

2017 DRAFTING REQUEST

Bill

For: **Kathleen Vinehout (608) 266-8546** Drafter: **mkunkel**
 By: **Beau** Secondary Drafters: **jkreye**
 Date: **10/25/2017** May Contact:
 Same as LRB:

Submit via email: **YES**
 Requester's email: **Sen.Vinehout@legis.wisconsin.gov**
 Carbon copy (CC) to: **Aaron.McKean@legis.wisconsin.gov**
Zach.Ramirez@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Broadband expansion grant program

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel 10/31/2017				
/P1	mkunkel 1/30/2018	kfollett 11/1/2017	lparisi 11/1/2017		State
/1		kfollett 1/30/2018	lparisi 1/30/2018	dwalker 2/5/2018	State

FE Sent For:

<END>

→ At Intro.

Kunkel, Mark

From: Stafford, Beau
Sent: Monday, October 23, 2017 11:44 AM
To: Kunkel, Mark
Cc: Ramirez, Zach
Subject: Broadband Bill Drafts Needed

Mark –

We have a few different broadband bills we would like to get drafted.

We talked a bit about the municipal broadband networks, and I have some more clarity regarding this issue from a few other folks. They do not like the prescriptive requirements of the feasibility report required under 66.0422. So, we would like to draft a bill that eliminates 66.0422 (2) (c). We would also like to eliminate the requirement for municipalities to find a partnership with an ISP for submitting an application for broadband expansion grants.

The next bill is a “Dig Once” bill that allows municipalities to implement a dig once policy for any work constructed in the right of way of town or county roads and city streets. This would allow municipalities to require construction companies to install empty conduit lines in the right of way. Local governments would then be allowed to establish leases with ISP’s to install fiber optic broadband lines.

The next bill would require ISP’s to be truthful in their advertising to consumers. We want to specify that broadband internet service is defined as 25mbps while downloading and 3mbps while uploading. We want to find a way that prevents advertisements from using small print disclaimers to limit or diminish service speeds to consumers. For example, companies will advertise 25mbps, but then either provide speeds that are not even close to 25mpms or they simply will not expand their infrastructure to homes. Are there any other laws on the books that might mirror this issue? Lastly, we want to adopt the FCC’s Broadband Service Label idea. [Here is the link](#) to this idea.

The last bill is a bit larger. We want to fix the broadband expansion grant program. Below are bullet points for items to include in this bill draft. Many of these provisions you have drafted. You will likely have questions about some of the new ideas, so I’m cc’ing Zach on this email so he can help us. Here are the things we want to include:

Funding

- SA 11 items 1, 2 + JK language*
- Add \$100M from the Ag Manufacturing Tax Credit to the State Broadband Expansion Grant Fund
 - Allow the PSC to recoup grant funds from companies, cooperatives or municipalities that fail to provide the amount of broadband expansion or the required speed for broadband (25mbps down, 3mbps up) listed in their application.
 - ✓ Allow municipalities, private ISP’s and cooperatives to submit applications without requiring partnerships. *→ define broadband in statute - SA 11 at 2-9*
4638/P1
 - Lower the USF fee by \$.15 and create a new \$.15 fee for all broadband service lines to be used for broadband expansion grant program.

Rural Broadband Expansion

- ✓ 85% of the \$ available for broadband expansion will be awarded to private ISP’s, cooperatives, or municipalities within counties that have a population of 65K or less.
- ✓ Delete “unserved areas” priority and instead, create priority for areas which no broadband service is available.

Planning

- Allow municipalities to apply for broadband expansion grant funds for project planning purposes, including the development of municipal broadband feasibility reports.
- Require electric service providers to survey customers about broadband service. Allow electric providers to be reimbursed from the broadband expansion grant program by PSC. Data received by the electric providers will be collected by PSC to improve broadband service map.

