



March 10, 2025

Chair Daniel Nguyen
Vice-Chair Ed Diehl
Vice-Chair Shannon Isadore
House Committee on Economic Development, Small Business, and Trade
Oregon State Legislature
900 Court St NE
Salem, OR 97301

Dear Chair Nguyen, Vice-Chairs Diehl and Isadore, and members of the House Committee on Climate, Energy, and Environment,

On behalf of the LOC, I am excited to offer our strong support for House Bill 3148 and the -1 amendment to expand broadband affordability and device support to eligible Oregonians. The LOC represents 241 diverse and unique cities across Oregon that recognize the importance and necessity of affordable, accessible and reliable, quality high-speed broadband service.

As Rep Marsh mentioned, Oregon is set to receive a historic tranche of funding to expand broadband infrastructure across the state. Between ARPA and BEAD, many of our cities will benefit from this historic funding but especially those in rural and frontier Oregon where the internet gap and device gap is much higher than their urban counterparts.

The digital divide is real, but infrastructure alone will not close the gap. Even in urban centers where broadband infrastructure is nearly guaranteed, not every household has internet service or a digital device besides their cell phone. In rural areas, this number increases dramatically. Statewide, according to the [U.S. Census Digital Equity Act Covered Population Viewer](#), 5.7% of the population lacks a computer or broadband internet subscription. In Baker County, that rises to 16.8%, in Douglas County, it's 14.3%. Even in Multnomah County, it's 9%.

HB 3148 aims to fix that by doing three things. The bill will enhance a currently existing program that provides internet or voice support – the Oregon Telephone Assistance Program or OTAP. With this legislation, it will soon be Oregon Lifeline to be consistent with the federal Lifeline program. It reduces administrative costs and provides the necessary budget limitation increase for the PUC to carry out the goals of this bill without asking this body for any funding.

First, the bill provides flexibility for the PUC to raise their current subsidy from \$10 to \$15 and creates a device benefit program using lessons learned from the ACP. The \$15 subsidy paired with the federal subsidy will bring the total subsidy to \$24.95 for internet support.

The device benefit program would be a one-time, \$100 towards the purchase of a digital computing device like a PC, laptop or tablet up to a value of \$600 and would be administered by the PUC instead of the internet service providers or ISPs. This reduces the burden on ISPs so they can focus on providing service while increasing the value of a device so that customers can purchase devices that will fit their needs and will last.

Second, the bill reduces administrative costs for the PUC. It repeals the OTAP advisory committee as well as unnecessary reports and services that are unused, time consuming, and burdensome for PUC staff.

Lastly, the bill raises the budget limitation spending authority for the PUC to incorporate these changes and expected growth in the program, provide support for one additional FTE, and support the PUC's software system upgrade that is already expected. To be clear, this does not require any additional funding from the legislature. The PUC already has the authority to adjust the surcharge up or down to the negotiated 35 cent cap as necessary.

The bill has a -1 amendment that simply provides the PUC with additional time to implement the bill.

Without access to the internet and a device, communities can lose out on economic, educational, and telehealth opportunities. For many of our cities, this means a loss of businesses, younger people moving away from our smallest communities, and seniors having to drive hours away for health care visits.

In the 21st century, having access to the internet is a necessity to compete and thrive in the modern world. We encourage you to adopt the -1 amendment and pass HB 3148. Thank you for your time and consideration.

Sincerely,

Nolan Pleše

