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FLOOR ALERT
Senate Bill 4 (As Amended September 2, 2021)
OPPOSE

The California Cable and Telecommunications Association ("CCTA") opposes Senate Bill 4, which would add a new **tax/surcharge** on California customers' monthly communications bills for 10 years to support the same broadband programs in Governor Newsom's recently enacted **\$6 billion** broadband plan. Given the funding currently available for broadband deployment, no new tax/surcharge is needed.

The California Advanced Services Fund ("CASF") program was established in 2008 and has been administered since then by the California Public Utilities Commission ("CPUC") to fund broadband projects. Since that time, the Legislature has authorized collection of more than **\$700 million** through monthly customer surcharges to fund the program. Current law authorizes the ongoing collection of **\$66 million** per year through the end of 2022. SB 156, the Governor's recently enacted Broadband Trailer Bill, allocates an additional **\$6 billion** for broadband deployment -- **\$2 billion** of which goes to the CASF program. **SB 4 would require the CPUC to collect another \$150 million per year from customers for 11 years through 2032.** Given the authorization to continue to collect a surcharge for broadband deployment through 2022, and the recent additional authorization of funding for the CASF program, no additional tax/surcharge needs to be authorized for the program.

California customers already pay on average more than 25 percent of monthly phone bills as taxes, surcharges and fees. Instead of continuing to add fees and surcharges on the backs of California consumers, the Legislature should focus on ensuring that the CPUC spends the new \$2 billion for the CASF program to achieve state broadband infrastructure and adoption goals. Not a single penny of the new \$2 billion for the CASF program has been spent. Moreover, California can expect billions of additional federal dollars for broadband from infrastructure legislation pending in Congress. H.R. 3684, which the U.S. Senate approved August 10, 2021, includes **\$65 billion** for broadband. In short, the CASF program is flush with funds, and the tax/surcharge increase in SB 4 is not needed.

During this time, when the federal relief funds and state programs are intended to address the economic hardships America's households are facing due to the pandemic, new increased taxes and surcharges that add more financial burden on these same households in California are not warranted. Accordingly, CCTA opposes SB 4.