Accountability

- Grant recipients are required to report back to the PSC how many broadband service connections were completed and the average speed provided to consumers after the project is finished.
- Grant recipients may only receive one grant at a time from the program.
- Companies, cooperatives, or municipalities that have not paid back grant monies for failure to provide service shall not be eligible to receive additional broadband expansion grant funding.
- Direct the LAB to conduct a performance evaluation of the broadband expansion grant program.
- Companies that have received ACAM or CAF II funding are not eligible to receive state broadband expansion grant funds.

SA 11 2-1
2.3
2-17

Thanks for all your help Mark!

BEAU STAFFORD
Legislative Director
Office of Senator Kathleen Vinehout
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608-266-8546
Rm 108 South
Wisconsin State Capitol



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4652/P1

MDK&JK: *[Signature]*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*by WED
11-1*

Gen

1 **AN ACT ...; relating to:** various changes to broadband expansion grant program,
2 claiming the manufacturing and agriculture tax credit, granting rule-making
3 authority, and making appropriations.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
5 the following amounts for the purposes indicated:

2017-18

2018-19

1 **20.155 Public service commission**2 (3) **AFFILIATED GRANT PROGRAMS**3 (a) **Broadband expansion grants;**

4 general purpose revenue funding GPR C 100,000,000 -0-

****NOTE: With one exception, this draft corresponds to your instructions for changes to funding, rural expansion, planning, and accountability for broadband expansion grants. The one exception is that the draft does not lower the USF fee by \$0.15 and create a new \$0.15 fee for broadband expansion grants. Under current law, the PSC determines how much total funding is needed for USF-funded programs and allocates that total among telecommunications providers based on their proportionate share of intrastate revenues. As a result, telecommunications providers collect different amounts from their customers and \$0.15 reduction would have different impacts on different providers. Also, if you want to decrease the amounts collected for the different USF-funded programs under current law, how do you want to allocate the reduction among the different programs? Please let me know how to proceed on these issues.

5 **SECTION 2.** 20.155 (3) (a) of the statutes is created to read: ✓6 20.155 (3) (a) *Broadband expansion grants; general purpose revenue funding.*

7 As a continuing appropriation, the amounts in the schedule for making broadband
8 expansion grants under s. 196.504 and for reimbursing electric providers under s.
9 196.504 (3) (e).

****NOTE: Is it okay to use the above appropriation to reimburse electric providers,
or do want a different funding source for the reimbursements?

10 **SECTION 3.** 20.155 (3) (g) of the statutes is created to read: ✓

11 20.155 (3) (g) *Broadband expansion grants; program revenue funding.* All
12 moneys received as broadband grant reimbursements under s. 196.504 (2g) (c) for
13 making broadband expansion grants under s. 196.504.

****NOTE: Is it okay to use the grant reimbursements to fund additional
broadband expansion grants?

14 **SECTION 4.** 71.07 (5n) (c) 6. of the statutes is created to read: ✓

1 71.07 (5n) (c) 6. For taxable years beginning after December 31, 2017, no
2 individual may claim the credit under this subsection for a taxable year in which the
3 individual's adjusted gross income is greater than \$1,000,000.

4 **SECTION 5.** 71.28 (5n) (c) of the statutes is amended to read:

5 71.28 (5n) (c) *Limitations.* Partnerships, limited liability companies, and
6 tax-option corporations may not claim the credit under this subsection, but the
7 eligibility for, and the amount of, the credit are based on their share of the income
8 described under par. (b). A partnership, limited liability company, or tax-option
9 corporation shall compute the amount of credit that each of its partners, members,
10 or shareholders may claim and shall provide that information to each of them.
11 Partners, members of limited liability companies, and shareholders of tax-option
12 corporations may claim the credit in proportion to their ownership interests, but, for
13 taxable years beginning after December 31, 2017, no partner, member, or
14 shareholder may claim the credit for a taxable year in which the adjusted gross
15 income of the partner, member, or shareholder is greater than \$1,000,000.

