



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

Submitted September 3, 2004 on behalf of the ORTCC by:

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## **Interim Status Report of the Oregon Telecommunications Coordinating Council to the Joint Legislative Committee on Information Management and Technology**

### **Legislation Concepts**

The ORTCC is submitting this interim status report of its findings in support of legislative recommendations to inform the Joint Legislative Council on Information Technology and Management (JCLIMT) of the Council's progress. The full Council report to the JLCIMT will be presented at the November 16, 2004 session of the JCLIMT. Additional background information and other policy observations and recommendations will be presented at that time.

This report contains three sections:

- Section 1: Legislative concepts approved by the Council
- Section 2: Legislative concepts under discussion and pending Council approval
- Section 3: Preliminary draft language

The Council will be meeting on September 23, 2004 to discuss and finalize recommendations on the items in Section 2. A draft of the full report will be presented at the full Council session on October 13, 2004 and will be available for comment at the Oregon Connections Telecommunications Conference in Bend on October 14 and 15, 2004.

### **Section 1: Legislative concepts approved by the Council**

- 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: At a June 24, 2004 ORTCC session Marty Brantley, Director OECD, concurred with and supported the ORTCC recommendation to expand the number for currently eligible sites from 5 to 10. Preliminary draft legislation attached (i.e., measure language suggested by the Council and not yet subjected to Legislative Counsel review).

- 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 statutes provide none of the incentives as originally intended by proponents of SB 229 (2001 session). Including a larger group of eligible organizations, including but not limited to, non-profits, consortia, cooperatives and Internet service and access providers, will also increase the usefulness. The 20% tax credit should be increased to 50% to improve the economic impact of the credit on investment decisions and the \$2 million cap on annual tax*

*savings (20% of the current \$10 million cap on investment) should be increased to \$25 million (50% of the proposed \$50 million cap on investment).*

*The tax credit opportunity is scheduled to sunset. The Council recommends extension of the telecommunications facilities tax credit.*

**Status:** At a June 24, 2004 ORTCC session Marty Brantley, Director OECDD, concurred with and supported the ORTCC recommendation to fix this tax credit. Discussions to date reveal no known opposition from the Oregon Telecommunications Association (OTA) but also no solid OTA support per say. Non-OTA members serving rural markets have indicated interest in this measure. Preliminary draft legislation carried over from the 2003 legislative session attached. Language drafted by Art Fish of OECDD to extend the sunset date is also included.

## **Section 2: Legislative concepts under discussion and pending Council approval**

Concepts in this section have been introduced and are in the early stages of discussion in Council committees. However, the full Council has yet to meet on these matters. Opportunity for further discussion on the PUC related matters will occur on September 15, 2004 in a discussion session with invitations to industry representatives, PUC staff and commissioners, legislators, and Council members invited. The Health-Education related legislative concept also is undergoing further discussion.

- Extend the sunset date for a reporting requirement to ensure consistency with the federal Telecommunications Act of 1996 (P.L. 104-104), to enhance fair competition and to promote deregulation of the telecommunications industry.

*The Council recommends that section listed after ORS 759.030 be retained by extending the sunset date from June 30, 2005. The amended Section 3 would be changed to at least June 30, 2007.*

**Status:** Discussion is underway between members of the ORTCC legislative Committee and the PUC. Subsequent to the outcome of this discussion, the topic will be brought before the full Council. Preliminary draft legislation attached.

- Provide new authority for the Public Utility Commission (PUC) to include consideration of the impact of regulatory decisions on the Oregon economy and to facilitate public-private partnerships.

*The 2003 Oregon Legislature unanimously passed legislation establishing a state goal for broadband services, including guidelines for achieving the goal (see ORS 759.016, <http://www.leg.state.or.us/ors/759.html>). The Council recommends the addition of an amendment confirming that the PUC is given the authority to work toward goals already specified in law.*

Status: Discussion is underway between members of the ORTCC legislative Committee and the PUC. Subsequent to the outcome of this and other discussions, the topic will be brought before the full Council. Preliminary draft legislation attached.

