sense and yet, in many cases cellular towers are connected by the very infrastructure that was built with the aid of the OUSF. The fact is that most cellular customers are not "voice only" customers but instead carry a smart phone where voice is secondary to other forms of communication (chat, text, video, etc.) that depend on a connection to the Internet.

This bill fairly and equitably creates a funding mechanism to help solve the digital divide in Oregon. Giving every Oregonian the opportunity to leverage the benefits of a reliable, fast, and affordable connection to the Internet makes Oregon stronger.

Respectfully,

Joseph Franell