



# BIENNIUM REVIEW

## Broadband

### Key changes

- The authority of PUDs and Port Districts to provide broadband service at retail direct to end users is expanded. Prior authority was largely limited to wholesale provision of an open access network that could be leased by private retail internet service providers.
- The role of the State Broadband Office (SBO) to award grants is expanded, while Public Works Board and Community Economic Revitalization Board role will continue to play a role. The SBO will take on some additional staff to assist local community broadband action and planning teams.
- The state is taking its first steps in digital equity. The SBO will develop a state digital equity plan by December 1, 2023. A Digital Equity Forum, funded in the 2021 Operating Budget, was codified in 2022, for the purpose of making recommendations to advance digital connectivity and adoption. The state codified new grant programs for digital equity planning and community technology programs.

### Background

The requirements of social distancing during the pandemic resulted in many doing school, work, and medical appointments from home over the internet. Our state also has a statutory goal of providing every business and residence access to at least one provider of broadband offering 150 Mbps symmetrical service (essentially fiber optic data speed) by 2028. See [RCW 43.330.536](#) (Broadband office – Goals). Unlike with the provision of electricity or telephone service, the state does not impose on private sector providers a duty to serve those who request a hook-up. Lack of access to broadband and its affordability raised issues of equity, and the state's appropriate policy response.

[OSPI surveyed school districts](#) in May and August of 2020 and found that an estimated 64,219 students and school staff lack an online learning device. OSPI also found that 44,425 families of students and school staff lack sufficient wireless internet signal strength to participate in online learning opportunities—a problem that could be remedied through use of a mobile hotspot. Finally, OSPI's surveys found that approximately 80,455 families of students and school staff are unable to afford available broadband connection fees to enable internet in their homes. The [Broadband Speed Survey](#) at the State Broadband Office shows that six percent do not have broadband. However, about one-third of survey participants have a broadband speed that is characterized as "very slow."

For a contrasting assessment, the December 2020 Economic & Revenue Forecast Council report on [Washington's Economic Climate](#) found that Washington is ranked first among the fifty states in households with a Broadband Internet Subscription, i.e., most-wired/most-connected (See Table 1.16, p. 43).

### Bills

- ✓ [House Bill 1336](#) (Hansen/Ybarra) – **Public Entity Retail Broadband**. Authorizes public utility districts, port districts, second-class cities, towns, and counties to provide retail telecommunications services. Allows a county, city, or town planning under the Growth Management Act (GMA) to receive financial assistance for a public works project that increases access to broadband even if it has not adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by the GMA. *Passed House 65-32-1. Signed by Governor. Effective July 25, 2021.*

- ✓ [Senate Bill 5383](#) (Wellman/Short) – **PUD Retail Broadband**. Authorizes a PUD or a port district to provide retail telecommunications services to an end-user in an unserved area. Within 30 days of its decision to provide retail telecommunications services to unserved areas, a PUD or port must notify and consult with the State Broadband Office. The Broadband Office must post notices received from a PUD or port on its public website. Any PUD or port that intends to provide retail telecommunications services to unserved areas must submit a telecommunications infrastructure and service plan to the office. The bill also expanded wholesale telecommunications services authority for broadband. *Passed House 62-36. Signed by Governor. Effective July 25, 2021.*
- ✓ [House Bill 1457](#) (Wylie) – **Broadband on Limited Access Highways**. The bill affirmatively connects the State Broadband Office in the Department of Commerce to a role coordinating infrastructure development with the Department of Transportation, and commissions a third-party study of best practices for deploying broadband in state transportation networks. *Passed House 96-0-2. Signed by Governor. Effective July 25, 2021.*
- ✓ [House Bill 1723](#) (Gregerson) – **Closing the Digital Equity Divide**. Requires the State Broadband Office to develop a state digital equity plan, codified the Digital Equity Forum (an advisory council), and established certain digital equity grant programs. The bill originally contained provisions to subsidize broadband bills for the low income but these provisions were removed in the Senate. *Passed House 70-28. Signed by Governor. Effective June 9, 2022, with exception of some sections which go into effect July 1, 2023.*
- ✓ [House Bill 1673](#) (Ryu) – **Public Works Board Broadband Grants and Loans**. Prioritizes grants and loans to fix broadband in emergency situations, and creates a pre-application process. Also exempts from public disclosure certain financial and commercial information and records supplied by businesses or individuals during the application process for broadband grants. *Passed House 96-2. Signed by Governor. Effective June 9, 2022.*
- ✓ [Senate Bill 5715](#) (Wellman) – **Definition of Broadband**. Redefines broadband service to mean any service with speeds of 100 megabits per second (Mbps) download and 20 Mbps upload instead of 25 Mbps download and 3 Mbps upload. And removes a portion of the definition of “unserved areas” to give the Broadband Office more flexibility in defining those areas. *Passed House 96-2. Signed by Governor. Effective June 9, 2022.*
- ✗ [House Bill 1460](#) (Gregerson) – **Telecommunications Excise Tax/Digital Divide**. Establishes the Digital Equity Opportunity Grant Program and the Digital Equity Planning Grant Program. Creates the Digital Equity Forum. As originally proposed, the bill would have established a monthly \$0.25 per line tax on all internet access service subscriptions, telephone lines, and Voice Over Internet Protocol access lines. *Died in House Rules.*

