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March 14, 2024

Senate Committee on Governmental Organization 1020 N Street, Room 584 Sacramento, California 95814

Support SB1179: Get Connected California Act of 2024

Dear Chair Bill Dodd, Vice Chair Scott Wilk, and Committee Members Marie Alvarado-Gil, Bob Archuleta, Angelique Ashby, Steven Bradford, Steven Glazer, Brian Jones, Janet Nguyen, Rosilicie Ochoa Bogh, Steve Padilla, Anthony Portantino, Richard Roth, Susan Rubio, Kelly Seyarto, and Lola Smallwood-Cuevas:

On behalf of the California Emerging Technology Fund (CETF), we are writing to urge you to pass SB1179 (Durazo), the Get Connected California Act of 2024. SB1179 requires the California Department of Technology (CDT) to enter into a procurement contract only with a qualified Internet Service Provider (ISP) that offers affordable Internet service for eligible households. This bill also requires CDT to establish and meet goals to get all low-income households connected to the Internet as a pivotal strategy to achieve Digital Equity.

Initially, the Get Connected California Act aligned the interests of all stakeholders to promote the Affordable Connectivity Program (ACP) while ensuring that there always will be affordable Internet service available to lowincome households in California. However, ACP funding has been exhausted and the Federal Communications Commission (FCC) has announced that effective February 8, 2024 no additional ACP applications will be accepted without reauthorization of funding by Congress. This action by the FCC exacerbates the urgency of SB1179. Thus, California needs a backstop and back-up plan to guarantee that there always will be affordable high-speed quality Internet service available to all residents. This is the last major pillar of policy to ensure Digital Equity as envisioned by the Legislature and Governor.

There are more than 5.8 million low-income households in California who are in need of affordable Internet service so that they have the lifeline to quality of life, public safety, and a better economic future. Pursuant to the Governor's Broadband for All Executive Order and under the leadership of the California Department of Technology (CDT) and California Broadband Council, CETF and partners, including the ISPs, have enrolled almost 3 million households in ACP – more than any other state, reaching more than half of households in need of connectivity. Without the Get Connected California Act, 3 million households (more than 9 million people) are at risk to be kicked off the Internet, while an additional 2.8 never enrolled in ACP – due to not knowing that ACP existed, according to the 2023 Statewide Digital Equity Survey. This finding alone is strong evidence of the need for more advertising in language and in culture.

Furthermore, the 2.8 million households yet to be enrolled in an affordable Internet subscription are the most in need of Internet and the hardest to reach. There needs to be more direct notification by State Agencies, such as has been done by the Departments of Health Care Services and Social Services, and other Public Agencies. Further, ISPs must be engaged to widely advertise their affordable offers through community and ethnic media channels to reach the priority populations who are unconnected and digitally-disadvantaged.

The Get Connected California Act is based on sound contract law. It is not rate setting by definition because vendors enter voluntarily into service agreements with the State using taxpayer dollars to pay them. SB1179 requires ISPs who are vendors to the State of California to: (a) offer their own affordable subscription plans consistent with State standards for eligibility and quality of service; and (b) participate in the federal Internet affordability program, such as ACP or its successor. It requires CDT to establish target goals for getting at least 90% of eligible low-income households online by 2026 and 95% by 2029. This is the essential backstop and back-up plan to ensure that all low-income households in California will have affordable home Internet service regardless of what the federal government does. However, if Congress reauthorizes an affordable Internet program, then this bill also aligns all efforts for California to get our fair share of federal funds.

The bedrock question is: Shouldn't ISPs who are receiving taxpayer or ratepayer funds be required to assist the State in getting all low-income households online so that everyone can participate in daily life as we know it?

Importantly, SB1179 requires no State General Funds or Special Funds or other government subsidies. It relies on the ISPs continuing to offer quality affordable offers as all of the major companies have previously committed to do as a condition of corporate consolidations or social responsibility. ISPs have demonstrated their ability to offer affordable Internet subscriptions efficiently without increasing costs for other customers. The challenge is to ensure that ISPs continue to offer affordable Internet subscriptions for low-income households and join with government in increasing awareness. SB1179—the Get Connected Act of 2024—is the best solution to achieve the Digital Equity.

The CETF respectfully requests your "Aye" vote for SB1179. If you have questions, please contact Leticia Alejandrez, CETF Director of Policy and Communications at <a href="Leticia.Alejandrez@CETFund.org"><u>Leticia.Alejandrez@CETFund.org</u></a>.

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