

TESTIMONY OF MR. JOSEPH FRANELL
OREGON BROADBAND ADVISORY COUNCIL
Before the House Committee on Economic Recovery and Prosperity

Thursday, January 28, 2019
(8:00 – 9:00 AM, via Video Conference)

Chair Lively and Members of the Committee:

Good morning. For the record, my name is Joseph Franell, Chair of the Oregon Broadband Advisory Council. I am also the President of Blue Mountain Networks, which includes Eastern Oregon Telecom, Gorge Networks, and Axxis Communications. We are a rural competitive Internet service provider and telephone company serving more than 30 communities throughout Northeastern Oregon, Southeastern Washington and the Mid-Columbia Region. I appreciate the opportunity to be here today to present an update on the current status of efforts to extend broadband throughout the state.

It is our State's policy to promote broadband adoption and utilization and to reduce the digital divide. To help with this, the Oregon Broadband Advisory Council was created in the 2009 Legislative session to help ensure the implementation of statewide broadband strategies. The mission of the council is to:

- Encourage coordination and collaboration between organizations and economic sectors
- Leverage the development and utilization of broadband for education, workforce development, government and healthcare
- Promote broadband adoption by citizens and communities.

The council members represent Oregon's

- Cities
- Counties
- Telecommunications service providers
- Tribes
- Educators

- Economic development organizations
- Public safety agencies
- Healthcare providers
- E-government
- The Public Utility Commission
- The State House of Representatives and the State Senate.
- The consumer at large

Members of the Council are appointed by the Governor, the Speaker of the House and the President of the Senate.

The COVID-19 pandemic has been a hyper-accelerator for broadband public policy, applications, adoption, utilization and infrastructure deployment. It has created a new sense of understanding, urgency and commitment to address the long-standing challenges of the Digital Divide. There is no longer a debate about the importance of broadband access. The question we face is how to provide for access and full utilization of the Internet for all Oregonians, a mission that many broadband advocates, local communities and service providers have been working to accomplish for many years.

Thankfully, in response to the pandemic, there are several significant new opportunities to help us access the funding necessary to build infrastructure, educate and empower communities, and equip and connect broadband champions around the state.

Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

The [Coronavirus Response and Relief Supplemental Appropriations \(CRRSA\) Act](#) of 2021 includes several provisions that address broadband deployment, digital inclusion, and broadband affordability through direct appropriations to federal agencies. This means the funding will not come directly to the state, so the state's benefit from these nationally competitive programs will depend on applications from qualifying consumers, internet service providers, or local and state agencies. The bill was enacted on Dec. 27, 2020, so there are still many aspects and details that have not been announced.

The key broadband-related provisions in the bill include the following (infrastructure is highlighted in yellow):

- **USDA Broadband Programs**

- \$635 million for the [USDA Reconnect Broadband Loan & Grant Program](#).
- \$60 million for the [USDA Distance Learning and Telemedicine \(DLT\) Grant Program](#).
- \$35 million for the [USDA Community Connect Broadband Grant Program](#).
- **FCC Broadband Programs**
 - \$98 million to implement the [Broadband DATA Act](#) to improve broadband mapping accuracy and accountability.
 - \$3.2 billion Emergency Broadband Connectivity Fund to establish an Emergency Broadband Benefit Program, under which eligible households may receive a discount off the cost of broadband service (up to \$50 monthly benefit per eligible household and up to \$75 on tribal lands). The FCC has 60 days to create regulations. [Public comments](#) are due Jan. 25 and reply comments are due Feb. 16, 2021.
 - \$250 million for the [COVID-19 Telehealth Program](#).
 - \$1.9 billion to “Rip and Replace” certain unsecure equipment as directed by recent FCC regulations.
- **NTIA Broadband Programs (National Telecommunications and Information Administration)**
 - \$300 million to implement a broadband infrastructure deployment grant program benefiting rural areas, prioritizing applications delivering 100/20 Mbps or better broadband service in areas without access to 25/3 Mbps broadband service.
 - \$285 million to create the Office of Minority Broadband Initiatives at the NTIA, focusing on access and adoption for minority communities.
 - \$1 billion to expand access and adoption of broadband on tribal lands.
- **U.S. Department of Education was appropriated \$82 billion for continuation of CARES Act programs, allocated as follows, these programs may be used to fund subsidized access to broadband services:**
 - \$4.1 billion for [Governors Emergency Education Relief \(GEER\) Fund](#).
 - \$54.3 billion for [Elementary and Secondary School Emergency Relief \(ESSER\) Fund](#). While this is a continuation of the CARES Act program, there are slight [differences between ESSER and ESSER II](#).
 - \$22.7 billion for [Higher Education Emergency Relief \(HEER\) Fund](#).

