

HOUSE BILL REPORT

E2SSB 5916

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

Title: An act relating to broadband adoption and deployment.

Brief Description: Regarding broadband adoption and deployment.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Rockefeller, Kauffman, Pridemore, Keiser, Marr, Hatfield, Delvin, Honeyford, Schoesler and Hewitt).

Brief History:

Committee Activity:

Technology, Energy & Communications: 3/19/09, 3/23/09 [DPA];
Ways & Means: 4/4/09 [DPA(WAYS w/o TEC)].

**Brief Summary of Engrossed Second Substitute Bill
(As Amended by House)**

- Authorizes the Department of Information Services (DIS) to oversee implementation of broadband programs and receive federal funding.
- Directs the DIS to reconvene the 2008 High-Speed Internet Strategy Work Group.
- Transfers the Community Technology Opportunity Program from Washington State University to the DIS.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: Do pass as amended. Signed by 10 members: Representatives McCoy, Chair; Carlyle, Eddy, Finn, Hasegawa, Hudgins, Jacks, Morris, Takko and Van De Wege.

Minority Report: Do not pass. Signed by 5 members: Representatives Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Condotta, Herrera and McCune.

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.

Staff: Kara Durbin (786-7133)

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 Amended Bill:

The Program is transferred from the Washington State University Extension to the DIS.

The authority to oversee broadband adoption and deployment efforts in the state is vested in the DIS. The only eligible entity to receive a grant under the federal BDIA in the state is the DIS. Federal funding received under the BDIA may be distributed by the DIS to other entities on a competitive basis.

The DIS is authorized to apply for and oversee implementation of federally funded or mandated broadband programs. These programs may include:

- contracting for and purchasing a completed map of broadband infrastructure;
- surveying residents, businesses, and nonprofit organizations regarding use and adoption of high-speed internet and related information technology;
- identifying barriers to adoption;
- creating programs to improve computer ownership, technology literacy, and high-speed internet access in unserved or underserved areas; and
- administering the Community Technology Opportunity Program.

The DIS must reconvene the Work Group. The Work Group is renamed the Advisory Council on Digital Inclusion (Council). The Council is to 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 research and development capacity for development of advanced telecommunications applications; (4) any barriers that may hinder the advancement of technology entrepreneurship; and (5) the effectiveness of digital literacy and computer access programs.

Government agencies engaging in mapping, deployment, or adoption activities related to high-speed internet infrastructure or services may gather or request any related proprietary or competitively sensitive information from providers of telecommunications or high-speed internet services, if the information is maintained in a confidential manner by a non-governmental third-party mapping entity and made available to the agency in aggregate form.

Amended Bill Compared to Original Bill:

The amended bill specifies that local governments must be represented on the Council. It also specifies that the report prepared by the Council must identify any barriers that hinder advancement of technology entrepreneurship in the state, not just regulatory barriers.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Deployment of broadband is essential to economic development. These types of programs are necessary in order for the state to position itself for receipt of federal funds. The Senate broadband bill focuses on the demand side a bit more. Broadband is critical, particularly to unserved and underserved areas of the state. There is a great deal of federal money being made available for broadband. Washington is well poised to receive these federal broadband funds. Adequate access to technology is important. Washington has been a leader in this area, one notable example being the creation of the K-20 Network.

Communications workers have been actively supporting broadband expansion throughout the country over the past two years. Broadband programs have enhanced the quality of life for citizens and helped grow businesses. Mapping is a very important tool. It often makes the business case for providers to come in and make service available where there are gaps.

Computers and internet access need to be made available to low-income families. Affordable high-speed internet access is another challenge. Dial-up service is affordable, but it is not fast enough to meet current internet needs. Closing the digital divide is necessary and timely.

It would be helpful to include local governments in the work group representation. Also, the barriers to adoption of broadband are not just regulatory.

(In support with concerns) It is important to protect proprietary information as we continue discussions around mapping. A workable and complete map is needed, but proprietary information needs to be protected in this highly competitive environment.

(Opposed) None.

Persons Testifying: (In support) Senator Kohl-Welles, prime sponsor; Senator Kastama; and Gail Love, Communications Workers of America.

(In support with concerns) Sumeer Singla, Verizon Northwest.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Ways & Means and without amendment by Committee on Technology, Energy & Communications. Signed by 13 members: Representatives Linville, Chair; Ericks, Vice Chair; Cody, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 7 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, 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 striking amendment clarifies that the Department of Information Services is the single eligible entity in the state to receive federal Broadband Data Improvement Act funding for state projects.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 1, 2009.

Effective Date of Amended Bill: 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:

(In support with amendment) We are very supportive of the underlying goals of the legislation, such as examining underserved areas in order to bridge the digital divide. We would like to see some small technical changes be made to the bill to line it up with the federal stimulus funding requirements.

(Opposed) None.

Persons Testifying: Genesee Adkins, City of Seattle.

Persons Signed In To Testify But Not Testifying: None.