History: 1987 a. 312; 1987 a. 411 ss. 88, 130 to 139; 1987 a. 422; 1989 a. 31, 44, 56, 100, 336, 359; 1991 a. 39, 292; 1993 a. 16, 112, 232, 491; 1995 a. 2; 1995 a. 27 ss. 3399r to 3404c, 9116 (5); 1995 a. 209, 227; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9; 2001 a. 16; 2003 a. 72, 99, 135, 255, 267, 326; 2005 a. 25, 74, 97, 361, 387, 452, 479, 483, 487; 2007 a. 20, 96, 97, 100; 2009 a. 2, 11, 28, 180, 185, 265, 267, 269, 276, 294, 295, 332, 401; 2011 a. 3, 15, 32, 67, 212, 213, 232, 237; 2011 a. 260 s. 80; 2013 a. 20, 54, 62, 116, 145, 165; 2013 a. 166 ss. 26, 77; 2015 a. 55, 186, 237; 2017 a. 58, 59; s. 13.92 (2) (i); s. 35.17 correction in (1dx) (a) 3., 5, (e) 2., (6) (cn) (intro).

16 **SECTION 6.** 196.504 (1) (a) of the statutes is created to read:

17 196.504 (1) (a) "A-CAM support" means support for the deployment of voice
18 and broadband-capable networks from the federal Connect America Fund that is
19 made to telecommunications utilities regulated as rate-of-return carriers by the
20 federal communications commission and that is based on the federal
21 communications commission's Alternative Connect America Cost Model.

22 **SECTION 7.** 196.504 (1) (ab) of the statutes, as created by 2017 Wisconsin Act
23 59, is renumbered 196.504 (1) (e).

1 SECTION 8. 196.504 (1) (ac) of the statutes, as affected by 2017 Wisconsin Act
2 59, is renumbered 196.504 (1) (g), and 196.504 (1) (g) 2. and 3., as renumbered, are
3 amended to read:

4 196.504 (1) (f) 2. A telecommunications utility that has not received or applied
5 for A-CAM or phase II support.

6 3. A political subdivision ~~that submits an application in partnership with an~~
7 ~~eligible applicant under subd. 1. or 2.~~

History: 2013 a. 20; 2015 a. 55, 278; 2017 a. 59.

8 SECTION 9. 196.504 (1) (ad) of the statutes, as created by 2017 Wisconsin Act
9 59, is renumbered 196.504 (1) (h).

10 SECTION 10. 196.504 (1) (ae) of the statutes is renumbered 196.504 (1) (j).

11 SECTION 11. 196.504 (1) (am) of the statutes is renumbered 196.504 (1) (k).

12 SECTION 12. 196.504 (1) (b) of the statutes is renumbered 196.504 (1) (L).

13 SECTION 13. 196.504 (1) (c) of the statutes, as created by 2017 Wisconsin Act
14 59, is repealed.

15 SECTION 14. 196.504 (1) (d) of the statutes is created to read:

16 196.504 (1) (d) "Broadband infrastructure" means infrastructure for the
17 provision of broadband service at a minimum download speed of 25 megabits per
18 second and a minimum upload speed of 3 megabits per second.

19 SECTION 15. 196.504 (1) (f) of the statutes is created to read:

20 196.504 (1) (f) "Electric provider" means a retail electric public utility or retail
21 electric cooperative.

22 SECTION 16. 196.504 (1) (i) of the statutes is created to read:

23 196.504 (1) (i) "Phase II support" means the federal communications
24 commission's 2nd phase of support for rural broadband deployment from the federal

1 Connect America Fund that is made to telecommunications utilities regulated as
2 price cap carriers by the federal communications commission.

3 SECTION 17. 196.504 (2) (a) of the statutes, as affected by 2017 Wisconsin Act
4 59, is amended to read:

5 196.504 (2) (a) To make broadband expansion grants to eligible applicants for
6 the purpose of constructing broadband infrastructure in underserved areas
7 designated under par. (d) and to political subdivisions for project planning related
8 to such construction, including broadband feasibility reports. An eligible applicant
9 shall specify in its application for a grant the broadband infrastructure the applicant
10 intends to construct with the grant. Grants awarded under this section shall be paid
11 from the appropriations under s. 20.155 (3) (a), (g), (r), and (rm). Not less than 85
12 percent of the grants awarded in a fiscal year shall be for the construction of
13 broadband infrastructure in counties with populations of 65,000 or less.