[Summary by State of Colorado]

Rural Digital Opportunity Fund (RDOF) – Announced December 2020 Awards

This past December, the FCC awarded \$9.2 billion for broadband infrastructure for 49 states. Nearly all RDOF auction winners (99.7%) have committed to deploying service at speeds of at least 100/20 Mbps, with 85% getting gigabit broadband.

Ten service providers in Oregon will receive **\$212,027,091.20** in RDOF funding over a period of ten years for new infrastructure. As a result, **81,634** new address will have broadband availability.

Bidder	FCC Registration	State	Support over	Number of
Assigned	Number	Assigned	10 Years	Locations
CCO Holdings, LLC (Charter Communications)	0014939466	Oregon	\$ 33,534,210.20	15,139
CenturyLink, Inc.	0018626853	Oregon	\$ 41,423,187.80	8,982
Frontier (Ziplay Fiber)	0029765211	Oregon	\$ 8,715,378.00	3,706
Grain Communications Opportunity Oregon Fund II, L.P. (Hunter Communications)	0029662251	Oregon	\$ 13,677,209.40	4,151
NexTier Consortium	0029756582	Oregon	\$ 11,152,903.10	1,762
NRTC Phase I RDOF Consortium National Rural Telecommunications Council (Hood River Electric Coop)	0018539916	Oregon	\$ 2,210,256.20	1,720
Rural Electric Cooperative Consortium (Conexon – Coos Curry Electric, Douglas FastNet, Columbia Basin Electric)	0029719259	Oregon	\$ 41,613,794.00	9,928
Siuslaw Broadband, LLC dba Hyak Oregon Technologies	0020535944	Oregon	\$ 1,611,684.90	554
Space Exploration Technologies Corp. (SpaceX StarLink)	0026043968	Oregon	\$ 57,897,559.60	35,653
St Paul Cooperative Telephone Oregon	0004979555	Oregon	\$ 190,908.00	39

Association

TOTAL	\$212,027,091.20	81,634
--------------	-------------------------	---------------

December 7, 2020

Source: <https://docs.fcc.gov/public/attachments/DA-20-1422A2.pdf>

Interactive Map:

<https://experience.arcgis.com/experience/0b324cabf7b94d9ca34caa9361122d94/>

Chris Tamarin, Business Oregon, christopher.tamarin@oregon.gov, 503 508-0178

USDA ReConnect Program – Announced Award this month

The USDA has awarded \$13.2 million to expand high-speed internet in rural Oregon, part of a federal program aimed at accelerating broadband development nationwide.

Casco Communications, a telecommunications company based in Corvallis, Ore., that operates as PEAK Internet LLC, received a \$6.6 million federal grant and \$6.6 million loan to build fiber optic lines serving 10.2 square miles in rural Linn and Polk counties.

For its project, Casco Communications plans to build two fiber networks connecting 5,265 households, 31 businesses, 13 farms and two public schools to high-speed broadband. In Linn County, lines will be focused east of Lebanon, south of Sodaville and north of Sweet Home. In Polk County, lines will be west of Monmouth and south of Falls City.

<https://www.usda.gov/media/press-releases/2021/01/08/trump-administration-invests-16-million-high-speed-broadband-rural>

I think it is important to mention that the bulk of the federal broadband funding programs do not come automatically or directly to the state. What Oregon receives will depend on successful applications from eligible Oregon applicants, and applicants need help with matching funds and technical assistance.