- Provide new authority for the Public Utility Commission (PUC) to use universal service funds to support broadband services.

*ORS 759.016(1) says, "(1) That it is the goal of this state to promote access to broadband services for all Oregonians in order to improve the economy in Oregon, improve the quality of life in Oregon communities and reduce the economic gap between Oregon communities that have access to broadband digital applications and services and those that do not, for both present and future generations; " The council recommends that the PUC be given authority needed to achieve that goal.*

Status: Discussion is underway between members of the ORTCC legislative Committee and the PUC. Subsequent to the outcome of this and other discussions, the topic will be brought before the full Council. Preliminary draft legislation attached.

- Telecommunications plan for education and health care communities

*In 2003 House Bill 2577 was enacted into law directing 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.*

*The Council recommends amending 291.038(8) to provide for sharing of excess capacity to eligible communities of interest as defined in ORS 291.038 (7) "Any organization or organizations recognized as tax exempt under section 501(c)(3) of the Internal Revenue Code of 1986 that primarily conduct activities for the direct good or benefit of the public or community at large in providing educational, economic development, health care, human services, public safety, library or other public services and have formed an affiliation with one or more federal, state or local governmental units within this state may make application to the department for designation as a community of interest."*

Status: The ORTCC established a healthcare-education committee, which in turn established a steering committee and three subcommittees: Application and Content, Policy and Funding, Technology and Connectivity. Presentation of the plan outline to the Joint Legislative Committee on Information Management and Technology (JLCIMT) occurred on June 22, 2004. Discussion continues between the parties toward development of the details of the plan. Suggestions for legislative action also continue with a preliminary amendment now being discussed. Preliminary draft legislation attached.

- Extend the Telecommunication Coordinating Council's sunset date.

*Issues relating to telecommunications will continue to play a critical role in Oregon's economic development and quality of life. The Council serves as an opportunity for bridging discussion among many parties throughout the state and for making recommendations on policy and legislative matters relating to telecommunications. The Council recommends extending the life of the Council by amending the sunset date to January 2, 2008.*

Status: This matter has yet to be brought before the full Council. Preliminary draft legislation attached.

### **Section 3: Preliminary draft language**

*Please note that measures are to be submitted as individual bills under each topic. The language provided here has not yet been processed or approved by Legislative Counsel. These preliminary drafts are provided to start the process of seeing how measures might appear.*

## **ELECTRONIC COMMERCE ENTERPRISE ZONES**

[Preliminary draft language]  
Relating to economic development

### **SECTION 1.** ORS 285C.095 is amended to read:

285C.095. (1) A sponsor of an existing enterprise zone may seek to have the zone designated for electronic commerce under this section.

(2) The sponsor shall file an application to have the zone designated for electronic commerce with the Economic and Community Development Department. The application shall be in the form and contain the information that the department by rule may require.

(3) The application shall be accompanied by a copy of a resolution, adopted by the governing body of the sponsor, requesting that the zone be designated for electronic commerce.

(4) The department shall review applications for electronic commerce designation and shall approve no more than { - four - } { + ten + } zones for electronic commerce designation.

(5) The sponsor may by resolution revoke an electronic commerce designation made under this section. If an election is revoked, the sponsor may not subsequently seek reinstatement of electronic commerce designation.

## **ADVANCED TELECOMMUNICATIONS FACILITIES INCENTIVES**

[Preliminary draft language]  
Relating to telecommunications

### **SECTION 1.** ORS 285C.530 is amended to read:

285C.530. (1) As used in this section and ORS 285C.533:

(a) 'Advanced telecommunications facilities' means high-speed, dedicated or switched broadband telecommunications infrastructure or equipment that enables users to send or receive high quality voice, data or video telecommunications using any technology.

(b) 'Last mile connection' means a communications channel from the feed from a connecting bypassing intercity telecommunications carrier through a telecommunications switching center, or an individual message distribution point, to a user terminal.

