



WISCONSIN LEGISLATIVE COUNCIL

RURAL BROADBAND

Room 412 East
State Capitol

October 5, 2016
10:00 a.m. – 1:30 p.m.

[The following is a summary of the October 5, 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, and Larry Konopacki, Principal Attorney.

APPEARANCES:

Rick Olin, Legislative Fiscal Bureau; and Bob Seitz, Executive Assistant, Public Service Commission.

<p>ATTENTION: This was the final meeting of the Study Committee on Rural Broadband. Committee members are requested to send any corrections regarding these Minutes to the Legislative Council staff. After the incorporation of any corrections, these Minutes will be considered approved by the committee.</p>
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Approval of the Minutes From the August 3 and September 7, 2016 Meetings

The committee unanimously approved the minutes from the August 3 and September 7, 2016 meetings on a voice vote.

Discussion of Bill Draft, LRB-0143/P3, Relating to Broadband Expansion Grants and Making an Appropriation

Each of the bill drafts referred to in these minutes is available on the committee's website at: <http://docs.legis.wisconsin.gov/misc/lc/study/2016/1496>.

Chair Marklein opened the discussion by providing an overview of the bill draft numbered LRB-0143/P3 and having Legislative Council staff review each provision of this bill draft. Chair Marklein then solicited comments on LRB-0143/P3 from the members of the committee.

The committee discussed the potential effects of expanding the list of entities that are eligible to apply for a grant to include a school district that submits a grant application in partnership with a telecommunications utility or a for-profit or not-for-profit organization. The committee discussed how, under current law, a school district may participate in a grant application by assisting with the completion of an application or the implementation of a project, but is prohibited from being the primary applicant for a grant. The committee decided to ask Public Service Commission (PSC) staff for input regarding the potential effects of the change included in LRB-0143/P3.

Before the committee began discussing funding for the grant program, Chair Marklein asked Legislative Fiscal Bureau analyst Rick Olin to testify before the committee. Mr. Olin provided background information on funding and expenditure trends in the Universal Service Fund (USF).

Chair Marklein next provided the committee with a modified version of LRB-0143/P3, numbered LRB-0143/P5, and had Legislative Council staff describe the difference between it and LRB-0143/P3. Legislative Council staff explained that the two drafts contained the same provisions, except with regard to funding for the grant program. Specifically, LRB-0143/P3 requires the PSC to annually raise, through the USF assessment, \$1.5 million for the grant program, on an ongoing basis beginning in fiscal year (FY) 2019-20. By contrast, LRB-0143/P5 annually sets aside for the grant program \$1.5 million of the funding that the PSC currently receives through the USF assessment for its existing programs, beginning in FY 2019-20. Legislative Council staff explained that the effect of this difference is that, under LRB-0143/P5, the total amount that the PSC is required to collect through the USF assessment for the PSC's programs will not increase.

The committee next discussed the definition of "unserved area" provided in LRB-0143/P5. Chair Marklein provided the committee with maps portraying the areas that would

qualify as “unserved.” The committee discussed the benefits of increasing the broadband service speed used in the definition of “unserved area.”

Chair Marklein asked Bob Seitz, Executive Assistant to PSC Chairperson Nowak, to testify before the committee. Mr. Seitz stated that the PSC likely would not differentiate between an application for which a school district was the primary applicant and an application in which a school district was involved as a partner, based on that difference alone.

Mr. Seitz discussed the benefits of having statutory criteria for identifying areas that should receive priority because they lack service. However, he discussed the challenges involved with administering criteria in LRB-0143/P5, which include challenges in determining whether a provider is offering service at a reasonable price and identifying the actual speed of broadband service provided to a particular location.

Mr. Seitz also discussed challenges involved with obtaining the information necessary to determine whether a proposed project would result in duplication of broadband infrastructure.

The committee discussed Mr. Seitz’s comments and potential changes to LRB-0143/P5. Chair Marklein then recessed the committee for lunch.

When the committee reconvened, Chair Marklein presented a list of four potential changes to LRB-0143/P5: (1) removing the provision that expands the list of entities that are eligible to apply for a grant to include a school district that submits a grant application in partnership with a telecommunications utility or a for-profit or not-for-profit organization; (2) changing the speed included in the definition of “unserved area” from 15% to 20% of the speed specified by the Federal Communications Commission; (3) removing from the definition of unserved area the requirement related to PSC determining whether service is provided at a reasonable price; and (4) moving the provision regarding duplication of broadband infrastructure from the list of priorities to the list of items that PSC must consider.

The committee discussed the challenges involved with obtaining the information necessary to determine whether a grant project would result in the duplication of broadband infrastructure. Chair Marklein suggested that the draft specify that the determination be based on information provided to the PSC by an applicant or another person within a time period designated by the PSC.

Public Member Shipley moved, seconded by Representative Meyers, to finalize LRB-0143/P5 with the following changes: (1) remove school districts from the list of entities that are eligible to apply for a grant; (2) change the speed included in the definition of “unserved area” from 15% to 20% of the speed specified by the Federal Communications Commission; (3) remove from the definition of unserved area the requirement related to PSC determining whether service is provided at a reasonable price; and (4) move the provision regarding duplication of broadband infrastructure from the list of priorities to the list of items that PSC must consider, and

specify that the determination shall be based on information provided to the PSC by an applicant or another person within a time designated by the PSC. The motion was approved unanimously.

Adjournment

The meeting adjourned at 1:30 p.m.

ZR:jal