



# NANCY VANDERMEER

STATE REPRESENTATIVE • 70<sup>TH</sup> ASSEMBLY DISTRICT

TO: Honorable Members of the Assembly Committee on Energy and Utilities

FROM: State Representative Nancy VanderMeer

DATE: January 26, 2016

SUBJECT: Testimony in Support of AB 647

Thank you Chairman Kuglitsch and members of the Assembly Committee on Energy and Utilities for holding a hearing on Assembly Bill 647 today. As the author of this legislation, along with Senator Gudex, I am pleased to testify before you and to take any questions that committee members may have.

Rural areas are still underserved when it comes to high speed internet, and focusing on bridging the technology gap will ensure that people in rural areas have the same access to opportunity that people in urban or suburban areas do. Increasing broadband to underserved areas will better serve and have positive economic potential in rural communities of the state.

There are numerous private cable, telecom, and Internet companies investing in fiber optics necessary for expanded broadband access, but there is still a huge demand for increased access in Wisconsin. For fiscal year 2016, the Public Service Commission (PSC) has received applications requesting over \$4.4 million in grants.

Currently, there is \$6,000,000 in funding for the grants to expand service to underserved areas of the state, but the PSC is prohibited from making more than \$1,500,000 in grants in a fiscal year.

To keep up with demand, this legislation eliminates the yearly maximum amount prohibition and allows the PSC to allocate the grants until funding is depleted. This will ensure that the funds for the grant program can continue to be used to extend broadband access to underserved areas.

The grant funds will still only be used to reimburse the construction of broadband facilities. They cannot be used to reimburse the operating expenses of a telecommunications provider or the monthly bill of a telecommunications service customer.

In closing, I ask that you join Senator Gudex and myself in support of this legislation. Thank you for the opportunity to testify here today, I would be happy to answer any questions you may have at this time.

**2015 ASSEMBLY BILL 647**

**ASSEMBLY COMMITTEE ON ENERGY AND UTILITIES – PUBLIC HEARING**

**JANUARY 26, 2016**

**TESTIMONY FOR INFORMATION ONLY— ANGIE DICKISON, WISCONSIN STATE BROADBAND DIRECTOR**

Good morning, Chair Kuglitsch and members of the Assembly Committee on Energy and Utilities. Thank you for the opportunity to provide information on Wisconsin's Broadband Expansion Grant Program as it relates to AB 647.

My name is Angie Dickison, the State Broadband Director. I provide leadership and vision in advancing the state's broadband program and provide policy recommendations on broadband issues, as well as securing grant funds for Wisconsin related to broadband deployment and adoption. I am responsible for coordinating, managing, and monitoring the state's broadband availability and broadband adoption programs through the Commission's State Broadband Office, including broadband data collection and mapping. I serve as the first point-of-contact with key stakeholders on broadband issues, and work with providers and communities to develop broadband investment and adoption plans in coordination with other related state initiatives. I provide Wisconsin representation on broadband issues to federal agencies such as the Federal Communications Commission (FCC) and the NTIA. I also work in collaboration with other Wisconsin state agencies and provide leadership in encouraging coordination to promote wider adoption and use of broadband throughout Wisconsin.

Over the last few years, broadband access has become a competitive necessity and a component of economic development. Competition and investment among providers has pushed broadband access out to most of the population of the state. However, coverage gaps remain, primarily in the rural areas of Wisconsin. Now, Wisconsin, like most other states, is working to incentivize the expansion of broadband to the unserved and underserved areas.

According to the FCC, 17 percent of all Americans lack access to 25 Mbps broadband. Wisconsin is on par with this national statistic, with 17 percent of our total population lacking broadband access at FCC defined speed levels. It is important to note that this coverage data for our state breaks down to 53 percent of our rural population and only 1 percent of our urban population lacking access at this speed level.

[https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-331734A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-331734A1.pdf)

To assist in the expansion of broadband in Wisconsin, Governor Walker created the Broadband Expansion Grant Program in the 2011-2013 biennial budget, with an allocation of \$500,000 per fiscal year. Last year, Governor Walker and the Legislature increased funding for broadband expansion grants in the 2015-2017 biennial budget to \$1.5 million annually; with a total of \$6 million allocated from the Universal Service Fund cash reserves to fund grants over a 4 year period.

These grants provide reimbursement for equipment and construction expenses incurred to extend or improve broadband telecommunications services in underserved regions of Wisconsin. The PSC awards grants based on the following criteria: matching funds, public-

private partnerships, existing broadband service, project impact, and scalability. An application for a grant may be submitted by any of the following entities:

- An organization operated for profit or not for profit, including a cooperative.
- A telecommunications utility.
- A city, village, town, or county that has established a legal partnership or joint venture arrangement with an otherwise qualified organization or telecommunications utility

Following the three-fold increase in available grant funds, grant requests increased from about \$2.8 million to \$4.4 million. The \$1.5 million approved in the most recent round leveraged nearly \$2.9 million in matching funds for a total broadband infrastructure investment of over \$4.3 million.

Since fiscal year 2014, the state has awarded nearly \$2.5 million in broadband expansion grants. This state investment, when combined with matching funds, prompted over 6.3 million dollars in infrastructure investment that will make broadband access available to over 5,000 homes and businesses. These grants will increase broadband access and capacity at a number of business and industrial parks, and in some communities also provide expanded wireless coverage.

Expanding broadband is critical to growing Wisconsin's rural communities. With this in mind, the State Broadband Office at the Public Service Commission stands ready to utilize every resource allocated by the Governor and the Legislature and is committed to maximizing every dollar to make Wisconsin more competitive by expanding broadband service to every corner of our state.

Thank you again, Chair Kuglitsch, for bringing needed attention to this critical issue. At this time, I'm happy to answer any questions from committee members.