

HOUSE BILL REPORT

HB 2312

As Reported by House Committee On:
Technology & Economic Development

Title: An act relating to providing urban levels of internet speed and access in rural areas to secure a brighter more equitable economic future for all Washingtonians without increasing taxes or fees.

Brief Description: Providing urban levels of internet speed and access in rural areas to secure a brighter more equitable economic future for all Washingtonians without increasing taxes or fees.

Sponsors: Representatives DeBolt, Kretz, Smith, Tharinger and Buys.

Brief History:

Committee Activity:

Technology & Economic Development: 1/17/18, 1/24/18 [DPS].

Brief Summary of Substitute Bill

- Creates a reverse auction program that awards funding for high-speed Internet deployment projects in unserved and underserved rural regions.

HOUSE COMMITTEE ON TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Morris, Chair; Kloba, Vice Chair; Tarleton, Vice Chair; Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Doglio, Fey, Harmsworth, Hudgins, Manweller, McDonald, Nealey, Santos, Slatter, Steele, Wylie and Young.

Staff: Lily Smith (786-7175).

Background:

In 2015 the State of New York established a reverse auction program to award funding for high-speed Internet access projects, with a goal of statewide broadband Internet access in 2018. In a reverse auction process, bidders compete with one another to offer the lowest bid.

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.

Consolidated Technology Services, commonly referred to as WaTech, is the Washington state agency tasked with centralized procurement and provision of information technology (IT) services. Consolidated Technology Services provides a variety of services to state and local agencies including telecommunications and computing services, procurement of technology equipment through master contracts, and IT support functions.

Summary of Substitute Bill:

Consolidated Technology Services must create a reverse auction program that awards funding to high-speed Internet infrastructure projects in unserved and underserved rural regions. The program must develop requests for proposals that:

- require the provision of at least one voice and broadband service with rates similar to urban areas;
- prioritize projects bringing Internet access to unserved rural areas;
- prioritize projects seeking the lowest amount of state investment per new location served; and
- consider leverage of existing telecommunications infrastructure and unique solutions.

Consolidated Technology Services and the Joint Legislative Audit and Review Committee must submit reports to the Legislature on the new program by December 1, 2021.

The Expanding Rural Internet Access Account (Account) is created in the State Treasury. An appropriation of \$300 million is made from the Budget Stabilization Account to the Account for the new program.

Substitute Bill Compared to Original Bill:

The substitute bill adds tribal Internet service providers to the intended potential bidders in the reverse auction program.

Appropriation: The sum of \$300 million.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) While multiple issues surrounding broadband are being worked on, there are still people in areas without access. Broadband is a high priority issue for libraries, many of which have insufficient or no access. Broadband provides access to workforce resources, online training, and other resources. In a recent wildfire, wildland firefighters had to travel to

a store to access the maps necessary to fight the fire, when unlit fiber was nearby that could not be accessed. It is shameful when kids cannot complete homework because the last mile of access is not there. New York has used this overarching model effectively and was able to create an even playing field. This program should ensure schools and public libraries are not charged commercial rates and must maximize other available grant and federal dollars. It is important to be technology neutral, and to use this and any other public investment to drive out the last mile of access.

(Opposed) None.

(Other) Many counties have public-utility-district wholesale broadband available, but are prohibited from providing retail services. Public utility districts can partner with private service partners, some of which do not have the necessary equipment for building infrastructure, and be part of the solution. The program could have a greater impact if it allowed these types of partnerships. There may be interim steps that can be taken to prove out the potential for this type of program to solve access issues.

Persons Testifying: (In support) Representative DeBolt, prime sponsor; Carolyn Logue, Washington Library Association; Wes McCart, Stevens County; and Ron Main, Broadband Communications Association of Washington.

(Other) Scott Richards, Washington Public Utility Districts Association.

Persons Signed In To Testify But Not Testifying: None.