

SENATE BILL REPORT

SB 6164

AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY &  
ECONOMIC DEVELOPMENT, FEBRUARY 1, 1994

**Brief Description:** Concerning economic development in rural areas.

**SPONSORS:** Senators Sheldon, Bluechel, Skratek, Williams, Erwin and M. Rasmussen

**SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Majority Report:** That Substitute Senate Bill No. 6164 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Cantu, Erwin, M. Rasmussen and Williams.

**Staff:** Jeff Baird (786-7444)

**Hearing Dates:** January 20, 1994; February 1, 1994

**BACKGROUND:**

The 1980s were hard on rural America and rural Washington, leaving some rural communities economically distressed. While urban economies expanded, rural economies resumed a decades long decline of historic industries, such as agriculture and natural resources, without compensating growth in other industries. Rural areas, particularly timber communities, fell behind urban in terms of new job creation, unemployment rates, poverty rates, wages and total income.

Advanced telecommunications technologies can be an important economic development tool for rural communities by helping reduce burdens of distance and time that impede access to markets and ideas. Over the next decade, the nation will see development of the information superhighway linking businesses, governments, databases, libraries, and universities in a vast network that will provide remarkable access to new markets, economic development, and entrepreneurial and cultural opportunities. Access to this envisioned "highway" and other information networks over cable and telephone lines could aid rural areas in capacity building in their own communities.

**SUMMARY:**

The new Department of Community, Trade, and Economic Development (CTED) is directed to serve as an advocate and catalyst for telecommunications policies that further rural economic development goals. The department is directed to develop strategies that increase awareness of the linkage between telecommunications and economic development, that

educate rural communities and businesses on the uses of telecommunications services, and that integrate telecommunications issues and concerns into business assistance and local capacity building efforts.

**EFFECT OF PROPOSED SUBSTITUTE:**

Rural hospitals are specifically listed as participants in future cooperative efforts to acquire telecommunications services.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**Effective Date:** July 1, 1994

**TESTIMONY FOR:**

Rural communities must participate in telecommunications expansions in order to develop and to remain viable. As part of the universal service goals in state telecommunications policy, rural telecommunications companies express a need for regulatory and policy parity with larger providers, who might simply sell off rural exchanges. Rural hospitals would benefit from telemedicine, making for uniform health care quality across the state.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Terry Van, WA Independent Telephone Assn.; Stephen Buxbaum, WA State Rural Development Council; Robb Menaul, WA State Hospital Assn.; Tom Casey, Grange