History: 2013 a. 20; 2015 a. 55, 278; 2017 a. 59.

14 SECTION 18. 196.504 (2) (c) of the statutes, as affected by 2017 Wisconsin Act
15 59, is amended to read:

16 196.504 (2) (c) To establish criteria for evaluating applications and awarding
17 grants under this section. The criteria shall prohibit grants that have the effect of
18 subsidizing the expenses of a provider of telecommunications service, as defined in
19 s. 182.017 (1g) (cq), or the monthly bills of customers of those providers. The criteria
20 shall give first priority to projects for areas in which no broadband service is
21 available. The criteria shall give secondary priority to projects that include matching
22 funds, that involve public-private partnerships, ~~that affect unserved areas,~~ that are
23 scalable, that promote economic development, that will not result in delaying the
24 provision of broadband service to areas neighboring areas to be served by the

1 proposed project, or that affect a large geographic area or a large number of
 2 underserved individuals or communities. When evaluating grant applications
 3 under this section, the commission shall consider the degree to which the proposed
 4 projects would duplicate existing broadband infrastructure, information about the
 5 presence of which is provided to the commission by the applicant or another person
 6 within a time period designated by the commission; the impacts of the proposed
 7 projects on the ability of individuals to access health care services from home and the
 8 cost of those services; and the impacts of the proposed projects on the ability of
 9 students to access educational opportunities from home.

History: 2013 a. 20; 2015 a. 55, 278; 2017 a. 59.

10 SECTION 19. 196.504 (2) (e) of the statutes, as created by 2017 Wisconsin Act
 11 59, is repealed.

12 SECTION 20. 196.504 (2g) of the statutes is created to read:

13 196.504 (2g) (a) The commission shall require persons who receive grants
 14 under sub. (2) (a) to submit reports to the commission on the progress of construction
 15 activities for infrastructure specified in grant applications, the number of broadband
 16 service connections provided by that infrastructure after construction is completed,
 17 and the average download and upload speeds for those service connections.

18 (b) A person who receives a grant under ^{sub.} (2) (a) may not apply for a subsequent
 19 grant under sub. (2) (a) until completion of construction of the infrastructure
 20 specified in the application for the prior grant.

****NOTE: The above corresponds to your instruction that a person may receive only
 one grant at a time. Is it okay?

21 (c) A person who receives a grant under sub. (2) (a) shall reimburse the
 22 commission an amount equal to the grant if any of the following apply: *the applies*

Kunkel, Mark

From: Stafford, Beau
Sent: Thursday, January 25, 2018 3:56 PM
To: Kunkel, Mark
Subject: Changes to LRB 4652/p1
Attachments: 17-4652_Broadband Grant Bill.pdf

Mark –

Thanks for putting together such a good bill draft for this Mark. Kathleen was very impressed.

I finally have some answers for the questions you had in the LRB draft. I also have a couple changes that need to happen for the final version of this bill.

Questions to answer:

- On page 2: Kathleen wants to scrap the USF fee change and the creation of a new per line fee for broadband. Let's keep the funding source for reimbursing electric providers the same. Yes, let's allow the reimbursements to go back into the grant fund. ✓
- ✓ On page 6: Yes, one grant at a time – this looks good.
- ✓ On page 7: Yes, let's allow the PSC to use rules to adopt a process. That will make things easier for them.

Changes to make:

- ✓ Kathleen wants the appropriation to be \$100M per year, for a total of \$200M per biennium. ✓
- Kathleen wants to only reduce the manufacturing and ag tax credit by 50%. She believes she will have more than enough money to use for increasing the grant appropriation.

