

HOUSE BILL REPORT

E2SSB 6438

As Passed House - Amended:

March 11, 2008

Title: An act relating to a statewide high-speed internet deployment and adoption initiative.

Brief Description: Coordinating the development of a statewide high-speed internet deployment and adoption initiative.

Sponsors: By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Rockefeller, Oemig, Honeyford, Murray, Delvin and Pridemore).

Brief History:

Committee Activity:

Technology, Energy & Communications: 2/26/08, 2/27/08 [DPA];

Appropriations Subcommittee on General Government & Audit Review: 2/29/08[DPA (APPG w/o TEC)].

Floor Activity:

Passed House - Amended: 3/6/08, 93-0.

Senate Refused to Concur.

Passed House - Amended: 3/11/08, 95-0.

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

- Requires the Department of Information Services (DIS), in coordination with the Department of Community, Trade and Economic Development and the Utilities and Transportation Commission, to convene a work group to develop a high-speed internet deployment and adoption strategy by December 1, 2008.
- Requires the DIS to publish a web directory of public facilities that provide community technology programs in the state by January 1, 2009.
- Creates the Community Technology Opportunity Program at Washington State University.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

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.

Majority Report: Do pass as amended. Signed by 10 members: Representatives McCoy, Chair; Eddy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Hankins, Hudgins, Kelley, Morris, Takko and Van De Wege.

Minority Report: Do not pass. Signed by 2 members: Representatives Ericksen and Herrera.

Staff: Kara Durbin (786-7133).

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & AUDIT REVIEW

Majority Report: Do pass as amended by Committee on Appropriations Subcommittee on General Government & Audit Review and without amendment by Committee on Technology, Energy & Communications. Signed by 10 members: Representatives Linville, Chair; Ericks, Vice Chair; Skinner, Assistant Ranking Minority Member; Blake, Kretz, Lantz, Liias, Miloscia, Morris and Nelson.

Minority Report: Do not pass. Signed by 2 members: Representatives Alexander and Chandler.

Staff: Owen Rowe (786-7391).

Background:

In the Telecommunications Act of 1996 Congress directed the Federal Communications Commission (FCC) and state regulatory commissions to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans."

The term "advanced telecommunications capability" is used by the FCC to describe services and facilities with an upstream (customer-to-provider) and downstream (provider-to-customer) transmission speed exceeding 200 kilobits per second (kbps). The FCC uses the term "high-speed" for those services with over 200 kbps capability in at least one direction.

The term "broadband service" generally refers to the high-speed transmission of electronic information. Several different types of technologies can be used to provide broadband service, including digital subscriber line (DSL), cable modem, satellite, remote DSL, broadband over power lines, wireless internet service providers, and Wi-Fi networks.

National Broadband Surveys: According to a 2006 survey by the U.S. Government Accountability Office (GAO), a variety of characteristics related to households and services influence whether consumers purchase broadband services. The GAO found that households with higher incomes were more likely to adopt broadband than lower-income households, and those households with a college-educated head of household were more likely to purchase broadband than those households headed by someone who did not graduate from college. While the GAO found that rural households are less likely to adopt broadband, their findings indicate that this difference may be related in part to the lower availability of broadband in

rural areas. In addition, the GAO identified the price of broadband service as a barrier to adoption for some consumers.

State Study: The Utilities and Transportation Commission (UTC) received an appropriation of \$160,000 in the 2007-2009 Operating Budget (Budget) to conduct a survey to "identify factors preventing the widespread availability and use of broadband technologies."

Specifically, the Budget directed the UTC to collect and interpret reliable geographic, demographic, cultural, and telecommunications technology information to identify broadband disparities in the state. In conducting the study, the UTC must consult with appropriate stakeholders in designing the survey. The UTC was directed to report its findings to the Legislature by December 31, 2007.

Summary of Amended Bill:

The Department of Information Services (DIS), in coordination with the Department of Community, Trade and Economic Development (DCTED) and the Utilities and Transportation Commission (UTC), must convene a work group to develop a comprehensive, statewide high-speed internet deployment and adoption strategy.

High Speed Internet Strategy: The DIS must invite representatives from the following organizations to participate:

- representatives of public, private, and non-profit organizations representing economic development, local community development, local government, community planning, technology planning, education, and health care;
- representatives of telecommunications providers, technology companies, telecommunications unions, public utilities, and relevant private sector entities;
- representatives of community-based organizations; and
- representatives of other relevant entities the DIS deems appropriate.

