



STATUS REPORT OF THE
OREGON TELECOMMUNICATIONS COORDINATING COUNCIL
TO THE
JOINT LEGISLATIVE COMMITTEE ON INFORMATION MANAGEMENT AND TECHNOLOGY

Submitted June 22, 2004 on behalf of the ORTCC by:

John Irwin, Chair
(541) 664-2456 - jirwin@mind.net

Executive Summary

The Oregon Telecommunications Coordinating Council (ORTCC) resumed its activities in March of 2004 with an expanded set of responsibilities, including planning for education and health care telecommunications infrastructures necessary for distance learning. Topics addressed to date and current status include:

- The Role of the Oregon Economic Development Department (OECDD) in Telecommunications Planning and Education: Further meetings are planned with OECDD and industry to further understand if additional legislation is necessary and to resolve any remaining industry objections.
- Electronic Commerce Enterprise Zones: Further meetings are planned with OECDD to determine viability of extending this status to other economic zones.
- Advanced telecommunications facilities tax credit: Further study and discussion is planned on this “broken” legislation. Discussions to date reveal “lukewarm” support from the Oregon Telecommunications Association while non-OTA telecommunications providers have indicated interest in this measure.
- Telecommunications Impact Benchmarks: Discussion underway with both OECDD and the Oregon Progress Board (OPB) with the immediate next step being a written response to the current request from the OPB for input on the benchmarks.
- Telecommunications plan for education and health care communities: The ORTCC healthcare-education committee established a steering committee and three subcommittees: Application and Content, Policy and Funding, Technology and Connectivity. A process plan was developed and work continues to finalize the implementation details of the plan, including: need, applications, connectivity, policy and funding.

Other proposed areas of study

- Universal Service Fund issues/ Voice over Internet Protocol (VoIP)
- Rights Of Way (ROW) issues
- Public Utility regulation and support for rural broadband infrastructure
- Public safety and telecommunications networks
- Implementation of legislative guidelines passed under HB 2577
- Community education to generate awareness on the value of broadband
- Financing of broadband capabilities
- Public-private partnerships

The ORTCC study process is again underway with much work remaining. Specific recommendations will be forthcoming at the end of this summer.

Introduction and authority

The 2003 Oregon legislature continued the Oregon Telecommunications Coordinating Council (ORTCC) by HB 2577. HB 2577 established several key elements relating to the continuation of work of the ORTCC and added new responsibilities, especially in the area of healthcare-education infrastructure planning (see attachment 1).

ORTCC membership and state agency support

The structure of the ORTCC membership brings benefits from a significant breadth of concern, knowledge and experience. Membership is drawn from representatives of local government, rural telecommunications consortia, education, private telecommunications interests, statewide telecommunications policy makers, and the Oregon Health and Sciences University. Its creation as a state investigative council also has been of considerable help to the work of the ORTCC, because the legislature directed state agencies to provide assistance to the ORTCC.

HB 2577 established a 20 member Council, bringing in representatives from the state, local governments, private industry and regional consortia. The Council has added membership as described in Section 3 (10) of HB 2577 to bring the total membership to 21 (see attachment 2).

Governor appointments to the Council of all but 3 seats were finalized in late February/early March 2004. We anticipate remaining appointments to be made soon.

ORTCC progress

In our first report we described the initial steps of forming the ORTCC and setting the agenda for ORTCC activities. These first steps included adopting bylaws, and other procedural steps, including ensuring opportunity for public input. With the cooperation of the Department of Administrative Services (DAS), all ORTCC meetings have been and will continue to be conducted via video services, making them open and available to statewide participation. ORTCC members, expert witnesses and members of the public have all taken advantage of the video connection to contribute to the work of the ORTCC.

The initial focus of the Council's attention turned to 1) further study of issues carried over from the prior convening of the ORTCC and 2) the additional mandate to create a telecommunications plan for education and health care communities. Other proposed areas of study will follow.

Issues carried over from the prior convening of the ORTCC

- The Role of the Oregon Economic Development Department (OECDD) in Telecommunications Planning and Education

Telecommunications is now more than ever a critical lynchpin to Oregon's economic recovery. OECDD has a role to perform that includes encouragement of the development and utilization of statewide telecommunications infrastructure to support commercial and workforce development activities throughout the state. OECDD needs to continue to fund, promote and execute this role. Appropriate legislation appears to be in place but may require clarification to reduce industry objections.

Status: Further meetings are planned with OECDD and industry to further understand if additional legislation is necessary and to resolve industry objections.

- Electronic Commerce Enterprise Zones

E-Commerce is a growing force for economic recovery in Oregon. The Legislature should facilitate and promote E-commerce through the expansion of E-commerce Zones to more communities.

Status: Further meetings are planned with OECDD to resolve whether or not the recommendation should be to open up the opportunity to gain this status for all economic zones or to expand the number for currently eligible sites from 5 to 10.