## Budget information

The 2021-23 **Capital Budget** ([House Bill 1080](#)) provides **\$411 million** for broadband access in un- and under-served communities.

- \$326 million is provided to the Washington State Broadband Office for grants to eligible applicants for broadband infrastructure projects;
- \$60 million is provided for loans and grants to be competitively awarded by the Public Works Board to promote expanding access to broadband service in unserved areas of the state; and
- \$25 million is provided for loans and grants to be awarded on a first come, first served basis by the Community Economic Revitalization Board (CERB) to finance infrastructure projects to provide high-speed, open-access broadband services to rural, underserved communities.

The 2022 **Supplemental Capital Budget** ([Senate Bill 5651](#)) provides an additional \$100 million for broadband infrastructure contingent on amounts received from the federal bipartisan infrastructure bill. Of that \$100 million, \$25 million is allocated to the Community Economic Revitalization Board (Sec. 1013), \$25 million is allocated to the Public Works Board (Sec. 1012), and \$50 million to the State Broadband Office (Sec. 1042).

The 2021-23 **Operating Budget** ([Senate Bill 5092](#)) provides:

- **Broadband Action Planning Funding** for the SBO to support community broadband planning. Components include additional staff at the SBO, the formation of a State Broadband Advisory Group, facilitation of Community Broadband Action Teams, and data acquisition and analysis for broadband mapping. (General Fund-State - \$1.425M).
- **Community/Tribal Feasibility Grants Funding** for grants to communities and tribes who are applying for federal broadband funding. Grants may be used for feasibility studies and technical assistance with grant writing. (General Fund-State - \$1.020M).
- **Broadband Access Funding** is provided for the Statewide Broadband Office (SBO) to conduct digital equity and inclusion efforts, including planning and technical assistance grants for community organizations, translation of outreach materials, and technical assistance. (General Fund-State - \$250K).
- **Digital Equity Forum Funding** for the SBO to co-facilitate a Digital Equity Forum with the Office of Equity. (General Fund-State - \$102K).
- **Wi-Fi Hotspot Expansion Funding** to expand the number of drive-in Wi-Fi hotspots by an additional 100 sites. (General Fund-State - \$500K).
- **Universal Communication Services Program**, which increases broadband access to rural communities and is administered by the Utilities and Transportation Commission, received continuing funding. (Universal Communications Services Account - \$10M).
- **Connectivity Enhancement Funding** to increase materials, supplies, and operating costs (MSOC) by \$25 per pupil for technology beginning in the 2022-23 school year to support broadband internet connectivity needs for families. (General Fund-State - \$20.2M).

The 2022 **Supplemental Operating Budget** ([Senate Bill 5693](#)) provides:

- **Creation of a Joint Legislative Task Force on Best Practices in Broadband Deployment** to provide a report to the Legislature by December 1, 2022. (Sec. 945).
- **Broadband Equity Grants** to be distributed by Commerce. (General Fund-State - \$50M). (Sec. 128(197)).
- **Mapping of Broadband Access, Affordability**. (General Fund-State - \$M). (See Commerce Agency Detail).

## Additional information

- A Broadband Access and Speed Survey, and tool for locating free public Wi-Fi hotspots can be found at the State Broadband Office website, [here](#).
- [Two bills aim to expand public broadband in WA, but there's a hitch](#). Crosscut, May 17, 2021.
- [Broadband bills OK'd; aim to speed WA internet](#). Chinook Observer, May 17, 2021.
- [Bringing broadband to all homes](#). Seattle Times editorial board, May 24, 2021.
- [When it comes to municipal broadband, this Washington state utility was way ahead of the game](#). Geekwire, May 18, 2021.