



WISCONSIN LEGISLATIVE COUNCIL

RURAL BROADBAND

Room 412 East
State Capitol

August 3, 2016
10:00 a.m. – 3:35 p.m.

[The following is a summary of the August 3, 2016 meeting of the Study Committee on Rural Broadband. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.wisconsin.gov/lc>.]

Call to Order and Roll Call

Chair Marklein called the committee to order. The roll was called and a quorum was determined to be present.

COMMITTEE MEMBERS PRESENT: Sen. Howard Marklein, Chair; Rep. Warren Petryk, Vice Chair; Reps. Beth Meyers and Mark Spreitzer; and Public Members Scott Behn, Ronald Brisbois, Jim Costello, Philip Hejtmanek, Mike Hill, Michelle Olson, Jean Pauk, Ben Rivard, and Kelly Shipley.

COUNCIL STAFF PRESENT: Zach Ramirez and Julia Norsetter, Staff Attorneys, Larry Konopacki, Principal Attorney, and Julie Learned, Support Staff.

APPEARANCES: Joan Ballweg, Co-Chair, Joint Legislative Council; Terry Anderson, Director, Legislative Council Staff; Justin Huebner, Kiesling Associates LLP; Bob Seitz, Angela Dickison, Dennis Klaila, Sarah Klein, and Jeff Richter, Wisconsin Public Service Commission; David Cagigal, Chief Information Officer, Department of Administration; Bill Esbeck, Executive Director, Wisconsin State Telecommunications Association; and Adam Raschka, Director of Regulatory and External Affairs, Wisconsin Cable Communications Association.

Opening Remarks

Representative Joan Ballweg, Co-Chair of the Legislature's Joint Legislative Council and Terry Anderson, Director of the Legislative Council staff, provided information to the committee about the Legislative Council and the study committee process and history. Chair Marklein then opened the meeting by welcoming the committee members to the first meeting of the committee and described his thought process in requesting the formation of the committee. He then asked committee members to introduce themselves, and described the assignment that has been given to the committee.

The Internet of Things

Justin Huebner, Kiesling Associates, LLP, made a presentation titled "The Internet of Things" which provided the committee with a broad-view perspective of factors affecting the deployment and use of Internet-capable resources, including changes in demographics, generational trends, real estate values, and economic development. He introduced cutting-edge technologies that rely on robust and reliable Internet connection, discussed factors that influence telecommunications service options and deployment, and provided information on the evolving expectations of consumers. Mr. Huebner is a Certified Public Accountant who works with numerous telecommunications companies.

Broadband Mapping and the Broadband Expansion Grant Program

Bob Seitz, Angela Dickison, and Dennis Klaila, Wisconsin Public Service Commission (PSC), provided information to the committee about the Wisconsin Broadband Expansion Grant Program administered by the PSC. They explained that the goals of the PSC in administering this program are to leverage private investment to promote broadband deployment to unserved or underserved homes and businesses, to promote broadband competition, to support local partnerships, and to reach out to and educate various interests about the program and the value of broadband service. They also described efforts of the PSC's State Broadband Office to map broadband availability data for the state and to facilitate dissemination of broadband consumer demand information between consumers and providers. They outlined some challenges that arise with administering this program at the same time that the federal Connect America Fund (CAF) programs administered by the Federal Communications Commission (FCC) are underway and briefly discussed examples of grant allotment determinations that have been made in previous years.

State Broadband Strategy

David Cagigal, Chief Information Officer, Wisconsin Department of Administration (DOA), presented information to the committee about the top priorities of Governor Walker that relate to broadband Internet access and efforts of the DOA to facilitate service that supports those goals. These include efforts to make the state more attractive to business relocation and growth, increasing access to online workforce development tools, expansion of

broadband-based educational platforms, increasing broadband infrastructure investments and deployments, and increasing self-service portal offerings for people to make contact with state government. He described the Wisconsin Broadband Stakeholder Working Group, managing the broadband needs related to state office functions, the FirstNet public safety network, and challenges the state faces with connecting job seekers with employers.

Broadband Technology and Telecommunications Decision-Making

Bill Esbeck, Executive Director, Wisconsin State Telecommunications Association and Adam Raschka, Director of Regulatory and External Affairs, Wisconsin Cable Communications Association, provided information about their respective associations and the makeup of their memberships, background on broadband service and its evolution, and efforts that have been completed and that are currently being undertaken to expand broadband coverage in the state. They also explained some of the challenges associated with service deployment, outlined how those issues are underscored by consumer demand, and touched on some innovative ways providers are lowering deployment costs. They cautioned against creation of policies that result in overbuilding of infrastructure that discourages competition, especially where overbuilding is supported by public funding provided to a particular provider or type of technology.

The Wisconsin Universal Service Fund

Bob Seitz, Sarah Klein, and Jeff Richter, Wisconsin Public Service Commission, provided an overview of the programs that receive funding through Wisconsin's Universal Service Fund, which have annual budgets totaling approximately \$42 million. They described how the Universal Service Fund receives revenue through an assessment paid by certain telecommunications providers. They predicted that the telecommunications revenue on which the assessment is levied will remain relatively stable in the short term. They explained that a balance that had accumulated in the Universal Service Fund was used to provide \$6.0 million in funding for the Wisconsin Broadband Expansion Grant Program, but the PSC is working to improve its procedures to ensure that a balance does not accumulate in the fund in future years. They also explained that the PSC cannot raise funds for the Broadband Expansion Grant Program through the assessment paid by telecommunications providers, unless the statutes are changed to allow the PSC to do so.

Discussion of Committee Assignment

Following the day's presentations and discussion related to those presentations, the committee members briefly discussed their thoughts about the day and what might be helpful to address during future meetings of the committee, including the impacts of connectivity on health care and aging in the home, emergency management and responsiveness, consumer demand, actual costs of broadband expansion, future funding sources for the state Broadband Expansion Grant Program, and what considerations should be given to broadband expansion under the federal CAF program.

Plans for Future Meetings

The committee previously planned to meet on September 7 and October 5, and if necessary, on November 2 and December 14.

Adjournment

The meeting adjourned at 3:35 p.m.

LAK:jal