(c) 'Local exchange carrier' means a person that holds a certificate of authority issued by the Public Utility Commission under ORS 759.020 to provide intrastate telecommunications service or local exchange telecommunications service within this state.

(d) 'Telecommunications carrier' { + :

(A) + } Means a provider of telecommunications services, { - but does not include - } { + including but not limited to a nonprofit corporation, a cooperative as defined in ORS 62.015, a telecommunications consortium formed by intergovernmental agreement under ORS 190.010, an Internet service provider, an Internet access provider or any provider of advanced telecommunications facilities; and

(B) Does not include + } an aggregator, as defined in 47 U.S.C.226.

(2) A telecommunications carrier seeking a tax credit under ORS 315.511 for the installation of advanced telecommunications facilities { - , prior to incurring any costs associated with the installation, - } shall apply to the Economic and Community Development Department for certification of the facilities as advanced telecommunications facilities { + before the facilities are placed in service + }.

(3) The application for certification shall be in the form and shall contain the information required by the department pursuant to rules adopted by the department for the administration of the tax credit certification under this section, including but not limited to:

(a) A complete description of the installation project and the customers to be served by the project;

(b) The expected costs for completing the project;

(c) The { - expected - } start date and the expected date on which the advanced telecommunications facilities are to be placed in service;

(d) The geographic area or areas in which the advanced telecommunications facilities are to be installed; and

(e) A description of how the facilities will be integrated into the operations of the intrastate telecommunications services provided by the telecommunications carrier.

(4) The application for certification shall be accompanied by technical documentation demonstrating that the facilities will meet or exceed applicable minimum performance standards established by the department under ORS 285C.533.

(5) The department may approve or deny an application for certification or may request changes to the application before issuing certification. Denial of an application may be appealed to the department in the manner of a contested case under ORS Chapter 183.

(6) The department shall approve an application and certify the facilities as advanced telecommunications facilities if the facilities:

(a) Are to be located in an area in which current minimum bandwidth service is not available to a majority of customers;

(b) Improve access to advanced telecommunications services for a majority of all customers in unserved or underserved service areas; and

(c) Meet the minimum performance standards to comply with ORS 285C.533.

(7) Upon approval of an application, the department shall send to the applicant a written certification of the facilities as advanced telecommunications facilities. The certification shall state the date by which the facilities must be placed in service and the cost of the facilities that are being certified.

(8) Notwithstanding subsection (6) of this section, the department may not approve an application and certify a facility if the cost of the facility plus the certified costs of all other facilities that have been certified during the year exceeds { - \$10 million - } { + \$50 million + }.

(9) The department may establish by rule the amount of fees charged to applicants seeking certification of facilities as advanced telecommunications facilities. Revenues from the fees shall be used to offset the costs incurred by the department in administering the tax credit certification under this section.

**SECTION 2.** { + The amendments to ORS 285C.530 by section 3 of this 2005 Act apply to applications for advanced telecommunications facility certification filed on or after the effective date of this 2005 Act. + }

**SECTION 3.** ORS 285C.533 is amended to read:

285C.533. { + For purposes of the income and corporate excise tax credit under ORS 315.511: + }

(1) The Economic and Community Development Department shall adopt rules setting minimum performance standards that facilities must meet to be certified as advanced telecommunications facilities. The rules must establish minimum performance standards in the following areas:

- (a) Enhancement of individual and business access to advanced telecommunications services at an economically reasonable cost;
- (b) Development and transition to a fully competitive telecommunications marketplace;
- (c) Provision of bidirectional bandwidth capabilities to customers;
- (d) Accessibility to competitive local exchange carriers;
- (e) Improvement in access by public and private educational institutions, rural health clinics and libraries to advanced telecommunications services;
- (f) Improvement in telecommunications connections between communities in this state;
- (g) Improvement in last mile connections within this state; and
- (h) Improvement in access by Oregon health care providers to interactive video and other health care applications requiring advanced telecommunications services.