- Advanced telecommunications facilities tax credit

The existing tax incentive legislation for telecommunications infrastructure will be more useful and stimulate investment when it allows "carry-forward" and also "assignment" of the tax credit. Current legislative language is unrealistic and in effect provides none of the intended incentives originally intended. The usefulness will also be increased by including a larger group of eligible organizations, including but not limited to, non-profits, consortia, cooperatives and Internet service and access providers. The 20% tax credit should be increased to improve the economic impact of the credit on investment decisions and the \$2 million cap on annual tax savings should be increased to \$10 million.

Status: Discussions to date reveal no opposition from the Oregon Telecommunications Association (OTA) but also no solid support per say. Some non-OTA members have indicated interest in this measure. Further study and discussion is planned.

- Benchmarks

To be able to measure, both quantitatively and qualitatively, the state's progress toward achieving these goals, identifiable and measurable benchmarks should be defined. A state agency needs to be identified to

monitor, collect, maintain and report the information and data needed to assess progress, or lack thereof, in addressing these goals.

Status: Discussion is underway with both OECDD and the Oregon Progress Board (OPB) with the immediate next step being a written response to the current request from the OPB for input on the benchmarks.

Telecommunications plan for education and health care communities

In 2003 House Bill 2577 was enacted into law. That legislation directed the Oregon Telecommunications Coordinating Council (ORTCC) to prepare a plan to ensure that education and health care communities are able to connect by broadband and other telecommunications infrastructures necessary for distance learning. That plan is to be reported to the interim legislative committees relating to health care no later than July 1, 2004.

Status: To comply with this legislation, the ORTCC has established a healthcare-education committee, which in turn has established a steering committee and three subcommittees: Application and Content, Policy and Funding, Technology and Connectivity. While work continues to finalize the details of the plan, elements of the plan to be presented include:

- A. Need.** The policy and funding subcommittee is developing a “white paper” documenting in more detail the need for the broadband connectivity and networking specified in the legislation. We are convinced that a simulation-based healthcare workforce training program and other distance education programs are essential not only to provide the training needed to fill the many unfilled healthcare job opportunities in the state, but also to assist in the economic development of the state and its communities.
- B. Applications.** The application and content subcommittee has been tasked with providing a summary description of the various distance education applications that could help meet the documented need, provided that network capacity is available to make that distance education available in the communities throughout the state where the jobs are available.
- C. Connectivity.** The technology and connectivity subcommittee has been tasked with preparing a map of the networks now available to meet the need, how to interconnect them, and to specify what additional technology and networking capability will be required to make the applications available in communities throughout the state where healthcare personnel shortages exist.
- D. Policy.** As a matter of prudent fiscal planning we expect to recommend that the State should NOT fund a new network dedicated to meeting the

healthcare-education need, but should require the sharing of capacity on existing state-funded networks and help extend those networks to locations where need is demonstrated and adequate capacity does not already exist. Further, where such need is again demonstrated, existing public public-private networks should be encouraged to participate in local, regional and community-of-interest efforts to provide or enhance telecommunications capacity and/or connectivity not otherwise available.

E. Funding. Some state funding will likely be necessary to implement the network additions and expansion required to implement the broadband network capacity required by the Governor's Healthcare Workforce Initiative. As part of its planning efforts, ORTCC will prepare budget recommendations for state funding of the incremental costs required to use existing state networks to meet the demonstrated healthcare workforce education needs. We may recommend that that such funding be granted to the agency or agencies tasked with implementing the Healthcare Workforce Initiative and that they be applied by such entities to whatever network solution best serves the requirements for healthcare workforce distance education.

- Other proposed areas of study
 - ❖ Universal Service Fund issues – state and federal implications
 - ❖ Voice over Internet Protocol (VoIP)
 - ❖ Rights Of Way (ROW) issues: Can State lands and rights-of-way be used to encourage infrastructure build-out?
 - ❖ Public Utility regulation - What changes, if any, need to be made to allow the PUC to provide more support for rural deployment?
 - ❖ Public safety and telecommunications networks.
 - ❖ Implementation of legislative guidelines passed under HB 2577
 - ❖ Community education - Generate awareness on the value of broadband
 - ❖ Financing of broadband capabilities
 - ❖ Public-private partnerships

Concluding remarks

The ORTCC efforts focus on approaches to best improve broadband and other telecommunications services. The ORTCC is committed to work on understanding the problems and then working on ways to improve services so as to further invigorate both economic development and quality of life for all of the residents of Oregon.

Please feel free to contact John Irwin, ORTCC Chair, if you have questions, suggestions or comments (541 664-2456 - jirwin@mind.net).

Attachment 1 – ORTCC Enabling Legislation Overview

The 2003 Oregon legislature continued the Oregon Telecommunications Coordinating Council (ORTCC) by HB 2577. The Council was originally established by the 2001 Oregon legislature through SB 765. HB 2577 established several key elements relating to the continuing work of the Council.