I think we are ready for an introducible version of the bill once these changes are incorporated. Thanks for your help on this bill Mark!

BEAU STAFFORD

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608-266-8546
Rm 108 South
Wisconsin State Capitol



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4652/P1
MDK&JK:kjf

2

RM has been run

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

TOOAY
by NOON,
if possible

gen cert

INSERT 1-7

1 **AN ACT to repeal** 196.504 (1) (c) and 196.504 (2) (e); **to renumber** 196.504 (1)

2 (ab), 196.504 (1) (ad), 196.504 (1) (ae), 196.504 (1) (am) and 196.504 (1) (b); **to**

3 **renumber and amend** 196.504 (1) (ac); **to amend** 71.28 (5n) (c), 196.504 (2)

4 (a) and 196.504 (2) (c); and **to create** 20.155 (3) (a), 20.155 (3) (g), 71.07 (5n) (c)

5 6., 196.504 (1) (af), 196.504 (1) (d), 196.504 (1) (f), 196.504 (1) (i), 196.504 (2g),

6 196.504 (2r) and 196.504 (3) (d), (e) and (f) of the statutes; **relating to:** various

7 changes to ^{the} broadband expansion grant program, claiming the manufacturing

8 and agriculture tax credit, granting rule-making authority, and making

9 appropriations.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

INSERT IN
analysis

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

2017-18 2018-19

3 **20.155 Public service commission**

4 (3) AFFILIATED GRANT PROGRAMS

5 (a) Broadband expansion grants;

6 general purpose revenue funding GPR 100,000,000

Handwritten note: 100,000,000 (circled) with an arrow pointing to the GPR amount. Another handwritten note: -0-

****NOTE: With one exception, this draft corresponds to your instructions for changes to funding, rural expansion, planning, and accountability for broadband expansion grants. The one exception is that the draft does not lower the USF fee by \$0.15 and create a new \$0.15 fee for broadband expansion grants. Under current law, the PSC determines how much total funding is needed for USF-funded programs and allocates that total among telecommunications providers based on their proportionate share of intrastate revenues. As a result, telecommunications providers collect different amounts from their customers and \$0.15 reduction would have different impacts on different providers. Also, if you want to decrease the amounts collected for the different USF-funded programs under current law, how do you want to allocate the reduction among the different programs? Please let me know how to proceed on these issues.

7 SECTION 2. 20.155 (3) (a) of the statutes is created to read:

8 20.155 (3) (a) *Broadband expansion grants; general purpose revenue funding.*

9 ~~As a continuing appropriation~~, the amounts in the schedule for making broadband
10 expansion grants under s. 196.504 and for reimbursing electric providers under s.
11 196.504 (3) (e).

****NOTE: Is it okay to use the above appropriation to reimburse electric providers, or do want a different funding source for the reimbursements?

12 SECTION 3. 20.155 (3) (g) of the statutes is created to read:

13 20.155 (3) (g) *Broadband expansion grants; program revenue funding.* All
14 moneys received as broadband grant reimbursements under s. 196.504 (2g) (c) for
15 making broadband expansion grants under s. 196.504.

****NOTE: Is it okay to use the grant reimbursements to fund additional broadband expansion grants?

16 SECTION 4. 71.07 (5n) (c) 6. of the statutes is created to read:

Handwritten note: Biennially,

Handwritten note: INSERT 2-15 (circled)

1 71.07 (5n) (c) 6. For taxable years beginning after December 31, 2017, no
2 individual may claim the credit under this subsection for a taxable year in which the
3 individual's adjusted gross income is greater than \$1,000,000. \$2,000,000

4 **SECTION 5.** 71.28 (5n) (c) of the statutes is amended to read:

5 71.28 (5n) (c) *Limitations.* Partnerships, limited liability companies, and
6 tax-option corporations may not claim the credit under this subsection, but the
7 eligibility for, and the amount of, the credit are based on their share of the income
8 described under par. (b). A partnership, limited liability company, or tax-option
9 corporation shall compute the amount of credit that each of its partners, members,
10 or shareholders may claim and shall provide that information to each of them.
11 Partners, members of limited liability companies, and shareholders of tax-option
12 corporations may claim the credit in proportion to their ownership interests, but, for
13 taxable years beginning after December 31, 2017, no partner, member, or
14 shareholder may claim the credit for a taxable year in which the adjusted gross
15 income of the partner, member, or shareholder is greater than \$1,000,000. \$2,000,000

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17 59, is renumbered 196.504 (1) (e).