(2) In order for facilities to be certified under ORS 285B.486, the facilities must meet or exceed the minimum performance standards in at least one of the areas set forth in subsection (1) of this section.

**SECTION 4.** ORS 315.511 is amended to read:

315.511. (1) There shall be allowed a credit against the taxes otherwise due under ORS chapter 316 (or, if the taxpayer is a corporation, under ORS chapters 317 and 318) for advanced telecommunications facilities, as defined in ORS 285B.486, that have been certified by the Economic and Community Development Department.

(2) The amount of the credit shall equal { - 20 - } { + 50 + } percent of the certified cost of the facilities that was actually paid or incurred by the taxpayer, except that:

(a) The amount of the credit may not include facility costs that were paid using moneys withdrawn from the taxpayer's Telecommunications Infrastructure Account established pursuant to ORS 759.405; and

(b) Revenues forgone by the taxpayer upon the taxpayer's waiver of installation charges for advanced telecommunications facilities to schools, rural health clinics or libraries may be added to the amount of the credit.

(3) The { - credit may be claimed by the - } taxpayer { + may first claim the credit allowed under this section + } for the tax year in which the advanced telecommunications facilities are placed in service.

(4) The credit allowed under this section may not exceed the tax liability of the taxpayer { - and may not be carried forward to a succeeding tax year - } .

{ + (5) Any credit otherwise allowable under this section in a particular year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, and likewise any credit not used in that second succeeding tax year may be carried forward and used in the third succeeding tax year, and any credit not used in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year, and any credit not used in that fourth succeeding tax year may be carried forward and used in the fifth succeeding tax year, but may not be carried forward for any tax year thereafter. + }

{ - (5) - } { + (6) + } In the case of a credit allowed under this section:

(a) A nonresident shall be allowed the credit under this section in the proportion provided in ORS 316.117.

(b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to resident occurs, the credit allowed by this section shall be determined in a manner consistent with ORS 316.117.

(c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit allowed under this section shall be prorated or computed in a manner consistent with ORS 314.085.

{ - (6) - } { + (d) + } The credit shall be claimed on a form prescribed by the Department of Revenue and containing any information as may be required by the department. The taxpayer shall attach a copy of the certification to the return for the tax year for which the credit is claimed.

{ + (7) Before filing a return for the first tax year for which the credit is claimed, a credit otherwise allowed under this section may be transferred to another taxpayer by:

(a) Transferring the certification issued under ORS 285B.486 to the taxpayer who is to claim the credit;

(b) Filing a notice of credit transfer with the Department of Revenue on a form prescribed by the department; and

(c) Taking any other action required by the department under rules prescribed by the department.

(8) The credit allowed under this section is not in lieu of any depreciation or amortization deduction to which the taxpayer is otherwise entitled. The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any amount of credit allowed. + }

**SECTION 5.** { + The amendments to ORS 315.511 by section 6 of this 2005 Act apply to tax years beginning on or after January 1, 2005. + }

**SECTION 6.** Sections 12, chapter 957, Oregon Laws 2001, is amended to read:  
Sec. 12. The Economic and Community Development Department may issue certifications under { - section 10 of this 2001 Act - } ORS 285C.530 on or after January 1, 2002, and before December 31, { - 2005 - } { + 2009 + }.

**SECTION 7.** { + This 2005 Act takes effect on the 91st day after the date on which the regular session of the Seventy-third Legislative Assembly adjourns sine die. + }

**UTILITY REGULATION**  
[Preliminary draft language]  
Relating to Utility Regulation

**SECTION 1.** Sections 3, chapter 589, Oregon Laws 1999, is amended to read:  
Sec. 3. This 1999 Act is repealed June 30, { - 2005 - } { + 2007 + }.

