

Oregon Telecommunications Coordinating Council
Minutes
January 27, 2005

Attendees:

Council Members: Link Shadley, Dan Bartlett, Pam Berrian, Agnes Box, Cathy Britain, Lylla Gaebel, Rob Myers, Ed Parker, Paul Zastrow, Betty Dickson, Sal Sahme, Curt Pederson, Andrew Spreadborough, and Kim Hoffman.

Staff: Chris Tamarin Oregon Economic and Community Development Department, Deborah Bryant Oregon Department of Administrative Services.

Others: Guy Alvis of NoaNet Oregon, Jim Rose of Oregon Public Education Network (OPEN), Cindy Wheeldryer, Robert Bole of One Economy Corporation, John Blatt of Association of Oregon Community Development Organizations, and Eric Schmidt of Association of Oregon Counties.

Public Input:

Jim Rose reported that OPEN has issued the first of two Requests for Proposal to inventory existing telecommunications connectivity to every K-12 school in the state. Proposals are due on February 4, 2005 and OPEN intends to have the project completed by April 15, 2005 so that information can be made available during the legislative session. The second project will inventory applications and needs of schools throughout the state in order to identify gaps between capabilities and needs. This project should be completed by May 31, 2005.

Link Shadley reported that news has been received from Cheryl Gropp, who once provided staff-support to the Council. Cheryl has overcome a long and severe illness and reports that she is doing well and planning to return to school to enter a Master's degree program in Public Administration. She thanks all the members of this group for their kind messages and support.

Cathy Britain introduced Eric Schmidt who recently joined the Oregon Association of Counties as an Information Specialist working with Bill Penhollow.

Old Business:

Action Item:

It was moved by Paul Zastrow that the November 14, 2004 minutes be approved as distributed. Rob Myers seconded the motion. The Council approved the minutes.

Open Seat Status:

Chris Tamarin reported that he received the following update from Bill Penhollow. All the paper work has been submitted to the Governor's office for following nominees: county representative Judge Dan Erickson of Wasco County, Fiber South Consortium representative Mark Shrives City Administrator of Creswell, and Community College representative Arthur Hill of Blue Mountain Community College. Bill hopes that appointments will be forthcoming from the Governor. Following the appointment of these members, there will be only one vacant seat, representing the South Coast Telecommunications Task Force.

Presentation:

Link Shadley welcomed Jim Azumano, Rural Policy Advisor Office of the Governor, and provided him with an overview of the ORTCC. Jim observed that telecommunications is a key requirement for continued economic development in rural communities. Businesses including small businesses are dependent on telecommunications and rural communities are dependent upon small businesses. He commended the Council on its work.

Jim Azumano was recently appointed to head the Office of Rural Policy and is charged with addressing the issues and concerns of rural Oregon. The Governor's executive order called for this office to be a clearing-house of information for rural Oregonians. A press release from the Governor on the formation of the Office may be found at http://www.governor.state.or.us/Gov/press_042104.shtml . The Governor's executive order with detailed information on the Office of Rural Policy may be found at <http://governor.oregon.gov/Gov/pdf/ExecutiveOrder04-04.pdf> . A Rural Policy Advisory Committee was also established. Jim hopes to provide more effective access to programs, agencies, grants and information sources of value to rural communities. Rural communities are in need of assistance, for example, in 2004 the USDA Value-Added Grant program had thirteen applications submitted from Oregon and no funds were awarded. He hopes to improve Oregon's performance in benefiting from Federal programs in the future. Jim plans to establish relationships with the Oregon Department of State Lands, the Employment Department, and Tourism in addition to those already identified. Jim looks forward to working with the ORTCC as an organization that is attuned to the needs of rural Oregon.

Link Shadley observed that there are many residents of rural Oregon that are ecstatic over the creation of the Office and having Jim in place to provide them with a voice. ORTCC also looks forward to supporting Jim's efforts.

Jim Azumano reported that Rural Oregon Day will be held in Salem on February 7, 2005. Rural Oregon Day is an all day event at the State's Capitol that highlights the "rural" interests in Oregon, and promotes advocacy for rural communities. It supports partnership building and programs that provide resources for rural areas. Jim is expecting over two hundred rural Oregonians to travel to Salem for the event

The schedule for Rural Oregon Day activities may be found at the following URL:
<http://darkwing.uoregon.edu/~zphillip/Agenda.htm> .