The high-speed internet strategy must accomplish the following objectives:

- develop detailed geographic information system maps and inventories of high-speed internet infrastructure owned or leased by public and private entities and address how proprietary and competitively sensitive data will be handled, stored, and used;
- spur development of high-speed internet resources in the state;
- track statewide residential and business adoption of high-speed internet; and
- use local technology planning teams to conduct a needs assessment and work with internet providers to encourage deployment to disenfranchised or unserved areas.

The DIS must provide the Legislature with a status update by September 1, 2008 and a final high-speed internet deployment and adoption strategy containing a range of implementation options by December 1, 2008.

This act does not provide the DIS any additional authority over providers of telecommunications and information technology. For the purposes of this act, the DIS, the

DCTED, the UTC, or any other governmental entity cannot gather or request information from telecommunications or internet service providers that is classified by the provider as proprietary or competitively sensitive, unless such information is gathered or requested pursuant to other statutory authority.

By January 1, 2009 the DIS must publish a web directory of public facilities that provide community technology programs throughout the state.

A null and void clause is included. If the act becomes null and void, the DIS must include high-speed internet deployment and adoption in its 2009-2011 strategic plan.

Community Technology Opportunity Program: The Community Technology Opportunity Program (Program) is created. The Program must be administered by the Washington State University Extension. The Program Administrator must provide organizational, capacity building, and fund-raising support for community technology programs in the state.

A minimum of 75 percent of the Program's funds must be distributed through a competitive grant program. Grants are to be used by community technology programs to provide training; assistance in the use of information and communications technologies among low-income and underserved residents; and other information technology related equipment and services.

In order to apply for a grant, an applicant must:

- provide evidence that the applicant is a non-profit organization or a public entity working with a non-profit organization;
- define the geographic area or population to be served;
- include a needs assessment;
- specify the strategy for addressing the needs identified and an implementation plan;
- provide evidence of matching funds and resources; and
- provide evidence that funding will be used to provide effective delivery of community technology services.

The Program Administrator must: (1) establish expected Program outcomes for each grant recipient; and (2) require each grant recipient to provide an annual accounting of Program outcomes.

The Washington Community Technology Opportunity Account (Account) is created. Funds in the Account may only be used for the operation of the Program.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, sections 1 through 4 of the bill are null and void unless funded in the budget.

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

(In support) This bill attempts to bridge the digital divide between those who have broadband access and those who do not. Broadband has been shown as a major driver of economic development. Our country has fallen to 15th in the world in terms of broadband penetration. It is surprising to learn that there is better and cheaper internet access in other countries. This bill is an important step towards mapping broadband, in order to figure out what areas of our state are unserved or underserved. We know that in areas that broadband is available, there is more economic growth in those communities.

It is important to our state's economy that we have a systematic and strategic approach towards broadband deployment. It is important that our state remain competitive and be able to increase the number of educational opportunities available.

(In support with concerns) We supported this bill in the version that passed the Senate, which provided certainty that any broadband effort would be implemented through a non-profit organization. While the striking amendment does look at how proprietary information will be handled, it does not provide the same level of certainty.

While the changes made in the striking amendment are appreciated, we will provide a few other language changes for your consideration. Proprietary information really can only be protected by a non-governmental entity, like the Connect Kentucky model.

(Opposed) None.

Staff Summary of Public Testimony: (Appropriations Subcommittee on General Government & Audit Review)

(In support) The committee striking amendment is the preferred version of the bill. This version reflects the bill as passed by the Senate; and the language of the bill was the result of multiple stakeholders working together. At the heart of the bill is the care of proprietary information and information critical to both the public and national safety. Thus, information needs to be handled with security and care. Working with a non-profit that has shown competency in working with and managing highly sensitive data is key to this bill. The proprietary information issue is tricky and the state has a robust public disclosure law. Working with a non-profit and not a governmental organization is key for the program to be successful. In addition, the bill as passed by the Senate incorporates best practices from other states.

(With concerns) Including local government representation in the workgroup would improve the striking amendment.

(Opposed) None.

Persons Testifying: (Technology, Energy & Communications) (In support) Senator Kohl-Welles, prime sponsor; and Marcus Courtney, WashTech and Communications Workers of America.

(In support with concerns) Johan Hellman, Verizon; and Mike Woodin, AT&T.

Persons Testifying: (Appropriations Subcommittee on General Government & Audit Review) (In support) Mike Woodin, AT&T; Johan Hellman, Verizon Wireless; and Melissa Gombosky, Communications Washington.

(With concerns) Victoria Lincoln, Association of Washington Cities.

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

Persons Signed In To Testify But Not Testifying: (Appropriations Subcommittee on General Government & Audit Review) None.