**UTILITY REGULATION**  
[Preliminary draft language]  
Relating to Utility Regulation

759.016 Legislative findings on broadband services. The Legislative Assembly finds and declares:

(1) That it is the goal of this state to promote access to broadband services for all Oregonians in order to improve the economy in Oregon, improve the quality of life in Oregon communities and reduce the economic gap between Oregon communities that have access to broadband digital applications and services and those that do not, for both present and future generations; and

(2) That the goal set forth in subsection (1) of this section may be achieved by:

(a) Expanding broadband and other telecommunications services;

(b) Creating incentives to establish and expand broadband and other telecommunications services;

(c) Undertaking telecommunications planning at the local, regional and state levels that includes participants from both the public and the private sectors;

(d) Removing barriers to the full deployment of broadband digital applications and services and providing incentives for the removal of those barriers; and

(e) Removing barriers to public-private partnerships in areas where the private sector cannot justify investments.

{ + (3) The Public Utility Commission shall administer the statutes with respect to telecommunications rates and services in accordance with the goal specified in 759.016. + }

Note: Sections 2 and 3, chapter 589, Oregon Laws 1999, provide:

Sec. 2. In order to ensure consistency with the federal Telecommunications Act of 1996 (P.L. 104-104), to enhance fair competition and to promote deregulation of the telecommunications industry, the Public Utility Commission annually shall submit a report to the Governor and the Legislative Assembly or the Emergency Board on or before January 31 each year. The report shall include information on:

- (1) The status of competition in the telecommunications industry;
- (2) Significant changes that have occurred in the telecommunications industry during the preceding 12 months;
- (3) Statutes that inhibit or discourage competition in and deregulation of the telecommunications industry;
- (4) Specific actions taken by the commission to reduce the regulatory burden imposed on the telecommunications industry, including telecommunications utilities and competitive telecommunications providers;
- (5) Specific actions taken by the commission to maximize the opportunities for telecommunications utilities and competitive telecommunications providers to achieve pricing flexibility, including rate rebalancing, exemption from regulation and streamlined regulations;
- (6) Specific actions taken by the commission to:
  - (a) Minimize implicit sources of support; and
  - (b) Maximize explicit sources of support that are specific, sufficient, competitively neutral and technologically neutral and that support telecommunications services for customers of telecommunications providers in high-cost locations;
- (7) Statutes that should be enacted, amended or repealed to enhance and respond to the competitive telecommunications environment or promote the orderly deregulation of the telecommunications industry; and
- (8) The number of public bodies, as defined by ORS 174.109, providing basic telecommunications infrastructure so that private entities may use that infrastructure to provide advanced information and communications services. [1999 c.589 §2; 2003 c.775 §2]

Sec. 3. This 1999 Act is repealed June 30, {- 2005 - } { + 2007 + }. [1999 c.589 §3]

**UTILITY REGULATION**  
[Preliminary draft language]  
Relating to Utility Regulation

(Universal Service Fund)

**759.425 Universal service fund; commission to establish price for basic telephone service; universal service surcharge; application to cellular services.** (1) The Public Utility Commission shall establish and implement a competitively neutral and nondiscriminatory universal service fund to ensure basic telephone service is available at a reasonable and affordable rate. The universal service fund shall conform to section 254 of the federal Telecommunications Act of 1996 (Public Law 104-104). The commission may delay implementation for rural telecommunications carriers, as defined in the federal Act, for up to six months after the date the Federal Communications Commission adopts a cost methodology for rural carriers.

(2)(a) The Public Utility Commission shall establish the price a telecommunications utility

may charge its customers for basic telephone service. The commission in its discretion shall periodically review and evaluate the status of telecommunications services in the state and designate the services included in basic telephone service. The commission in its discretion shall periodically review and adjust as necessary the price a telecommunications utility may charge for basic telephone service.

(b) The provisions of this subsection do not apply to the basic telephone service provided by a telecommunications utility described in ORS 759.040.

(3)(a) The Public Utility Commission shall establish a benchmark for basic telephone service as necessary for the administration and distribution of the universal service fund. The universal service fund shall provide explicit support to an eligible telecommunications carrier that is equal to the difference between the cost of providing basic telephone service and the benchmark, less any explicit compensation received by the carrier from federal sources specifically targeted to recovery of local loop costs and less any explicit support received by the carrier from a federal universal service program.

