

MINUTES

HOUSE ENVIRONMENT, ENERGY, & TECHNOLOGY COMMITTEE

DATE: Monday, March 18, 2013
TIME: 1:30 or Upon Adjournment
PLACE: Room EW41
MEMBERS: Chairman Raybould, Vice Chairman Eskridge, Representatives Anderson(1), Hartgen, Vander Woude, DeMordaunt, Nielsen, Thompson, Anderson(31), Anderst, Mendive, Monks, Morse, Trujillo, Smith, Rusche, Woodings
**ABSENT/
EXCUSED:** Rep. Anderson (1), Rep. Vander Woude
GUESTS: Jerry Piper, Idaho Telecom Alliance; Brody Kraft, Idaho Department of Administration

Chairman Raybould called the meeting to order at 1:31 p.m.

Jerry Piper, Idaho Telecom Alliance, gave a presentation on Rural broadband in Idaho. Idaho Telecom Alliance was established in 1905 with it's first office in Cambridge. There are now 13 member companies located or operating in Idaho. Mr. Piper stated Idaho Telecom Alliance is a leading advocacy group for independent telecommunications companies in Idaho. They provide residential and business local and long distance services, cellular service, high-speed DSL, ethernet and fixed wireless broadband, cable and digital television, distance learning, satellite service, and network maintenance services. Mr. Piper said Idaho Telecom Alliance services over 21,000 square miles in Idaho, including 341 rural schools, health facilities, libraries, and government offices.

Mr. Piper explained Idaho Telecom Alliances' revenue stream, which consists of customers, inter-carrier compensation, and the Universal Service fund. The Universal Communications Act of 1934 called for "rapid, efficient, nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges to all the people of the United States." This act was rewritten in 1996 to include internet. This revenue is deposited in to a central fund, and redistributed to high cost, low income, schools and libraries, and rural health care.

Mr. Piper reviewed cost and budget figures, saying the initiation of restructure policies have left rate of return carriers with two years of stranded investments. This is causing in increased fiscal burden on support contributors.

In response to questions regarding marketplace trends and whether smaller companies are being absorbed by larger companies, **Mr. Piper** explained they all have the same challenges and fixed costs. In answer to an additional question, he stated the capital to build towers is a federal obligation through the Telecommunications Act.

Mr. Piper concluded by stating grants and tax based initiatives will not trump private investment in the long run, therefore, the future of Idaho broadband will largely be shaped and implemented by for profit companies. He said if you are going to shape policy, then understanding the topic you are influencing will lead towards greater success.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 2:01 p.m.

Representative Raybould
Chair

Lynn Walker
Secretary