

HOUSE BILL REPORT

E2SHB 1701

As Passed Legislature

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: House Committee on Ways & Means (originally sponsored by 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)].

Floor Activity:

Passed House: 3/9/09, 93-2.

Senate Amended.

Passed Senate: 4/16/09, 45-0.

House Refuses to Concur.

Senate Insists.

House Concurred.

Passed House: 4/25/09, 96-0.

Passed Legislature.

Brief Summary of Engrossed Second Substitute Bill

- Authorizes the Governor to take steps to carry out the purposes of the broadband provisions of the American Recovery and Reinvestment Act.
- Designates the DIS as the eligible entity for purposes of the federal Broadband Data Improvement Act (BDIA).
- Authorizes the Department of Information Services (DIS) to oversee broadband deployment and adoption programs for the state.
- Transfers the Community Technology Opportunity Program from Washington State University to the DIS.

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.

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; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Carlyle, Condotta, Eddy, Finn, Hasegawa, Herrera, Hudgins, Jacks, McCune, Morris, Takko and Van De Wege.

Staff: Kara Durbin (786-7133)

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)

Background:

Federal Broadband Efforts.

In 2008 Congress passed the Broadband Data Improvement Act (BDIA). Part of the BDIA 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 BDIA 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 nonprofit organization, or certain independent agencies; and (2) the single eligible entity designated by the state to receive such a grant.

The American Reinvestment and Recovery Act (ARRA) of 2009 provides \$4.7 billion in broadband funding through the Broadband Technology Opportunities Program (program). The program specifically provides: \$3.9 billion for infrastructure; \$250 million for competitive grants to encourage sustainable adoption of broadband service; \$200 million for expanding public computer center capacity; and \$350 million for the BDIA grant program and development of a national broadband inventory map. In addition, the ARRA provides \$2.5 billion for distance learning, telemedicine, and a broadband grant program.

State Broadband Efforts.

In 2008 the Department of Information Services (DIS) was directed to convene a High-Speed Internet Strategy Work Group (Work Group) to identify and develop strategies for high-speed internet deployment and adoption. The DIS and the Work Group released its strategy in December of 2008. The strategy included several recommendations, including recommendations that the state: (1) authorize the DIS to coordinate implementation of the high-speed internet deployment and adoption strategy; and (2) provide initial funding to support implementation.

The Legislature also created in 2008 the Community Technology Opportunity Program (Program). The Program is administered by the Washington State University Extension. The Program administrator provides organizational, capacity-building, and fund-raising support for community technology programs throughout the state. A minimum of 75 percent of Program funds are to be distributed through a competitive grant program. The grants are to be used by community technology programs to provide assistance in use of information and communication technologies among low-income and underserved residents, training, and other information technology-related services.

Summary of Engrossed Second Substitute Bill:

The Governor may take all appropriate steps to carry out the purposes of the American Recovery and Reinvestment Act (Act) and to maximize investment in broadband deployment and adoption in the state. Such steps may include designating a broadband coordinator, reviewing and prioritizing grant applications, disbursing block grant funding, and providing direction to state agencies to carry out broadband programs.

The Department of Information Services (DIS) may oversee implementation of federally funded or mandated broadband programs for the state and adopt rules to administer the programs. Subject to the availability of federal or state funding, the DIS may: (1) develop an interactive website to allow residents to self-report where high-speed internet is available; and (2) conduct a survey of high-speed internet owned or leased by state agencies and create a geographic information system map.

The DIS is designated as an eligible entity for purposes of the federal Broadband Data Improvement Act. The DIS may receive federal funds for broadband. Any funds received must be spent consistent with federal and state law and any conditions on the grant of those funds.

Based on publicly available data collected by the Federal Communications Commission (FCC), the DIS is authorized to conduct a competitive bidding process to procure a geographic information system map of high-speed internet infrastructure, service availability, and adoption. The DIS may procure this map by purchasing a completed map from a third party or working directly with the FCC to accept publicly available high-speed internet data. In contracting for the purchase of the map, the DIS may not impose any condition on a third party that causes any record submitted by a broadband service provider to the third party to meet the standard of a public record.

In coordination with the Department of Community, Trade and Economic Development (DCTED) and the Utilities and Transportation Commission (UTC), the DIS may prepare

reports that identify: (1) the geographic areas of greatest priority for the deployment of advanced telecommunications infrastructure in the state; (2) how federal broadband funding received for mapping, deployment and adoption will be or has been used; and (3) how nonfederal sources may be used for broadband activities in the state.

Subject to the availability of federal or state funding, the DIS may reconvene the 2008 High-Speed Internet Strategy Work Group (Work Group). The Work Group is renamed the Council on Digital Inclusion (Council). The Council must prepare a report by January 15 of each year on: (1) how a variety of high-speed internet access alternatives could be established; (2) strategies for continued broadband deployment and adoption efforts and development of advanced telecommunications applications; (3) methods to maximize the state's capacity for development of advanced telecommunications applications and methods to stimulate demand for them; (4) barriers to the advancement of technology entrepreneurship; and (5) the performance of digital literacy and computer access programs.

The Community Technology Opportunity Program (Program) is transferred from Washington State University to the DIS.

The Community Technology Opportunity Account is expanded to accept federal broadband funding authorized under the American Recovery and Reinvestment Act of 2009, legislative appropriations, and donated funds from private and public sources for purposes related to broadband deployment and adoption.

The Broadband Mapping Account is created in the custody of the State Treasurer. The DIS must deposit into the Broadband Mapping Account legislative appropriations, federal grants authorized under the federal BDIA, and donated funds from private and public sources.

Provisions in current law that restrict the DIS or other government entities from collecting certain high-speed internet infrastructure information are repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2009. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Technology, Energy & Communications):

(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.

Staff Summary of Public Testimony (Ways & Means):

None.

Persons Testifying (Technology, Energy & Communications): (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 Testifying (Ways & Means): None.

Persons Signed In To Testify But Not Testifying (Technology, Energy & Communications): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.