

SENATE BILL REPORT

SHB 2664

As Reported by Senate Committee On:
Energy, Environment & Technology, February 22, 2018

Title: An act relating to extending existing telecommunications authority to all ports in Washington state in order to facilitate public-private partnerships in wholesale telecommunications services and infrastructure.

Brief Description: Extending existing telecommunications authority to all ports in Washington state in order to facilitate public-private partnerships in wholesale telecommunications services and infrastructure.

Sponsors: House Committee on Technology & Economic Development (originally sponsored by Representatives Dye, Doglio, Jenkin, Chapman, Vick, Stonier, Wylie and Walsh).

Brief History: Passed House: 2/14/18, 98-0.

Committee Activity: Energy, Environment & Technology: 2/20/18, 2/22/18 [DPA, w/oRec].

Brief Summary of Amended Bill

- Extends to all port districts, the authority to acquire and operate telecommunications facilities for their own use and to provide wholesale telecommunications services within and outside district limits.
- Authorizes port districts to select a telecommunications company to operate the port's telecommunications facilities.
- Requires port districts that have not previously provided telecommunications services to develop a business plan.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

Majority Report: Do pass as amended.

Signed by Senators Carlyle, Chair; Palumbo, Vice Chair; Brown, Hawkins, Hobbs, McCoy, Ranker, Sheldon and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator Ericksen, Ranking Member.

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: Jan Odano (786-7486)

Background: A rural port district in existence on June 8, 2000, may acquire and operate telecommunications facilities for their own internal telecommunications needs within and outside of its district and to provide wholesale telecommunications services within its district limits.

Rural port districts providing wholesale services must:

- ensure that their rates, terms, and conditions are not unduly or unreasonably discriminatory or preferential;
- keep accountings of revenues and expenditures of their wholesale telecommunications activities separate from their internal telecommunications operations;
- dedicate the revenues from the wholesale activities to paying off the costs incurred in building and maintaining the telecommunications facilities; and
- charge themselves the true and full value of telecommunications services provided by their separate telecommunications functions to the district.

Rural port districts may not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights to such facilities.

A rural port district is defined as one located in a county with an average population density of less than 100 persons per square mile.

Summary of Bill: The bill as referred to committee not considered.

Summary of Amended Bill: Extended to all ports is the authority to acquire and operate telecommunications facilities for district use and to provide wholesale telecommunications services within and outside district limits.

A port district may select a telecommunications company to operate all or a portion of the port's telecommunications facilities.

A port district that has not previously provided telecommunications services as of the effective date of the act, must first develop a business plan.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Rural ports that have participated since 2000 have great success story and their business model is exciting. This is an important piece to getting broadband to rural areas. Ports are uniquely qualified to

partner with private entities. PUDs and ports were authorized at the same time to provide broadband infrastructure. Since then, PUDs have developed 9000 miles of broadband infrastructure while ports have only built 300 miles. This is in part due to the constrained authority of the ports and the nature and mission of ports. Ports build strategic portions of infrastructure for the development of jobs and the local economy. The need for rural broadband is great and passing this bill would deploy resources to meet that need.

Persons Testifying: PRO: Representative Mary Dye, Prime Sponsor; James Thompson, Washington Ports; William Bridges, CenturyLink.

Persons Signed In To Testify But Not Testifying: No one.