Presentation:

Link Shadley welcomed Robert Bole, Vice President of NW Region One Economy Corporation www.one-economy.com. John Blatt, Executive Director of the Association of Oregon Community Development Organizations (OCDO) www.aocdo.org was also introduced. The OCDO supports efforts to provide affordable housing in the state. Robert commended the work of the ORTCC that has created awareness and action in addressing “digital divide” issues in Oregon. He also challenged the Council to consider what’s next? What happens after the fiber is laid and networks are in place?

Robert Bole delivered a presentation, “Creating the Digital Opportunity in Oregon.”

Over 66 million, or a quarter of America’s population, is online everyday. The Pacific Northwest is recognized as the most wired region in America with 66% of Northwest adults using the Internet and 47% of families earning under \$30,000 using the Internet, compared with the national average of 38%. 88% of households with a home computer can access the Internet from that computer with 45% of those using high-speed access. He observed that Oregon is one of the few states in the nation to require that Internet access be provided in affordable housing units as a result of an Executive Order of the Governor that focused on sustainability.

One Economy Corporation seeks to maximize the potential of technology for 27 million low and moderate-income people to join the economic mainstream. One Economy is a national organization operating in 22 cities and serving 620,000 visitors to its website each month. One Economy has worked to change public policy to support the integration of high-speed Internet access in housing in 19 states resulting in the wiring of \$2 Billion of affordable housing.

A primary purpose is to design and implement high-speed, low-cost Internet access solutions for clients to create a distribution channel for helpful online content. One Economy has become a national provider of technology services to the owners of affordable housing.

One Economy started a national education initiative to assist state-level public policy makers on how to bring high-speed Internet connectivity to affordable housing, which resulted in policy changes in twenty-seven states and one city, Portland, Oregon. National partners in the program include CISCO, Microsoft, Intel, Qwest, AOL Time Warner & 12 others.

One Economy offers free technology design of cost effective network options, including the installation of data networks, including security, CATV, phones and access control through our nonprofit subsidiary at below market costs. Networking equipment is donated by Cisco. Computer options are offered through bulk, discounted purchases with

Dell and Gateway. Over 4,500 units were wired in 2004. Content and access in the home at the lowest possible cost are vital. Content is how you change culture.

One Economy maintains a website, www.thebeehive.org, a content-rich, multilingual site to provide users with resources on money, health, jobs, school & family. Services include e-mail, local links, and interactive content on topics related to the experiences of lower-income families. "One Economy and the Beehive are connecting the poor in a way that unleashes their potential and it just might spark their imagination." - Rey Ramsey, CEO of One Economy.

John Blatt added that the Internet is a tool that can be used for people in poverty to improve their income and financial assets. As a developer, OCDO is interested in finding solutions to get Internet access into affordable housing and paying for the wiring in the homes. Though it is required in Oregon, it is an unfunded mandate. There is potential for One Economy and OCDO to work with ORTCC to promote these issues of access and content to address the needs of the people in poverty.

Rob is interested in finding ways in which One Economy and OCDO can participate and be supportive of ORTCC. Paul Zastrow noted that ubiquitous access is definitely a goal. Link Shadley indicated that much of ORTCC's past efforts have been focused on building infrastructure. As more and more infrastructure has been built, the focus has included utilization of the technology and applications like telehealth and distance education and the improvement of take rates. Link sees a lot of synergy between the three organizations. Rob plans to attend future meetings and would like to continue the conversation.

Committee Reports:

Health-Education Committee

Rob Myers reported on the activities of the committee. In HB 2577, passed into law in 2003, the Oregon Telecommunications Coordinating Council was assigned by the legislature to 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.

The plan developed shall include determinations about the technical and financial resources needed to implement the plan. The Oregon Telecommunications Coordinating Council shall report to the Seventy-third Legislative Assembly no later than February 1, 2005.

