

HOUSE BILL REPORT

HB 1701

As Reported by House Committee On:
Technology, Energy & Communications
Ways & Means

Title: An act relating to authorizing the department of information services to engage in high-speed internet activities.

Brief Description: Authorizing the department of information services to engage in high-speed internet activities.

Sponsors: Representatives Hudgins, McCoy and Hasegawa.

Brief History:

Committee Activity:

Technology, Energy & Communications: 2/4/09, 2/12/09 [DPS];
Ways & Means: 2/27/09, 3/2/09 [DP2S(w/o sub TEC)].

Brief Summary of Second Substitute Bill

- Authorizes the Department of Information Services (DIS) to implement a high-speed internet strategy for the state, subject to available funding.
- Designates the DIS as an eligible entity for purposes of the federal Broadband Data Act.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives McCoy, Chair; Eddy, Vice Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Carlyle, Condotta, Finn, Hasegawa, Herrera, Hudgins, Jacks, McCune, Morris, Takko and Van De Wege.

Staff: Kara Durbin (786-7133)

Background:

Federal Broadband Efforts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2008 Congress passed the Broadband Data Improvement Act (Act). Part of the Act directed the Secretary of Commerce to make competitive grants available to states to support identification and tracking of availability and adoption of broadband services. Any competitive grants awarded would require a 20 percent match of non-federal funding.

The Act also required the Federal Communications Commission (FCC) to provide eligible entities with electronic access to aggregate data collected by the FCC from broadband service providers. "Eligible entity" is defined as an entity that is: (1) either a state agency or instrumentality of the state, a non-profit organization, or certain independent agencies; and (2) the single eligible entity designated by the state to receive such a grant.

While the Act provided authorization for funding, no funds have been appropriated by the federal government to implement the Act.

State Broadband Efforts.

In 2008 the Legislature directed the Department of Information Services (DIS) to convene a work group to identify and develop strategies for high-speed internet deployment and adoption. The DIS established the High-Speed Internet Strategy Work Group (Work Group) in June of 2008, which included representatives from government, community, education, business, non-profit, economic development, health care, technology, union, public utility, and service provider interests. The Work Group met seven times between July of 2008 and November of 2008. It issued its final report to the Legislature on December 1, 2008.

In its report, the DIS, in concurrence with the Work Group, made the following recommendations:

1. *Defining High-Speed Internet Service:* The state should adopt a definition of "high-speed internet service" that is consistent with the FCC's broadband speed tiers in the upload and download direction, except for the bottom tier. High-speed internet should also be defined by the applications it can enable.
2. *Mapping:* The state should consider mapping at the census tract level, rather than the census block level. The map should be produced by a third-party entity to ensure the confidentiality of proprietary and competitively sensitive data. The map should provide adoption information, availability information, the technology used, and available speed tiers. The map should provide a link to the service provider's web site to provide pricing data. An interactive, web-based map also should be available to allow queries and inputs from consumers.
3. *Local Technology Teams:* The DIS should coordinate Local Technology Planning Teams (LTPTs) and assist the LTPTs in conducting local needs assessments, developing and implementing strategic plans, and identifying funding sources.
4. *Spurring Development:* The state should conduct several initiatives to spur the development of high-speed internet in the state, which may include expanding the Community Technology Opportunities Program, soliciting funding sources, and establishing low-cost hardware and software programs.

5. *Benchmarks*: The DIS should oversee tracking of residential, business, and statewide high-speed internet adoption. A variety of metrics and benchmarks should be used to measure the success of the state's high-speed internet deployment and adoption strategy.

The final report also recommended that legislation be introduced to: (1) authorize the DIS to coordinate implementation of the high-speed internet deployment and adoption strategy, as outlined in the report; and (2) provide initial funding to support implementation.

Summary of Substitute Bill:

The Department of Information Services (DIS) must implement a high-speed internet deployment and adoption strategy, subject to available funding.

The DIS may accept aggregate high-speed internet data for the purposes of creating a geographic information system map.

The DIS may create an interactive web site to allow residents to self-report where high-speed internet is available and at what speed.

Federal funding may be accepted by the DIS for high-speed internet deployment and adoption efforts.

The Department of Community, Trade and Economic Development, the Utilities and Transportation Commission, the DIS and any other government agency may accept high-speed internet infrastructure information that is voluntarily provided.

Substitute Bill Compared to Original Bill:

The substitute bill removes: (1) a provision designating the DIS as the eligible entity for purposes of the federal Broadband Data Improvement Act; and (2) the repeal of RCW 43.105.350. Instead of repealing RCW 43.105.350, this section is amended to allow the DIS to accept high-speed internet infrastructure information from telecommunications or high-speed internet service providers if it is voluntarily provided.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The High Speed Internet Strategy Work Group (Work Group) was an excellent start in moving the state forward on broadband. The goal is to bring forward and implement the recommendations of the Work Group without it costing the state very much money. The state needs to position itself to be ready to receive federal funding

Broadband is of critical value to all parts of our state – rural and urban. Jobs, business, education, and health care can be more efficiently distributed by government with broadband.

The federal economic stimulus package has included \$350 million for mapping, infrastructure and other efforts. This funding, if approved, could support a multi-year broadband effort in our state.

Broadband deployment and adoption programs should all be housed at one place - the Department of Information Services (DIS). The take rate is often a function of being able to afford the monthly fee. We hope to position the DIS to apply for federal funding for low-income access to broadband.

(In support with concerns) It is important to work with community groups in which there is no broadband provider to identify opportunities where broadband would increase take rates. Some areas are very expensive to serve.

Creating an interactive web site for subscribers is helpful, but it is a small portion. If subscribers are the only ones inputting data, it may not give the state enough information to use to create a map.

(With concerns) The map should be meaningful so that we get broadband deployment at the right speed.

(Opposed) We are concerned about the protection of proprietary data.

Persons Testifying: (In support) Representative Hudgins, prime sponsor; and Gail Love, Communications Workers of America.

(In support with concerns) Ron Main, Broadband Cable Association; and Mary Taylor, Century Tel.

(With concerns) Vicki Austin, Washington Public Utility Districts Association.

(Opposed) Steve Gano, AT&T.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Technology, Energy & Communications. Signed by 14 members: Representatives Linville, Chair;

Ericks, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

Staff: Steve Smith (786-7178)

Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On Technology, Energy & Communications:

The second substitute bill authorizes, rather than requires, the Department of Information Systems (DIS) to conduct a survey of high-speed Internet infrastructure owned or leased by state agencies and create a geographic information system map, and designates the DIS as an eligible entity for the Broadband Data Improvement Act.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.