

From the office of Rep Pam Marsh

JUN 25 2020



SB 1603 (LC 39)

Support the Rural Telecommunications Investment Act!

Widespread and affordable voice and broadband (high speed internet) services are key elements to modern life. The COVID-19 pandemic has shown just how important having access is to keep our communities, schools, businesses, and families connected. This is especially true, and even more so, for low-income households and our rural communities.

Communication is key today. For businesses and customers alike, highspeed internet (broadband) is an essential tool for success in the 21st century digital economy. The Rural Telecommunications Investment Act (RTIA) will help modernize and inject overdue fairness into the Oregon Universal Service Fund (OUSF) statutes while dedicating long-term, reliable funding for broadband investment in rural Oregon communities that are too often ignored.

The 1999 Legislature established the OUSF to ensure that regardless of where Oregonians live, they have fair access to robust, reliable, and affordable advanced communications services. Today this includes broadband. Unfortunately, connectivity in rural Oregon is falling well short of communities in urban areas. There is an unfair disparity in who pays to support the OUSF, and there are competitive disadvantages for various technologies as a result.

Oregon is at a crossroads concerning broadband investment. While other states continue to invest in broadband deployment, and while a great deal of federal money is available, accessing those funds takes planning, and the means to leverage federal dollars. Communities without broadband service encounter challenges accessing federal funds available for rural broadband investment:

- More than **400,000** Oregonians do not have broadband access in their homes
- More than **50 schools** currently do not have broadband access for their students
- Some federal programs require 10% matching from the state to access federal dollars
- Broadband is now an essential part of healthcare delivery and rural providers face serious challenges to accessing service for their patients

RTIA will help close the digital divide and the competitive disadvantage built into the current OUSF funding mechanism. It will also provide ratepayer fairness by ensuring that all customers share the costs of telecommunications infrastructure. The Act will:

- Reduce the current surcharge for landline customers from 8.5% to 6% or less
- Reduce the potential surcharge for voice over internet protocol (VoIP) customers from 8.5% to 6% or less
- Cap the OUSF surcharge at 6%
- Stabilize the OUSF which supports robust, reliable, and affordable advanced communications services in rural Oregon
- Cap the overall size of the OUSF at \$28 million and establish a benchmark for planning
- Allocate \$5 million per year to expand broadband investment, including funding for the Oregon Broadband Office, technical assistance, planning, and infrastructure.
- Ensure that limited ratepayer dollars are spent toward broadband investment in rural areas that have little or no access to broadband, not to compete with existing providers

Rural Oregonians deserve access to broadband. Without broadband, these communities cannot attract the businesses or employees they need or provide access to students who lack the basic connectivity needed for success in the 21st century digital economy. If the Legislature fails to pass RTIA in the 2020 Legislative Session, the Oregon Public Utility Commission may assess the 8.5% OUSF surcharge on all VoIP lines, meaning those customers will see an increase on their bill without RTIA's overall public interest benefits.

Oregon Cities Support RTIA



CITY OF BEND

For more information, contact:

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