Rob Myers reported on the status of the education and health care report to the Oregon Legislature. The task was larger and more complex than anticipated. An executive summary has been drafted with summary reports for each subcommittee, but the plan

itself is not yet completed. Rob Myers indicated that the Council's obligation is to report and HB2577 does not attach timelines or deadlines to the completion of a plan, rather it requires the ORTCC to provide information regarding implementation of the plan on or before February 1, 2005. He indicated that it could take another year to develop a plan and several more years to implement. Rob indicated that the draft document would satisfy the Council's reporting requirement under HB2577.

Agnes Box observed that there are excellent telecommunications facility inventories already in existence, e.g., Jo Bell's video facility inventory and NoaNet Oregon's work in identifying Oregon healthcare providers and their available network facilities. These existing inventories need to be pulled together.

Rob asked for approval of the report though he realizes that this is difficult without time to examine the document.

Action Item:

Paul Zastrow moved that the draft document be approved. Andrew Spreadborough seconded the motion. During discussion, Link Shadley suggested that the vote be held via e-mail after all Council members have had the opportunity to examine the document. The motion was not approved pending distribution of the report to Council members. Link Shadley will tally the vote via e-mail once the document has been distributed and examined by all.

Conference Planning Committee

Andrew Spreadborough reported that the planning process has begun for the 2005 Oregon Connections Telecommunications Conference. The event has been scheduled for Wednesday, September 28 through Friday September 30, 2005, and will be held at the Mt. Bachelor Village in Bend, the site of the 2004 event. This will be the tenth anniversary of the first conference. A possible theme for the conference will be to celebrate the achievements of the past ten years, "Ten Years of Connecting Oregon: A Foundation for Future Prosperity." An "anniversary video" production is being discussed by the Planning Committee. Please provide feedback and suggestions, mark your calendars and plan to attend.

Broadband Authority Committee

Ed Parker reported that the Committee has produced a background paper, "Oregon Broadband Authority: Concept Evaluation and Recommendations." The committee would like to see the creation of an Oregon Broadband Authority, probably through legislation. It might be possible to incorporate this in SB15. The committee believes the Council should endorse the concept of an Oregon Broadband Authority to provide grant writing support, matching funds and loan guarantees that will permit Oregon to use available United States Department of Agriculture/Rural Utility Service (USDA/RUS) funding or other sources to expand Oregon's broadband infrastructure through public-private partnerships. ORTCC should explore and evaluate a variety of options for implementing the concept. Precedents for this approach may be found in Michigan, North Carolina, Alaska and Kentucky. The committee's report contains an overview of

these four state broadband authorities along with observations and recommendations for next steps. Four sections of the paper contain detailed information for several approaches including departments within state governments, a newly formed independent state agency, not-for-profit corporations, and industry. The paper will be posted on the ORTCC website www.ortcc.org Reports page when the final draft is available.

Action Item:

It was moved by Ed Parker that the concept of an Oregon Broadband Authority be approved in principle and that the Legislative Committee be instructed to develop a strategy to make this happen in the 2005 legislative session. Paul Zastrow seconded the motion. The Council approved the motion.

Legislative Committee Report

Cathy Britain reported on the Bills introduced by the Council.

- SB11 – To modify and extend the Advanced Telecommunications Facilities Tax Credit
- SB12 – To expand the number of available Enterprise Zone E-Commerce designations from four to ten.
- SB13 – To extend and expand reporting on telecommunications and broadband by the Public Utility Commission.
- SB14 – To expand the use of the Universal Service Fund for broadband.
- SB15 – To extend the sunset date for ORTCC.
- SB16 – To require the Public Utility Commission to support Oregon broadband access policy

Cathy also reported on the bill introduced by the Joint Legislative Committee on Information Management and Technology

- SB17 – To create a Telecommunications Task Force to do a comprehensive review of ORS 759, Laws relating to telecommunications.

The Report of the Oregon Telecommunications Coordinating Council to the Joint Legislative Committee on Information Management and Technology on November 16, 2004 includes the complete text of all of these proposed Bills and is posted on the Reports page of the Council website www.ortcc.org . Cathy reported that the Senate Revenue Committee held a public hearing this morning, January 27, on SB11. Cathy Britain testified on behalf of the ORTCC. Bill Penhollow testified on behalf of the Association of Oregon Counties and Chris Tamarin testified on behalf of OECDD. The Bill will continue to be considered by the Senate Revenue Committee and will be addressed again probably in April or May.

