



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0143/1
AJM:amn&wlj

2017 SENATE BILL 26

February 8, 2017 - Introduced by JOINT LEGISLATIVE COUNCIL. Referred to Committee on Elections and Utilities.

1 **AN ACT** *to renumber* 196.504 (1) (a); *to amend* 20.155 (1) (q), 196.504 (2) (a) and
2 196.504 (2) (c); and *to create* 196.504 (1) (ab), 196.504 (1) (ad), 196.504 (1) (c)
3 and 196.504 (2) (e) of the statutes; **relating to:** broadband expansion grants
4 and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill was prepared for the Joint Legislative Council's Study Committee on Rural Broadband.

Funding

Under current law, funding for the Broadband Expansion Grant Program is limited to the unspent funds remaining from a total of \$6.0 million that was transferred from the Wisconsin Universal Service Fund (USF) in 2015 Wisconsin Act 55. A total of approximately \$3 million remains for grants in Fiscal Year (FY) 2017-18 and FY 2018-19. Under current law, the Public Service Commission (PSC) is not authorized to

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raise additional funding for the program through the assessment paid into the USF by telecommunications providers.

Beginning in FY 2019-20, this bill reserves for the Broadband Expansion Grant Program \$1.5 million annually from the funding that the PSC currently receives from assessments paid into the USF by telecommunications providers.

Priority Criteria under the Broadband Expansion Grant Program***Economic Development***

Current law provides that priority shall be given to projects that promote economic development. However, current law does not define “economic development.” This bill defines “economic development” to mean development that is designed to promote job growth or retention, expand the property tax base, or improve the overall economic vitality of a town, village, city, county, or region.

Areas with No Broadband Service Providers

Current law provides that priority under the Broadband Expansion Grant Program shall be given to projects that affect areas with no broadband service providers. However, the statutes do not define “broadband service.” This bill repeals the requirement that priority shall be given to projects that affect areas with no broadband service providers, and it replaces it with a requirement that priority shall be given to projects in “unserved areas.” This bill authorizes the PSC to designate areas of the state as “unserved,” and it defines an “unserved area” to mean an area of this state that is not served by an Internet service provider offering Internet service that is all of the following:

- Wired service or fixed wireless service, which includes service that is a telecommunications service that provides radio communications between fixed points but which excludes mobile wireless service and satellite service.

- Provided at actual speeds of at least 20% of the upload and download speed for high-speed, switched, broadband telecommunications capability as designated by the Federal Communications Commission (FCC) in its annual inquiries regarding advanced telecommunications capability. Currently, the FCC’s standard for this purpose is 25 Megabits per second (Mbps) download / 3 Mbps upload. Therefore, the current speed specified in the bill is 5 Mbps download / 600 Kbps upload.

Projects that Will Not Delay the Provision of Broadband Service to Neighboring Areas

This bill adds a requirement that priority under the Broadband Expansion Grant Program shall be given to projects that will not result in delaying the provision of broadband service to areas neighboring areas to be served by the proposed project.

Consideration of Certain Project Impacts

This bill requires the PSC to consider certain project impacts when evaluating grant applications under the Broadband Expansion Grant Program, but it does not require priority to be given to projects based on these considerations. Specifically, this bill requires that the PSC shall consider:

- The degree to which the proposed projects would duplicate existing broadband infrastructure, information about the presence of which is provided to the PSC by the applicant or another person within a time period designated by the PSC.

- The impacts of the proposed projects on the ability of individuals to access health care services from home and the cost of those services.

- The impacts of the proposed projects on the ability of students to access educational opportunities from home.

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SECTION 1. 20.155 (1) (q) of the statutes is amended to read:

20.155 (1) (q) *Universal telecommunications service.* From the universal service fund, the amounts in the schedule for the promotion of universal telecommunications service for the purposes specified in s. 196.218 (5) (a) 1., 4., 8. and, 9., and 10., except that, in a fiscal year, no more than \$1,500,000 may be expended for the purpose under s. 196.218 (5) (a) 10. and no more than the amount in the schedule less \$1,500,000 may be expended for the other purposes under this paragraph.

SECTION 2. 196.504 (1) (a) of the statutes is renumbered 196.504 (1) (ac).

SECTION 3. 196.504 (1) (ab) of the statutes is created to read:

196.504 (1) (ab) “Economic development” has the meaning given in s. 196.796 (1) (c).

SECTION 4. 196.504 (1) (ad) of the statutes is created to read:

196.504 (1) (ad) “Fixed wireless service” has the meaning given in s. 77.51 (3rn), except that it does not include mobile wireless service, as defined in s. 77.51 (7k), or telecommunications services, as defined in s. 77.51 (21n), transmitted through the use of satellite.

SECTION 5. 196.504 (1) (c) of the statutes is created to read:

196.504 (1) (c) “Unserved area” means an area of this state that is not served by an Internet service provider offering Internet service that is all of the following:

1. Fixed wireless service or wired service.

2. Provided at actual speeds of at least 20 percent of the upload and download speeds for high-speed, switched, broadband telecommunications capability as designated by the federal communications commission in its inquiries regarding advanced telecommunications capability under 47 USC 1302 (b).

SENATE BILL 26**SECTION 6**

SECTION 6. 196.504 (2) (a) of the statutes is amended to read:

196.504 (2) (a) To make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated under par. (d). Grants awarded under this section shall be paid from the appropriation under s. 20.155 ~~(3) (r)~~ (1) (q). In each fiscal year, the total amount of the grants may not exceed \$1,500,000.

SECTION 7. 196.504 (2) (c) of the statutes is amended to read:

196.504 (2) (c) To establish criteria for evaluating applications and awarding grants under this section. The criteria shall prohibit grants that have the effect of subsidizing the expenses of a provider of telecommunications service, as defined in s. 182.017 (1g) (cq), or the monthly bills of customers of those providers. The criteria shall give priority to projects that include matching funds, that involve public-private partnerships, that affect areas with no broadband service providers unserved areas, that are scalable, that promote economic development, that will not result in delaying the provision of broadband service to areas neighboring areas to be served by the proposed project, or that affect a large geographic area or a large number of underserved individuals or communities. When evaluating grant applications under this section, the commission shall consider the degree to which the proposed projects would duplicate existing broadband infrastructure, information about the presence of which is provided to the commission by the applicant or another person within a time period designated by the commission; the impacts of the proposed projects on the ability of individuals to access health care services from home and the cost of those services; and the impacts of the proposed projects on the ability of students to access educational opportunities from home.

SECTION 8. 196.504 (2) (e) of the statutes is created to read:

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1 196.504 (2) (e) To designate areas of the state as unserved areas.

2 **SECTION 9. Effective dates.** This act takes effect on the day after publication,
3 except as follows:

(1) BROADBAND EXPANSION GRANTS. The treatment of sections 20.155 (1) (q) and 196.504 (2) (a) of the statutes takes effect on July 1, 2019, or on the 2nd day after publication of the 2019–21 biennial budget act, whichever is later.

7 (END)