(b) The commission in its discretion shall periodically review the benchmark and adjust it as necessary to reflect:

- (A) Changes in competition in the telecommunications industry;
- (B) Changes in federal universal service support; and
- (C) Other relevant factors as determined by the commission.

(c) Except for a telecommunications utility described in ORS 759.040, the commission shall seek to limit the difference between the price a telecommunications utility may charge for basic telephone service and the benchmark.

(4) Except as provided in subsections (6) and (7) of this section, there is imposed on the sale of all retail telecommunications services sold in this state a universal service surcharge. The surcharge shall be established by the commission as a uniform percentage of the sale of retail telecommunications services in an amount sufficient to support the purpose of the universal service fund. The surcharge may be shown as a separate line item by all telecommunications carriers using language prescribed by the commission. A telecommunications carrier shall deposit amounts collected into the universal service fund according to a schedule adopted by the commission.

(5) The commission is authorized to establish a universal service fund, separate and distinct from the General Fund. The fund shall consist of all universal service surcharge moneys collected by telecommunications carriers and paid into the fund. The fund shall be used only for the purpose described in this section, and for payment of expenses incurred by the commission or a third party appointed by the commission to administer this section. All moneys in the fund are continuously appropriated to the commission to carry out the provisions of this section. Interest on moneys deposited in the fund shall accrue to the fund. { + Notwithstanding any other statutory provisions, the Commission may at its discretion use universal service funds to support broadband services. + }

(6) For purposes of this section, “retail telecommunications service” does not include radio communications service, radio paging service, commercial mobile radio service, personal communications service or cellular communications service.

(7)(a) Notwithstanding subsection (6) of this section, a person who primarily provides radio communications service, radio paging service, commercial mobile radio service, personal communications service or cellular communications service may request designation as an eligible telecommunications carrier by the Public Utility Commission for purposes of

participation in the universal service fund.

(b) In the event a person who primarily provides radio communications service, radio paging service, commercial mobile radio service, personal communications service or cellular communications service seeks designation as an eligible telecommunications carrier for purposes of participation in the universal service fund, the person shall provide written notice to the Public Utility Commission requesting designation as an eligible telecommunications carrier within 60 days of the date the commission establishes the fund. Upon receiving notice, the commission may designate the person as an eligible telecommunications carrier for purposes of participation in the fund.

(c) A person who primarily provides radio communications service, radio paging service, commercial mobile radio service, personal communications service or cellular communications service who fails to request designation as an eligible telecommunications carrier within 60 days of the date the universal service fund is established by the Public Utility Commission may not be designated as an eligible telecommunications carrier unless the person has contributed to the fund for at least one year immediately prior to requesting designation.

(8) A pay telephone provider may apply to the Public Utility Commission, on a form developed by the commission, for a refund of the universal service surcharge imposed on the provider under subsection (4) of this section for the provision of pay telephone service. [1999 c.1093 §28; 2001 c.966 §3; 2003 c.14 §§455,456]

## **HEALTHCARE-EDUCATION**

[Preliminary draft language]

Relating to education

291.038 State agency planning, acquisition, installation and use of information and telecommunications technology; integrated videoconferencing; on-line access service; Stakeholders Advisory Committee; rules.

(8) This section does not apply to the State Board of Higher Education or any state institution of higher education within the Oregon University System { + except that higher education networks are required to share excess capacity with organizations designated as “community of interest” organizations in accordance with section 291.038(7) + } .

## **OREGON TELECOMMUNICATIONS COORDINATING COUNCIL**

[Preliminary draft language]

Relating to telecommunications

[Note: found in the section following ORS 759.900]

Note: Sections 1 and 2, chapter 699, Oregon Laws 2001, provide:

Sec. 1. (1) There is established the Oregon Telecommunications Coordinating Council consisting of 20 members.

