



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #547

Criteria for Awarding Broadband Expansion Grants (Public Service Commission)

[LFB 2015-17 Budget Summary: Page 375, #4]

CURRENT LAW

The Public Service Commission (PSC) administers the broadband expansion grant program, created by 2013 Wisconsin Act 20. Profit and not-for-profit organizations, telecommunications utilities, and those organizations and utilities in partnership with municipalities and counties are eligible to apply for grants. Grants are to be used for projects that increase broadband access and capacity in underserved areas of the state. Grant expenditures of up to \$500,000 annually are authorized from a continuing appropriation.

GOVERNOR

Modify the criteria used by the PSC in prioritizing projects for the award of broadband expansion grants to include projects "that are scalable."

DISCUSSION POINTS

1. In awarding broadband expansion grants, current law requires the PSC to give priority to projects that include matching funds, involve public-private partnerships, affect areas with no broadband providers, or affect a large geographic area or a large number of underserved individuals or communities. The bill would expand these criteria to include scalability.

2. PSC staff has indicated that scalable means the ability of a broadband network to maintain the quality of its service while increasing certain parameters relating to the size of the network, such as the number of users, the number of network nodes, the number of services

provided, or the network's geographical spread. Adding this criteria would allow the PSC to favor grant requests where the proposed broadband expansion would allow the service provider to extend service in the manner proposed and also to extend service to additional consumers in the future without degrading service to existing customers. If the Committee wants to ensure that PSC staff will apply the proposed criteria as indicated, the bill could be amended to include the preceding definition (Alternative 2).

ALTERNATIVES

1. Approve the Governor's recommendation to include "scalable" among the criteria used in awarding broadband expansion grants.

2. Modify the proposal by defining scalable as the ability of a broadband network to maintain the quality of its service while increasing parameters relating to the size of the network, such as the number of users, the number of network nodes, the number of services provided, or the network's geographical spread.

3. Delete provision.

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