- HB 2577 continued the responsibilities of the ORTCC

“The Oregon Telecommunications Coordinating Council shall study alternative approaches to providing coordinated statewide, regional and local telecommunication services, including providing services to unserved or underserved areas of the state. In addition, the council shall study the manner in which telecommunication investments can be coordinated to facilitate partnerships between the public sector and the private sector and between state and local governments.” *HB 2577, Section 3 (13)*

- HB 2577 added new responsibilities

“The Oregon Telecommunications Coordinating Council shall:

(a) Encourage the work of regional telecommunications consortia that have emerged throughout the state.

(b) Encourage state agencies to utilize telecommunications.

(c) Encourage efforts to provide cost-effective, quality workforce development training using telecommunications infrastructure and facilities to access distance learning opportunities.

(d) Encourage schools, education service districts and local education agencies in unserved areas to promote broadband access for the surrounding community.

(e) Encourage public and private entities to seek opportunities for partnership with educational institutions that will stimulate the use of broadband technologies through community projects and public education.

(f) Recommend ways for the State of Oregon to support innovative efforts that build effective and cost-efficient delivery of distance education supported by telecommunications.

(g) Encourage the Oregon Telehealth Alliance [*note: since renamed as the Telehealth Alliance of Oregon*] to continue the work of the council's Telehealth Committee.

(h) Facilitate public and private organizations working together in partnership to promote the use of telecommunications infrastructure and new technology.” *HB 2577, Section 3 (16)*

- HB 2577 added new responsibilities specific to education and health care

“The Oregon Telecommunications Coordinating Council shall collaborate with health care education providers and members of the health care industry to develop and implement a plan that:

(a) Ensures that the education and health care communities are able to connect by broadband and other telecommunications infrastructures necessary for distance learning.

(b) Encourages cooperative activities among the education and health care communities for the purpose of establishing and implementing curriculum applications that are necessary to fully utilize the connected networks.

(c) Fully utilizes the resources of the education and health care networks.

(2) The plan developed under this section shall include determinations about the technical and financial resources needed to implement the plan.

(3) The Economic and Community Development Department may seek funding from the federal government and private sources to develop and implement the plan described in this section.” *HB 2577, Section 4 (1) – (3)*

- Reporting

“The Council is directed in the legislation to report its findings to the Governor and the interim committees on (1) Information Management and Technology and (2) Healthcare.”
HB 2577, Section 2 (13)

Attachment 2 – ORTCC Membership as of March 31, 2004

John Irwin Chair	Southern OR Telecommunications & Technology Council	(541) 664-2456	jirwin@mind.net
Ann Steeves Vice-chair	South Coast Telecommunications Task Force	(541) 396-5131	asteeves@cityofcoquille.org
Dan Bartlett	Oregon Cities	(503) 325-5824	dbartlet@orednet.org
Agnes Box	Klamath Falls Telecommunications Task Force	(541) 885-1728	boxa@oit.edu
Pam Berrian	Oregon Cities	(541) 682-5590	pam.c.berrian@ci.eugene.or.us
Catherine Britain	Eastern Oregon Telecommunications Consortium	(541) 963 7366	cbritain@orednet.org
Betty Dickson	Regional Fiber Consortium	(541) 882-9633	consortia@charter.net
Lylla Gaebel	North Coast Telecommunications Consortium	(503) 325-1000	commissioners@co.clatsop.or.us
Don Hampton (pending)	Fiber South Consortium	(541) 782-4552	jhampton@efn.org
Erick Larson	Gorge Teleconsortium	(541) 296-2266	lee@mcedd.org
Rob Myers	Frontier TeleNet	(541) 384-6331	rmyers@ncesd.k12.or.us
Dr. Edwin Parker	Oregon Coast Net	(541) 764-3058	edparker@teleport.com
Curt Pederson	Education - Universities	(541) 737-0739	Curt.Pederson@orst.edu
Sylvester "Sal" Sahme	Oregon Tribes	(541) 553-3468	ssahme@wstribes.org
Marlyn Schafer	Oregon Counties	(541) 247-7011	schaferm@co.curry.or.us
Andrew Spreadborough	Central Oregon Telecommunications Consortium	(541) 504-3306	aspreadborough@coic.org
Link Shadley	Industry - NoaNet	(541) 340-9545	lshadley@noanetoregon.net
Brant Wolf	Industry - Oregon Telecommunications Association	(503) 581-7430	bwolf@ota-telecom.org
Paul Zastrow	Education K-12	(541) 354-1002	pzastrow@gorge.net
Vacant	Community Colleges		
Vacant	Oregon Counties		
Kim Hoffman Ex-Officio Member	Oregon Health & Sciences University	(503) 494-6089	hoffman@ohsu.edu