(2) The Governor shall appoint one member to represent each of the following entities, and in making the appointments under this subsection shall give consideration to recommendations made by the entity the member is to represent:

- (a) The Central Oregon Telecommunications Task Force.
- (b) CoastNet.
- (c) The Eastern Oregon Telecommunications Consortium.
- (d) The Fiber South Consortium.
- (e) Frontier Telenet.
- (f) The Gorge Teleconsortium.
- (g) The Regional Fiber Consortium (Lane and Klamath Counties).
- (h) The North Coast Telecommunications Consortium.
- (i) The South Coast Telecommunications Consortium.
- (j) The Southern Oregon Telecommunications and Technology Council.

(3) The Governor shall appoint two members of the Oregon Telecommunications Coordinating Council to represent the counties of this state. The Governor shall give consideration to recommendations made by the Association of Oregon Counties in making the appointments under this subsection.

(4) The Governor shall appoint two members of the Oregon Telecommunications Coordinating Council to represent the cities of this state. The Governor shall give consideration to recommendations made by the League of Oregon Cities in making the appointments under this subsection.

(5) The Governor shall appoint two members of the Oregon Telecommunications Coordinating Council to represent telecommunication utilities and Internet service providers in this state. The Governor shall give consideration to recommendations made by the Oregon Telecommunications Association in making the appointments under this subsection.

(6) The Governor shall appoint one member of the Oregon Telecommunications Coordinating Council to represent Oregon tribes. The Governor shall give consideration to recommendations made by the Commission on Indian Services in making the appointment under this subsection.

(7) The Governor shall appoint one member of the Oregon Telecommunications Coordinating Council to represent elementary and secondary schools. The Governor shall give consideration to recommendations made by the Oregon School Boards Association in making the appointment under this subsection.

(8) The Governor shall appoint one member of the Oregon Telecommunications Coordinating Council to represent community colleges. The Governor shall give consideration to recommendations made by the Oregon Community College Association in making the appointment under this subsection.

(9) The Governor shall appoint one member of the Oregon Telecommunications Coordinating Council to represent the Oregon University System. The Governor shall give consideration to recommendations made by the Chancellor of the Oregon University System in making the appointment under this subsection.

(10) The Oregon Telecommunications Coordinating Council may by a majority vote of the council add members to the council to represent telecommunication consortia coming into existence after January 1, 2003, or to represent citizen groups recognized by the council.

(11) If no additional funds are required, the Economic and Community Development Department, the Oregon Department of Administrative Services, the League of Oregon Cities and the Association of Oregon Counties may provide staff to the Oregon Telecommunications Coordinating Council.

(12) Members of the Oregon Telecommunications Coordinating Council are not entitled to

compensation and expenses and shall serve on the council on a volunteer basis.

(13) 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. The council shall report its findings and recommendations to the Governor and to the Joint Legislative Committee on Information Management and Technology before each legislative session.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the Oregon Telecommunications Coordinating Council in the performance of its functions and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the council consider necessary to perform their functions.

(15) The Oregon Telecommunications Coordinating Council may accept contributions of funds and assistance from the United States or its agencies or from any other source, public or private, and agree to conditions thereon not inconsistent with the purposes of the council. All such funds are to aid in financing the functions of the council and may be deposited in the General Fund of the State Treasury to the credit of separate accounts for the council to disburse for the purpose for which contributed in the same manner as funds appropriated for the council.

(16) Official action by the Oregon Telecommunications Coordinating Council requires the approval of a majority of the members. The council may recommend legislation, and all legislation recommended by the council must indicate that it is introduced at the request of the council. Legislation recommended by the council must be submitted to the Joint Legislative Committee on Information Management and Technology. The legislation shall be prepared in time for pre-session filing at regular sessions of the Legislative Assembly.

(17) 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 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. [2001 c.699 §1; 2003 c.775 §3]

Sec. 2. Section 1, chapter 699, Oregon Laws 2001, is repealed on January 2, { - 2006 - } { + 2008 + }. [2001 c.699 §2; 2003 c.775 §6]