

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 12, 2018

Date

Committee on Agriculture, Livestock, & Natural Resources.

After consideration on the merits, the Committee recommends the following:

SB18-002 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 3, strike lines 6 through 9 and substitute
2 "second downstream and one megabit per second upstream or at
3 measurable speeds at least equal to the federal communications
4 commission's definition of high-speed internet access or broadband,
5 whichever is faster, with:".

6 Page 3, strike lines 21 through 24 and substitute:

7 "(II) Consists of ~~one or more contiguous census blocks in which~~
8 ~~a majority of the~~ households THAT lack access to at least one provider of
9 a broadband".

10 Page 3, line 26, strike "technology; AND" and substitute "technology.".

11 Page 3, strike line 27.

12 Page 4, strike lines 1 through 4.

13 Page 4, strike lines 17 through 25 and substitute "allow ~~the~~ FOR
14 REIMBURSEMENT TO providers, ~~to be fully reimbursed for the difference~~
15 ~~between the reasonable costs incurred in making basic service available~~
16 ~~to their customers within a rural, high cost geographic support area and~~
17 ~~a reasonable benchmark rate for basic service, as determined by the~~
18 ~~commission, after taking into account any amounts that the providers~~

1 ~~have received under price support mechanisms established by the federal~~
2 ~~government and by this state, regardless of the classification of basic~~
3 ~~service under part 2, 3, or 4 of this article AS SPECIFIED IN SUBSECTIONS~~
4 ~~(2)(a)(IV) AND (4) OF THIS SECTION; and".~~

5 Page 5, strike lines 2 through 5 and substitute "(II) ~~The commission shall~~
6 ~~ensure that no local exchange provider is receiving funds from this or any~~
7 ~~other source that, together with local exchange service revenues, exceeds~~
8 ~~the cost of providing local exchange service to the provider's customers.~~
9 The high cost support mechanism".

10 Page 5, strike lines 25 through 27 and substitute "SUPPORT MECHANISM
11 ACCOUNT DEDICATED TO BROADBAND DEPLOYMENT, ON A QUARTERLY
12 BASIS AND BY THE END OF THE MONTH FOLLOWING THE PREVIOUS
13 QUARTER, THE FOLLOWING PERCENTAGES OF THE TOTAL QUARTERLY
14 AMOUNT OF HIGH COST SUPPORT MECHANISM MONEY COLLECTED, MINUS
15 ADMINISTRATIVE COSTS AND DISTRIBUTIONS REQUIRED UNDER
16 SUBSECTION (4) OF THIS SECTION:".

17 Page 6, strike lines 1 through 13 and substitute:

18 (A) FOR EACH QUARTER IN 2019, SIXTY PERCENT;
19 (B) FOR EACH QUARTER IN 2020, SEVENTY PERCENT;
20 (C) FOR EACH QUARTER IN 2021, EIGHTY PERCENT;
21 (D) FOR EACH QUARTER IN 2022, NINETY PERCENT; AND
22 (E) FOR EACH QUARTER IN 2023, ONE HUNDRED PERCENT.
23 (V) THE NONRURAL INCUMBENT LOCAL EXCHANGE CARRIER WILL
24 RECEIVE, ON A QUARTERLY BASIS AND BY THE END OF THE MONTH
25 FOLLOWING THE PREVIOUS QUARTER, THE BALANCE OF THE REMAINING
26 QUARTERLY HIGH COST SUPPORT MECHANISM COLLECTIONS AFTER THE
27 DISTRIBUTIONS REQUIRED BY SUBSECTIONS (2)(a)(IV) AND (4) OF THIS
28 SECTION HAVE BEEN MADE.".

29 Page 6, line 21, strike "SUBSECTION (2)(a)(IV)" and substitute
30 "SUBSECTIONS (2)(a)(IV) AND (4)".

31 Page 7, line 24, strike "SUPPORT ON A QUARTERLY BASIS" and substitute
32 "SUPPORT, ON A QUARTERLY BASIS AND BY THE END OF THE MONTH
33 FOLLOWING THE PREVIOUS QUARTER,".

34 Page 8, strike lines 21 through 25 and substitute "support mechanisms to

1 assist in the provision of basic service AND ADVANCED SERVICE in
2 high-cost areas. ~~that are without effective competition for basic service,~~
3 ~~applying the factors stated in section 40-15-207; except that support~~
4 ~~provided in a particular geographic support area is not affected until the~~
5 ~~commission makes a finding applying the factors listed in section~~
6 ~~40-15-207. The".~~

7 Page 9, strike lines 1 through 13 and substitute "which may include a rate
8 element, on all telecommunications service providers in Colorado. ~~and the~~
9 ~~commission shall distribute the funds equitably and on a~~
10 ~~nondiscriminatory, competitively neutral basis. For purposes of~~
11 ~~administering the support mechanisms, the commission shall divide the~~
12 ~~state into reasonably compact, competitively neutral geographic support~~
13 ~~areas. A provider's eligibility to receive support FOR BASIC SERVICE under~~
14 ~~the support mechanisms is conditioned upon the provider's offering basic~~
15 ~~service throughout an entire support area. The commission shall review~~
16 ~~the costs of basic service and shall administer the support mechanisms.~~

17 (b) A provider that offers basic local exchange service throughout
18 an entire support area through use of its own facilities or on a resale basis
19 may be qualified as a provider of last resort. ~~or may be eligible to receive~~
20 ~~universal service support, as determined by the commission. Resale~~
21 ~~shall".~~

