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**SUBSTITUTE HOUSE BILL 2312**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** House Technology & Economic Development (originally sponsored by Representatives DeBolt, Kretz, Smith, Tharinger, and Buys)

READ FIRST TIME 01/26/18.

1 AN ACT Relating to providing urban levels of internet speed and  
2 access in rural areas to secure a brighter more equitable economic  
3 future for all Washingtonians without increasing taxes or fees;  
4 adding new sections to chapter 43.105 RCW; creating new sections; and  
5 making an appropriation.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature recognizes that truly  
8 high-speed internet connectivity is missing for many parts of this  
9 state, and universally agreed to be essential to support educational  
10 opportunity, innovations in the provision of public safety and health  
11 care, and business growth. The legislature acknowledges that other  
12 states, like New York, have acted decisively and successfully to  
13 invest in a program to provide universal and equitable access to  
14 urban-levels of broadband speed by working with vendors to expedite  
15 deployment of state-of-the-art broadband. The legislature intends to  
16 mimic the success of New York, by utilizing a similar reverse auction  
17 approach whereby the state pays the lowest private sector or tribal  
18 bidder willing to build the last-mile of truly high-speed broadband  
19 to the unserved and underserved populations of our state.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.105  
2    RCW to read as follows:

3        (1)    The agency must implement and operate a reverse auction  
4    program that awards funding to broadband internet service providers  
5    to support high-speed internet infrastructure deployment projects in  
6    unserved and underserved rural regions throughout the state. The  
7    program must develop requests for proposals that:

8        (a)    Require successful project proposals to provide at least one  
9    commercial voice and broadband service with rates comparable to  
10   similar offerings in urban areas;

11       (b)    Prioritize projects that bring high-speed internet access to  
12   unserved rural areas of the state beginning with those counties  
13   having the highest total population without access according to the  
14   federal communications commission's 2016 broadband progress report;

15       (c)    Prioritize projects that seek the lowest amount of state  
16   investment per new location served; and

17       (d)    Consider leverage of existing telecommunications  
18   infrastructure and the potential use of unique solutions.

19       (2)    From amounts appropriated to it from the expanding rural  
20   internet access account created in section 3 of this act, the agency  
21   may incur any expenses necessary to implement and operate the  
22   expanding internet access program, including:

23       (a)    Development and expenditures of the reverse auction mechanism  
24   under subsection (1) of this section;

25       (b)    Contracting for an evaluation of the impact of the expanding  
26   internet access program; and

27       (c)    Paying for the administrative expenses of the expanding  
28   internet access program.

29       (3)    The agency must submit a report to the governor and the  
30   economic development committees of the senate and the house of  
31   representatives by December 1, 2021, detailing:

32       (a)    The total amount of public funds committed by this program  
33   annually;

34       (b)    The total amount of private funds committed annually and, if  
35   applicable, the amount of these funds that have been invested by  
36   private parties;

37       (c)    The location of each area receiving investments under this  
38   program and the goals for each of these areas;

39       (d)    Planned future investments by both public and private  
40   parties; and

1 (e) Other information as the agency deems necessary.

2 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.105  
3 RCW to read as follows:

4 The expanding rural internet access account is created in the  
5 state treasury. Moneys appropriated to the account must be deposited  
6 in the account. Moneys in the account may be spent only after  
7 appropriation. Expenditures from the account may be used only for the  
8 purposes described in section 2(2) of this act.

9 NEW SECTION. **Sec. 4.** FOR THE RURAL INTERNET ACCESS ACCOUNT. (1)  
10 During the 2017-2019 fiscal biennium, the treasurer must transfer the  
11 sum of \$300,000,000, from the budget stabilization account to the  
12 expanding rural internet access account created in section 3 of this  
13 act.

14 (2) For the 2017-2019 fiscal biennium, the sum of \$300,000,000 is  
15 appropriated from the expanding rural internet access account created  
16 in section 3 of this act to the consolidated technology services  
17 agency. The amount is provided solely for the purposes described in  
18 section 2 of this act. For purposes of RCW 43.88.055(4), the  
19 appropriation in this section does not alter the requirement to  
20 balance in the ensuing biennia.

21 NEW SECTION. **Sec. 5.** The joint legislative audit and review  
22 committee must conduct an evaluation of the program created in  
23 section 2 of this act and report its findings and recommendations to  
24 the governor and the economic development committees of the senate  
25 and the house of representatives by December 1, 2021. The purpose of  
26 the evaluation is to determine the extent to which the program has  
27 contributed to expanding high speed internet access in unserved and  
28 underserved rural areas.

29 NEW SECTION. **Sec. 6.** This act may be known and cited as the  
30 Washington equitable broadband "web" act.

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