18 **SECTION 7.** 196.504 (1) (ac) of the statutes, as affected by 2017 Wisconsin Act
19 59, is renumbered 196.504 (1) (g), and 196.504 (1) (g) 2. and 3., as renumbered, are
20 amended to read:

21 196.504 (1) (g) 2. A telecommunications utility that has not received or applied
22 for A-CAM or phase II support.

23 3. A political subdivision ~~that submits an application in partnership with an~~
24 ~~eligible applicant under subd. 1. or 2.~~

1 **SECTION 8.** 196.504 (1) (ad) of the statutes, as created by 2017 Wisconsin Act
2 59, is renumbered 196.504 (1) (h).

3 **SECTION 9.** 196.504 (1) (ae) of the statutes is renumbered 196.504 (1) (j).

4 **SECTION 10.** 196.504 (1) (af) of the statutes is created to read:

5 196.504 (1) (af) "A-CAM support" means support for the deployment of voice
6 and broadband-capable networks from the federal Connect America Fund that is
7 made to telecommunications utilities regulated as rate-of-return carriers by the
8 federal communications commission and that is based on the federal
9 communications commission's Alternative Connect America Cost Model.

10 **SECTION 11.** 196.504 (1) (am) of the statutes is renumbered 196.504 (1) (k).

11 **SECTION 12.** 196.504 (1) (b) of the statutes is renumbered 196.504 (1) (L).

12 **SECTION 13.** 196.504 (1) (c) of the statutes, as created by 2017 Wisconsin Act
13 59, is repealed.

14 **SECTION 14.** 196.504 (1) (d) of the statutes is created to read:

15 196.504 (1) (d) "Broadband infrastructure" means infrastructure for the
16 provision of broadband service at a minimum download speed of 25 megabits per
17 second and a minimum upload speed of 3 megabits per second.

18 **SECTION 15.** 196.504 (1) (f) of the statutes is created to read:

19 196.504 (1) (f) "Electric provider" means a retail electric public utility or retail
20 electric cooperative.

21 **SECTION 16.** 196.504 (1) (i) of the statutes is created to read:

22 196.504 (1) (i) "Phase II support" means the federal communications
23 commission's 2nd phase of support for rural broadband deployment from the federal
24 Connect America Fund that is made to telecommunications utilities regulated as
25 price cap carriers by the federal communications commission.

1 **SECTION 17.** 196.504 (2) (a) of the statutes, as affected by 2017 Wisconsin Act
2 59, is amended to read:

3 196.504 (2) (a) To make broadband expansion grants to eligible applicants for
4 the purpose of constructing broadband infrastructure in underserved areas
5 designated under par. (d) and to political subdivisions for project planning related
6 to such construction, including broadband feasibility reports. An eligible applicant
7 shall specify in its application for a grant the broadband infrastructure the applicant
8 intends to construct with the grant. Grants awarded under this section shall be paid
9 from the appropriations under s. 20.155 (3) (a), (g), (r), and (rm). Not less than 85
10 percent of the grants awarded in a fiscal year shall be for the construction of
11 broadband infrastructure in counties with populations of 65,000 or less.

