



January 12, 2024

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Support AB1588 (Wilson): Affordable Internet and Net Equality Act

Dear Chair Chris Holden, Vice-Chair Kate Sanchez, and Committee Members Joaquin Arambula, Isaac Bryan, Lisa Calderon, Wendy Carrillo, Megan Dahle, Diane Dixon, Mike Fong, Timothy Grayson, Matt Haney, Greg Hart, Josh Lowenthal, Gail Pellerin, Tri Ta, and Carlos Villapudua:

On behalf of the California Emerging Technology Fund (CETF), we are writing to urge you to pass AB1588 (Wilson), the Affordable Internet and Net Equality Act, before the January 19, 2024 deadline so that it can move through the Legislature as a viable vehicle for ensuring that all low-income households in California will continue to have access to affordable, quality home Internet service. This bill is the last major missing piece of State policy required to close the Digital Divide and is essential to achieve Digital Equity in California. It also is the vital backstop and back-up plan to prevent 3 million low-income households from being left without affordable Internet service if the federal government does not reauthorize the Affordable Connectivity Program (ACP).

There is increasing urgency to act now because several things have changed in the last year:

- Almost 3 million households (2,803,589 as of January 1, 2024) of 5.8 million eligible households in California have been connected to the Internet through ACP—more families and individuals than in any other state.
- However, the existing federal funding of \$14.2 billion for ACP allocated in the Infrastructure and Jobs Act (IIJA) is projected by the Federal Communications Commission to run out in mid-2024. That would leave more than 3 million low-income households in California without affordable, quality Internet service without action from the Legislature and Governor. While bi-partisan efforts continue in Congress to reauthorize ACP, the State of California needs to have a backstop to the federal government and a back-up plan should there be a delay in Congressional action.
- The Legislature passed and the Governor signed into law the Digital Equity Bill of Rights, which reaffirms the State's commitment to ensuring that affordable, high-speed Internet service is available to all residents.
- The State of California has made significant progress on the programs related to construction of high-speed Internet infrastructure, both by the Department of Technology (CDT) Middle-Mile Broadband Initiative (MMBI) and the California Public Utilities Commission (CPUC) California Advanced Services Fund (CASF) Last-Mile Project Funds (Infrastructure Grants Account and Federal Funding Account). The remaining big challenge is affordability.

- The State has completed extensive outreach and stakeholder engagement to prepare the plans required by IIJA to receive federal funds for infrastructure deployment and Internet adoption. The CPUC submitted the Broadband Equity Access and Deployment (BEAD) Plan to the U. S. Department of Commerce National Telecommunications and Information Administration (NTIA) and CDT released on December 11, 2023 the Draft Digital Equity Plan that will be submitted to NTIA in a few months. Thus, the State is in line to receive additional federal funding to help close the Digital Divide, but getting digitally-disadvantaged households actually connected to the Internet is dependent on the availability of affordable high-speed Internet service for low-income households. Infrastructure alone is not sufficient.

The Affordable Internet and Net Equality Act depends on the sound principles of contract law. It is the companion to “Net Neutrality” adopted by the Legislature in 2018. Certainly, “Net Equality” is as important as “Net Neutrality” to the 5.8 million low-income Californians in need of affordable Internet service. The State has the right to require Internet Service Providers (ISPs) receiving taxpayer and ratepayer funds to meet procurement requirements to serve the greater public interest.

In addition to participating in ACP, all major ISPs offer affordable Internet subscriptions, which largely were negotiated as public benefits from past corporate consolidations. Those offers do need to be standardized regarding eligibility and quality of service to align with ACP and the ISPs need to actively promote them as well as ACP. However, these offers already are part of the ISP business plans and are managed within the company without government subsidies. Therefore, the most efficient and effective solution to ensuring that low-income Californians will have now and forever affordable home Internet service is to require ISPs to offer such a subscription if they want to be a State vendor—pure and simple.

Further, AB1588 exempts the Department of Forestry and Fire Protection (CalFire), Office of Emergency Services, political subdivisions of the State, including, but not limited to, cities and counties, contracts entered into before January 1, 2025, and ISPs with fewer than 100,000 California subscribers. Thus, there cannot be any credible objection from ISPs that AB1588 will interfere with emergency response or public services. Additionally, AB1588 is at NO cost to the State.

We are grateful to Assemblymember Lori Wilson for stepping forward to lead this effort to ensure quality affordable Internet service for all Californians. We will continue to work with her to amend AB1588 to align with ACP such that ISPs must offer their affordable subscription today at no more than \$30 per month with a minimum of 100/20 Mbps. However, now is the time for action.

It is an imperative that AB1588 move out of the Assembly Appropriations Committee to ensure that 3 million low-income households will not be kicked off affordable Internet service and that the Legislature and Governor have the opportunity in 2024 to enact landmark legislation to achieve Digital Equity now and into the future.

Sincerely,

A handwritten signature in blue ink that reads "Sunne Wright McPeak".

Sunne Wright McPeak
President and CEO
California Emerging Technology Fund

A handwritten signature in blue ink that reads "Richard Polanco".

Senator (Ret.) Richard Polanco
Tres Es Inc.
CETF Legislative Representative

A handwritten signature in black ink that reads "Marvin Pineda".

Marvin Pineda
California Advocacy LLC
CETF Legislative Representative