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We Support HB 2184C

FROM THE DESK OF:
Representative Pam Marsh
House District 05

Oregon Universal Service Fund Broadband Expansion



Background

The Oregon Universal Service Fund (OUSF) was created by the legislature in 1999 to support basic telecommunications service in rural and remote areas of Oregon. Landline users pay an 8.5% surcharge to support the fund. Since wireless service was relatively new in 1999, wireless phones were exempted from contributing to the OUSF. As more and more individuals chose to forego landlines for wireless phones, the rate of the surcharge rose in order to provide adequate funding for ongoing needs.



What does House Bill 2184C do?

HB 2184C would expand the OUSF to include cell phone providers and VOIP (voice over internet protocol) providers. Specifically, HB 2184C:

- Spreads the costs of the current universal service fund across all providers to maintain infrastructure used for both cell and landline calls.
- Lowers the rate cap on the OUSF to 6% from the current 8.5%.
- Establishes the Broadband Fund, administered by Business Oregon, to be used to help unserved and underserved communities establish broadband.
- Caps revenues at \$28 million for the current universal service fund, and \$5 million for the Broadband Fund, for a total of \$33 million (\$5 million above current universal service fund revenues).
- Directs Business Oregon to distribute broadband grants and loans to support planning and development of projects; providers and technologies will be those that best fit each local community.
 - Schools would be prioritized for funding, then libraries, then unserved and underserved residential areas.
 - Schools, including school districts, ESDs, charters and other education consortia are eligible to use the state's e-rate 9:1 (federal:state) match for broadband infrastructure.
- Sunsets the Broadband Fund in January of 2030.
- Broadband service is desperately needed across the state—As of 2018, 400,000 Oregonians lacked adequate broadband at home. Two dozen school districts and 37% of public libraries lack sufficient internet, as defined by the FCC.
- Depending on their bills, cell phone users would pay approximately \$4 per year under HB 2184C and landline users would see a reduction in their bills. The surcharge is applied only to intrastate voice calls on a cell user's bill. Other services, including the internet, interstate voice and text are not subject to the surcharge.

Supporters:



Association of Oregon Counties



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Telehealth Alliance of Oregon



TECHNOLOGY ASSOCIATION OF OREGON