12 **SECTION 18.** 196.504 (2) (c) of the statutes, as affected by 2017 Wisconsin Act
13 59, is amended to read:

14 196.504 (2) (c) To establish criteria for evaluating applications and awarding
15 grants under this section. The criteria shall prohibit grants that have the effect of
16 subsidizing the expenses of a provider of telecommunications service, as defined in
17 s. 182.017 (1g) (cq), or the monthly bills of customers of those providers. The criteria
18 shall give first priority to projects for areas in which no broadband service is
19 available. The criteria shall give secondary priority to projects that include matching
20 funds, that involve public-private partnerships, ~~that affect unserved areas,~~ that are
21 scalable, that promote economic development, that will not result in delaying the
22 provision of broadband service to areas neighboring areas to be served by the
23 proposed project, or that affect a large geographic area or a large number of
24 underserved individuals or communities. When evaluating grant applications
25 under this section, the commission shall consider the degree to which the proposed

1 projects would duplicate existing broadband infrastructure, information about the
2 presence of which is provided to the commission by the applicant or another person
3 within a time period designated by the commission; the impacts of the proposed
4 projects on the ability of individuals to access health care services from home and the
5 cost of those services; and the impacts of the proposed projects on the ability of
6 students to access educational opportunities from home.

7 **SECTION 19.** 196.504 (2) (e) of the statutes, as created by 2017 Wisconsin Act
8 59, is repealed.

9 **SECTION 20.** 196.504 (2g) of the statutes is created to read:

10 196.504 (2g) (a) The commission shall require persons who receive grants
11 under sub. (2) (a) to submit reports to the commission on the progress of construction
12 activities for infrastructure specified in grant applications, the number of broadband
13 service connections provided by that infrastructure after construction is completed,
14 and the average download and upload speeds for those service connections.

15 (b) A person who receives a grant under sub. (2) (a) may not apply for a
16 subsequent grant under sub. (2) (a) until completion of construction of the
17 infrastructure specified in the application for the prior grant.

***NOTE: The above corresponds to your instruction that a person may receive only
one grant at a time. Is it okay?

18 (c) A person who receives a grant under sub. (2) (a) shall reimburse the
19 commission an amount equal to the grant if any of the following applies:

20 1. The person fails to complete construction of broadband infrastructure that
21 is specified in the person's application under sub. (2) (a).

1 2. The infrastructure constructed with the grant fails to provide broadband
2 service with an average minimum download speed of 25 megabits per second or an
3 average minimum upload speed of 3 megabits per second.

4 (d) The commission shall promulgate rules for submitting reports under par.
5 (a), determining completion of construction for purposes of par. (b), and making
6 reimbursements under par. (c). If a person fails to make a reimbursement as
7 required under the rules, the person is not eligible for any other grant under sub. (2)
8 (a).

***NOTE. The PSC can use the rule-making process to determine details such as
the timing and frequency for filing reports and requirements for counting broadband
service connections and calculating average download and upload speeds. Is that okay?

9 **SECTION 21.** 196.504 (2r) of the statutes is created to read:

10 196.504 (2r) Biennially, beginning on January 1, 2019, the legislative audit
11 bureau shall conduct a performance evaluation audit of the broadband expansion
12 grant program under sub. (2).

13 **SECTION 22.** 196.504 (3) (d), (e) and (f) of the statutes are created to read:

14 196.504 (3) (d) Require electric providers to survey customers and members
15 about the availability of broadband service and provide the survey results to the
16 commission.

17 (e) Reimburse electric providers for the cost of conducting surveys under par.
18 (d).

19 (f) Use survey results under par. (d) to improve broadband mapping.

20

(END)

1
2
3

INSERT 1-7:

; local government telecommunications, video, or broadband service facilities;

INSERT 1A:

X This bill does the following: 1) makes changes to the broadband expansion grant program; 2) eliminates requirements that apply to local government telecommunications, video, and broadband service facilities; and 3) changes the manufacturing and agriculture tax credit.

Broadband expansion grants. This bill appropriates \$200,000,000 in general purpose revenues in the 2017-19 fiscal biennium for the broadband expansion grant program administered by the Public Service Commission under current law. Under that program, the PSC makes grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated by PSC. The bill's appropriation is in addition to appropriations from the universal service fund for the grants under current law.