22 Page 9, line 17, after "portion," insert "(5)(c)(II)(C),".

23 Page 9, line 18, strike "(8)(e)(II), (8)(h);" and substitute "(8)(e),".

24 Page 11, line 1, strike "sixteen SEVENTEEN MEMBERS, SIXTEEN" and
25 substitute "sixteen MEMBERS, FIFTEEN".

26 Page 11, after line 14 insert:

27 (II) Three voting members representing local entities:

28 (C) One of whom is any other representative of a local entity AND
29 WHO HAS A BACKGROUND IN BROADBAND SERVICE AND EXPERTISE IN
30 RURAL ECONOMIC DEVELOPMENT, EDUCATION, OR TELEMEDICINE, as
31 appointed by the minority leader of the senate;"

32 Page 12, line 1, after "representatives;" insert "AND".

33 Page 12, strike lines 4 through 6.

1 Page 12, strike line 9 and substitute "of the state, as appointed by the
2 ~~president of the senate~~ SPEAKER OF THE HOUSE OF REPRESENTATIVES;
3 AND".

4 Page 14, line 1, before "demonstrating" insert "AND A LIST OF HOUSEHOLD
5 ADDRESSES".

6 Page 14, line 2, strike "application and map" and substitute "application,
7 ~~and map~~, AND LIST OF HOUSEHOLD ADDRESSES".

8 Page 14, line 11, strike "OVERLAP" and substitute "OVERBUILD".

9 Page 14, line 13, after "NETWORK" insert "THAT WILL BE COMPLETED
10 WITHIN TWENTY-FOUR MONTHS AFTER THE DATE THAT THE APPLICANT
11 FILED THE APPLICATION".

12 Page 14, line 14, strike "development;" and substitute "development. AN
13 INCUMBENT BROADBAND PROVIDER RECEIVING FEDERAL FUNDS MUST
14 SUBMIT TO THE BOARD AN AFFIDAVIT FROM A COMPANY OFFICER THAT THE
15 BUILD-OUT WILL BE COMPLETED WITHIN THE TWENTY-FOUR-MONTH
16 PERIOD. UPON COMPLETION OF THE PROJECT, AN INCUMBENT BROADBAND
17 PROVIDER WILL PROVIDE DOCUMENTATION TO THE BOARD THAT
18 DEMONSTRATES THAT THE UNSERVED ADDRESSES MEET THE MINIMUM
19 DOWNLOAD AND UPLOAD SPEEDS ESTABLISHED IN THE FCC'S DEFINITION
20 OF HIGH-SPEED INTERNET ACCESS OR BROADBAND. IF THE INCUMBENT
21 BROADBAND PROVIDER FAILS TO MEET THE COMMITMENT MADE IN THE
22 AFFIDAVIT FILED, THE BOARD MAY AWARD A GRANT TO ANOTHER
23 PROVIDER TO PROVIDE SERVICE FOR THE ADDRESSES THAT REMAIN
24 UNSERVED."

25 Page 14, strike lines 15 through 17 and substitute:

26 "(c.5) DENYING FUNDING FOR OVERBUILDING OF EXISTING
27 BROADBAND NETWORKS IN ORDER TO MAXIMIZE THE TOTAL".

28 Page 14, strike line 27 and substitute:

29 "(I) PROPOSED PROJECTS THAT PROVIDE SERVICE TO RESIDENTIAL
30 AND BUSINESS ADDRESSES THAT LACK BROADBAND INTERNET SERVICE AT
31 MEASURABLE SPEEDS OF AT LEAST TEN MEGABITS PER SECOND
32 DOWNSTREAM AND ONE MEGABIT PER SECOND UPSTREAM;

- 1 (⊕) (II) Proposed projects that are endorsed by local entities
2 interested in obtaining broadband internet service in unserved areas of the
3 state;
4 (⊕) (III) Proposed projects that have ~~downstream and upstream~~
5 ~~speeds in excess of the minimum required under this section~~ OF AT LEAST
6 TEN MEGABITS PER SECOND DOWNSTREAM AND ONE MEGABIT PER SECOND
7 UPSTREAM OR MEASURABLE SPEEDS AT LEAST EQUAL TO THE FCC'S
8 DEFINITION OF HIGH-SPEED INTERNET ACCESS OR BROADBAND,
9 WHICHEVER IS FASTER;
10 (⊕) (IV) Proposed projects for which the applicant has an
11 established record of operation in the area of the grant application; and
12 (⊕) (V) Proposed projects providing last-mile broadband service,
13 which is defined as the portion of broadband service that delivers an
14 internet connection to an end user that lacks access to broadband service
15 at measurable speeds greater than fifty-six kilobits per second;".

16 Page 15, strike lines 1 through 15.

17 Page 16, line 2, strike "OR DUPLICATE, IN WHOLE OR IN PART,".

18 Page 16, strike lines 16 and 17 and substitute:

19 "(b) IF ALL OTHER APPLICATION REQUIREMENTS REMAIN MET, AN
20 APPLICATION MAY BE AMENDED AT ANY".

21 Page 16, line 19, after the period add "ALTERNATIVELY, THE BOARD MAY
22 AWARD A PARTIAL GRANT FOR AN AREA THAT DOES MEET THE CRITERIA.".

23 Page 17, strike line 3.

24 Page 17, line 11, strike "RESIDENTIAL OR BUSINESS ADDRESSES" and
25 substitute "A HOUSEHOLD OR HOUSEHOLDS".

26 Page 17, line 16, strike "TEN" and substitute "TWENTY".

27 Page 17, strike lines 17 and 18 and substitute "HOUSEHOLD OR
28 HOUSEHOLDS TO BE SERVED BY A PROPOSED WIRELESS PROJECT.".

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