At the State Level: Senate Bill 1603

Oregon's Senate Bill 1603 (2020) took effect on January 1st. The statute created the Oregon Broadband Fund and directs the Public Utility Commission to transfer up to \$5 million per year of moneys deposited in universal service fund to the Broadband

Fund, and continuously appropriates moneys in the Broadband Fund to the Oregon Business Development Department to provide grants and loans through, and to administer, programs related to broadband. It sunsets the Broadband Fund and the transfer of moneys from universal service fund to Broadband Fund and grant program on January 2, 2030.

Funds should become available for distribution in the second half of this year.

<https://olis.oregonlegislature.gov/liz/2020S1/Downloads/MeasureDocument/SB1603/Enrolled>

Governor's Recommended Budget for 2021-2023

The Governor's recommended budget for 2021-2023 includes funding the Broadband Office in Business Oregon to coordinate broadband infrastructure deployment, \$100 million for broadband service infrastructure loans and grants, and broadband service assistance to households that have potential access, yet cannot afford services.

https://www.oregon.gov/das/financial/documents/2021-23_gb.pdf

Success Stories

Douglas Fast Net – a subsidiary of Douglas Electric Cooperative

- Built fiber to Saginaw, London, and Dorena elementary schools in the South Lane County School District
- Built fiber to the Wolf Creek Job Corps site outside of Glide
- Built more than 500 miles of new fiber network
- Rebuilt lost and damaged infrastructure from the Labor Day wildfires
- FTTH customers passed the 10,000 mark

Blue Mountain Networks – includes Axxis Communications, Eastern Oregon Telecom, and Gorge Networks.

- In 2020, built fiber to the home in Adams, Athena, Weston, Fossil, Mitchell, and Spray.

Broadband Report

On November 1, 2020, the Oregon Broadband Advisory Council (OBAC) submitted its sixth report to the Legislative Assembly on the affordability and accessibility of

broadband technology in all areas of the state, and on broadband technology use in business, healthcare, energy management, education and government. The 2020 report also presents information on the role of broadband in local, regional and state economies, economic development, public policy issues, and key broadband related challenges and opportunities facing the state.

In that report, we suggest that Oregon's broadband public policy needs to be focused on the future, be more aggressive, be more financially supportive, be more specific, and have a renewed sense of urgency.

We also offer the following recommendations:

- Provide and expand state funding for grant, loan and loan guarantee programs for broadband infrastructure in unserved and underserved geographic areas, for technical assistance and for matching funds to leverage federal funding programs.
- Provide support to low adopter underserved populations and community anchor institutions.
- Promote and support scalable broadband infrastructure deployment.
- Reduce barriers to broadband infrastructure deployment.
- Promote and support digital inclusion and cyber security initiatives.
- Require that broadband infrastructure components be included for all state funded infrastructure projects including roads, bridges, water, and wastewater projects.
- Encourage public-private partnerships in broadband infrastructure that leverage limited state resources.
- Remain technology and provider neutral.

Concluding Remarks

In conclusion, I'd like to quote the 2020 OBAC report to the legislature:

"Oregon has a long history of recognizing the importance of telecommunications and reflecting that importance in public policy. 2019 and 2020 have been pivotal years for Oregon's broadband public policy and for state government engagement. Oregon needs to keep up this momentum. Though the disruptions of the pandemic will eventually pass, the social, economic, and equity issues that have been illuminated by the pandemic will remain. We must not lose our focus on them. We must respond to them today in ways that are not temporary, but in ways that will

provide for long-term continuous support, development and improvement of broadband deployment, adoption and utilization for all Oregonians.”

Thank you. I’d be happy to answer any questions.

[Quotes from Broadband in Oregon: A Report of the Oregon Broadband Advisory Council, November 1, 2020.]

Membership

Chair	Representative John Lively
--------------	--

Vice-Chair	Representative Jami Cate
-------------------	--

Vice-Chair	Representative Jason Kropf
-------------------	--

Member	Representative Brian Clem
---------------	---

Member	Representative Bobby Levy
---------------	---

Member	Representative Rachel Prusak
---------------	--

Member	Representative Ricki Ruiz
---------------	---

Member	Representative Kim Wallan
---------------	---

Staff