The bill creates a definition for "broadband infrastructure," which is not defined under current law. The bill defines "broadband infrastructure" as infrastructure that provides broadband service at a minimum download speed of 25 megabits per second and a minimum upload speed of 3 megabits per second. Under the bill, infrastructure is eligible for a broadband expansion grant only if it satisfies the foregoing definition. The bill requires a person who receives a grant to reimburse the PSC for the grant if 1) the person fails to complete construction of the infrastructure or 2) the infrastructure that is constructed fails to provide minimum download or upload speeds specified in the bill's definition of "broadband infrastructure."

The bill changes the priorities that apply to the PSC in awarding grants. Current law requires the PSC to give priority to projects that satisfy various requirements, including projects that affect "unserved areas," which current law defines as areas without specified types of Internet service. The bill requires instead that the PSC give first priority to projects for areas in which no broadband service is available and secondary priority to projects that satisfy the requirements specified under current law, except that the bill eliminates the priority for unserved areas. In addition, the bill requires the PSC to award no less than 85 percent of the grants in a fiscal year for projects to construct broadband infrastructure in counties with populations of 65,000 or less.

X The bill also changes eligibility requirements for the grants. Under current law, telecommunications utilities are eligible to apply. Under the bill, a telecommunications utility is eligible only if it has not applied for or received support for broadband deployment under certain federal programs administered by the Federal Communications Commission. The bill also allows a city, village, town, or county to apply for a grant without submitting the application in partnership with a telecommunications utility or for-profit or not-for-profit organization, which is required under current law. The bill also specifies that a city, village, town, or county

may use a grant for planning related to broadband infrastructure construction, including broadband feasibility reports. Also, the bill requires all applicants for grants to specify the broadband infrastructure the applicant intends to construct with a grant and requires the applicant to complete that construction before applying for a subsequent grant.

The bill also does the following:

1. Requires persons who receive grants to submit reports to the PSC on the progress of broadband infrastructure construction, the number of broadband service connections provided by that infrastructure, and the average download and upload speeds for those service connections.

2. Beginning on January 1, 2019, requires the legislative audit bureau to conduct biennial performance audits of the broadband infrastructure grant program.

3. Requires the PSC to require retail electric utilities and cooperatives to survey customers and members about broadband service availability. The PSC must reimburse the utilities and cooperatives for the conducting the surveys and use the survey results to improve broadband mapping.

Local government telecommunications, video, and broadband service facilities. The bill eliminates a requirement for a city, village, or town (local government) to prepare a report before holding a public hearing on a proposed ordinance or resolution authorizing the local government to construct or operate facilities for providing telecommunications service, cable television or similar video service, or broadband service to the public. With exceptions, current law prohibits a local government from enacting an ordinance or adopting a resolution authorizing the local government to construct or operate such a facility unless the local government gives notice and holds a public hearing on the proposed ordinance or resolution. In addition, at least 30 days prior to the hearing, current law requires the local government to prepare and make available to the public a report that estimates the total costs and revenues for the facility and includes a cost-benefit analysis of the facility for a period of at least three years. Under this bill, a local government is not required to prepare that report.

Manufacturing and agricultural tax credit. The bill provides that an individual whose income is greater than \$2,000,000 a year may not claim the manufacturing and agriculture tax credit for taxable years beginning after December 31, 2017. Under current law, any person who has qualified production activities income from manufacturing or agriculture may claim the credit in an amount equal to the income multiplied by 7.5 percent.

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INSERT 2-15:

SECTION 1. 66.0422 (2) (c) of the statutes is repealed.

SECTION 2. 66.0422 (4) of the statutes is repealed.

SECTION 3. 66.0422 (5) of the statutes is repealed.

Walker, Dan

From: Stafford, Beau
Sent: Monday, February 05, 2018 12:33 PM
To: LRB.Legal
Subject: Draft Review: LRB -4652/1

Please Jacket LRB -4652/1 for the SENATE.