Action Item:

It was moved by Cathy Britain that the Council support SB17 in principle. Paul Zastrow seconded the motion. The Council approved the motion.

Cathy reported that the Senate Business and Economic Development Committee is holding a public hearing on SB13, SB14, SB15, SB16, and SB17 this afternoon, January 27. Cathy Britain and Rob Myers plan to testify on behalf of ORTCC. Bill Penhollow is planning to testify on behalf of AOC.

Lylla Gaebel reported on behalf of Bill Penhollow that the Association of Oregon Counties will be supporting Senate Bills 11, 12, 13, 15, 16, and 17. AOC has not taken a position on SB14, and will be seeking more information. Link Shadley offered to provide additional information.

Cathy observed that the 2005 legislative session will be a “long haul.” Link Shadley asked for the support and participation of Council members as well as other members of consortia in lobbying for the proposed Bills. Link observed that it is important that this remain a grass-roots effort and that people traveling from around the state to Salem in order to testify in committee hearings has a tremendous impact. Link also recommended that small independent telephone companies, cooperatives, and their associations also be encouraged to participate in the dialogue.

Other Activities

Ed Parker reported on the Oregon Public Utility Commission public workshop to discuss the concept of Statewide Extended Area Service (EAS). The meeting was very well attended including all three commissioners and a large contingent of telecommunications service providers. Ed Parker, John Irwin, Bill Penhollow, Cathy Britain, and Onno Husing all testified in favor of the PUC considering Statewide EAS. The strongest opposition came from several telephone companies who are also wireless service providers. There was some support of the concept by some of the small independent telcos. A number of complicated issues were raised about the challenges of implementing Statewide EAS. The PUC will evaluate the input received and determine what, if anything, it will do next regarding this proposal. Ed believes that there is enough momentum to at least continue data collection and further exploration of the idea. It is possible that one of the independent telephone companies may work with a legislator to introduce a Statewide EAS Bill this session. Link Shadley also attended the workshop and added that he hopes there are more of these types of meetings held by the PUC to bring telecommunications interest groups, users and service providers together for the discussion of common issues.

Public Safety Committee

Lylla Gaebel reported that an updated listserve has been established for this committee and that she has been re-establishing her contacts with the 911 community. She reported that there has been considerable work underway regarding wireless service and Voice over IP services and 911. Activity for this committee will be ramping up.

Reports from Consortia:

Eastern Oregon Telecommunications Consortium - No Report

North Coast Telecommunications Consortium – No Report

Klamath Falls Telecommunications Task Force – No Report

Regional Fiber Consortium – No Report

Gorge Teleconsortium – No Report

Frontier TeleNet – No Report

Oregon CoastNet – Ed Parker reported that the fiber optic cable from Florence to Eugene is being turned up by PCI-NW and that the network has now been extended up the coast to Lincoln City.

Oregon Tribes – Sal Sahme reported that the Affiliated Tribes of the Northwest is having a conference on September 7, 2005. This group has a telecommunications and utility committee that has benefited from the work of ORTCC and has adopted guidelines based on ORTCC's structure and recommendations. The group is supporting the Native American Connectivity Act (S.2382) that has been proposed by US Senator Innouye of Hawaii.

Central Oregon Telecommunications Council – No Report

Fiber South – Pam Berrian reported that a new representative from Fiber South has been nominated to the Governor for appointment to ORTCC. The nominee is Mark Shrives, City Administrator of Creswell. Pam also reported that the Consortium recently re-negotiated an agreement with PCI-NW that they hope will speed deployment of equipment and the delivery of services.

Southern Oregon Telecommunications and Technology Council – No Report

New Business

Ideas for presenters at future meetings were discussed.

Meeting Schedule:

The next meeting of ORTCC is scheduled on Thursday, February 24, 2005 in Salem.

Link Shadley adjourned the Oregon Telecommunications Coordinating Council meeting at 11:45 AM.

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