Wisconsin Legislative Council AMENDMENT MEMO

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2023 Senate Bill 325

Senate Amendment 1

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Current law directs the Public Service Commission (PSC) to administer a broadband expansion grant program. The statutes also generally establish eligibility and priority criteria for the awarding of grants under the program.

2023 Senate Bill 325 makes various modifications to the eligibility and priority criteria for the broadband expansion grant program. Additionally, the bill establishes a procedure by which an internet service provider in or near a proposed project area may challenge an application for a broadband expansion grant.

SENATE AMENDMENT 1

Senate Amendment 1 makes various modifications to the bill's provisions relating to the prioritization criteria for broadband expansion grants. To begin, the bill provides, in part, that the PSC's criteria for evaluating grant applications must prioritize projects that include at least 40 percent matching funds (with higher priority given to projects with more than 40 percent matching funds).¹ Senate Amendment 1 reduces this threshold for priority consideration to 25 percent matching funds, with higher priority to projects with more than 25 percent matching funds.

In addition to the above, the bill requires the PSC to give priority to projects capable of offering download and upload speeds of 100 megabits per second or greater (with higher priority given to projects that offer greater speeds). The amendment replaces this criterion with two new criteria. Specifically, the amendment provides that the PSC criteria must give priority to projects designed to provide fiber optic internet service to the end user in geographic areas where the cost to deploy fiber optic internet is below the "extremely high cost per location" threshold established by the state for the purposes of the Broadband Equity, Access, and Deployment (BEAD) program authorized under 47 U.S.C. s. 1702.² Additionally, the amendment also requires the PSC criteria to give priority to projects that affect a geographic area that has actual download speeds of 25 megabits per second or lower or upload speeds of 3 megabits per second or lower.³

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¹ While current law directs the PSC to prioritize projects that include matching funds, the statutes do not establish a minimum match for this priority criterion. [s. 196.504(2)(c), Stats.]

² The BEAD program was established under the Infrastructure Investment and Jobs Act to provide funding to states to support broadband deployment, mapping, and adoption projects. As a part of the BEAD program, states will each establish an "extremely high cost per location" threshold. Generally, the purpose of this threshold is to allow a state to decline to fund a certain broadband project proposal if alternative technology would be less expensive.

 $^{{}^3\,}This\, ``25/3"\,threshold\,mirrors\,the\,Federal\,Communications\,Commission's\,current\,benchmark\,for\,broadband\,service.$

Finally, Senate Amendment 1 creates a nonstatutory provision to specify that the provisions of the broadband expansion grant program under statute do not apply to any grant program created with federal funding received under the BEAD program.

BILL HISTORY

Senate Amendment 1 was offered by Senator Marklein on September 13, 2023. On October 5, 2023, the Senate Committee on Utilities and Technology recommended adoption of the amendment and passage of the bill, as amended, on votes of Ayes, 5; Noes, 0.

For a full history of the bill, visit the Legislature's <u>bill history page</u>.

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