A Framework for Bringing Broadband to Every Corner of California

Digital Divide in California: Defining the Challenge

- **80.7%** California households subscribing to high-speed broadband
- **15.6%** California households with access to high-speed broadband but do not subscribe
- **3.7%** California households without high-speed broadband access

In the last two decades, California Cable & Telecommunications Association (CCTA) members have devoted more than $40 billion in private investments to build and develop infrastructure and networks across the state to bring high-speed, reliable broadband technology to 96.3% of Californians. While removing barriers to broadband adoption should be California’s top priority, the state also needs to prioritize connecting the remaining 3.7% of California households that currently lack access to high-speed broadband technology.

Advancing Broadband Deployment Policies to Benefit All Californians

Since life went online in March 2020 due to pandemic stay-at-home orders, California legislators have introduced a host of proposed bills aiming to close the Digital Divide — several of these bills come with multibillion-dollar price tags and do little to remove existing barriers to broadband deployment and adoption. To bring all Californians online, the state needs a sensible plan that starts with a fundamental understanding of the challenge at hand.

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When implementing policies to accelerate the deployment of broadband infrastructure, California’s elected leaders must focus on a few fundamental principles:

**Remove Barriers to Broadband Deployment:** Connecting the 3.7% of Californians who currently lack broadband access will require both public and private investments. California should establish policies that foster even more private investment — not less — by expediting permit approvals and removing unnecessary barriers. CCTA has sponsored two bills — AB 955 (Quirk) and AB 1557 (Santiago) — that will collectively remove barriers to broadband deployment.

**Target Public Funds to Connect Unserved Communities:** California must target the use of public funds where they are needed most — in unserved rural areas with sparse populations. California cannot lose focus on connecting these unserved households by wasting public funds on overbuilding existing broadband networks.

**Improve Transparency of How Public Funds are Used:** Nearly a billion dollars in public funds — mostly collected from customer surcharges — have been allocated to expand broadband infrastructure to unserved areas for more than a decade. Yet, the public still lacks necessary insight into how funds have been spent. All state agencies need to be transparent and accountable for how these public funds are used, what outcomes are achieved and what areas remain unserved.

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Amending Proposed Legislation to Best Serve California’s Unserved

Two proposed broadband deployment bills — AB 14 (Aguiar-Curry) and SB 4 (Gonzalez) — would make significant changes to the California Advanced Services Fund (CASF) program. CASF provides grants for broadband infrastructure projects to connect unserved households and has been funded by the $770 million collected from California consumers for more than a decade.

As currently drafted, AB 14 and SB 4 would require collecting billions more for CASF and would shift the focus from connecting households to instead allow use of CASF funds for economic development and to build broadband infrastructure in areas that already have access to high-speed, reliable broadband technology.

CCTA supports some key provisions in these two proposed bills, but proposes the following amendments to ensure continued focus on connecting California’s remaining unserved households:

- Maintain current state laws that prohibit public funds from being used to overbuild existing broadband networks that already offer service at speeds that meet or exceed the “unserved” definition.
- Allow California to more effectively leverage both state and federal broadband funds by aligning CASF eligibility criteria with federal broadband standards.
- Require CASF grants to provide services at speeds consistent with Governor Newsom’s Executive Order on broadband.
- Allow funds to be used for projects that also connect unserved anchor institutions such as schools, libraries and other public benefit entities in a project area.
- Allow funds to be used for indispensable middle-mile infrastructure with an open access business model if voluntarily proposed as part of a viable project.
- Affirm the technology-neutral provisions in current law, which recognize that hybrid fiber coaxial facilities and other non-fiber technologies enable reliable high-speed service.
- Determine what areas are already served or will be served by state and federal grants already awarded and avoid wasting public funds on overbuilds.
- Simplify and make the infrastructure grant process more efficient.
- Increase transparency of how CASF program funds are spent (a CASF audit was due to the state legislature by April 1, 2020 but was never completed).

Working Together to Bridge the Divide

Since long before the pandemic, connecting Californians to high-speed, reliable Internet access has been the highest priority of the state’s Internet Service Providers. CCTA members have expanded Internet adoption by providing free Internet services to schools and libraries, free computers and devices, free digital literacy training and reduced-cost Internet services for low-income households without any government subsidies.

CCTA members know how to bring Californians online and want to proactively collaborate with the state’s elected leaders and stakeholders to turn our shared policy objectives into lasting solutions. By coming together to develop an effective plan, we can provide broadband service for the many California families who seek it and who have historically been the hardest to reach.