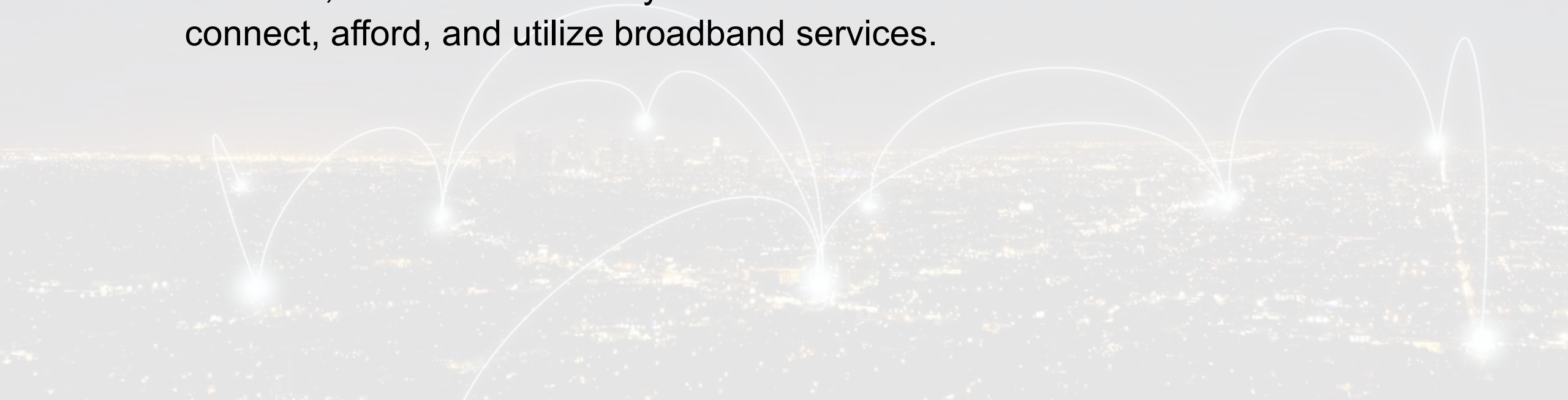


# San Gabriel Valley Council of Governments Executive Committee

*Broadband Legislation – AB 41, SB 4, and SB 743*

# Background

- Broadband services have become increasingly essential given that residents, businesses, cities, and various stakeholders such as schools, offices, retails, and governments heavily rely on online platforms to conduct businesses.
- However, broadband can only deliver benefits to those who have access to connect, afford, and utilize broadband services.



# Background

- On August 14, 2020, Governor Newsom signed Executive Order N-73-20 to require state agencies working on closing the digital divide to accelerate activities that support mapping, data collection, funding, deployment, and adoption of high-speed internet.
- Following the signing of the Executive Order, legislators drafted bills to further the State's goal in closing the digital divide.

# AB 41 (Wood)

- Introduced by Assemblymember Jim Wood (D-Eureka) on December 7, 2020, AB 41 requires the California Public Utilities Commission (CPUC) to maintain and update an interactive map showing the accessibility of broadband services in the state.
- The bill would also require Caltrans to install broadband conduit capable of supporting technology-neutral telecommunication cables when undertaking a highway construction project in a priority area.

# AB 41 (Wood)

- AB 41 would significantly expand upon Caltrans' broadband responsibilities by requiring Caltrans to install broadband conduit as part of most highway projects, rather than to simply collaborate with broadband providers when they wish to install broadband infrastructure.
- The priority areas where Caltrans would be required to install broadband conduit would be determined by the CPUC.
  - These priority areas are geographically diverse group of projects in rural and urban areas that will focus on serving households that are unserved by broadband meeting federal and state standards.

# AB 41 (Wood)

## State Fiscal Impacts:

- Approximately \$500,000 to define and identify priority areas for broadband deployment and to develop a notification system to coordinate conduit deployment.
- Approximately \$659,000 to cover the salary, overhead, and benefits of three senior transportation engineers.
- At least \$100,000 in annual expenses for Caltrans to process encroachment permits to install and maintain fiber cables and to install broadband conduit; however, Caltrans should recover these costs through permit fees.

# AB 41 (Wood)

## Legislative Status:

Date	Entity	Results
April 14, 2021	Assembly Communications & Conveyance Committee	Passed (11-1-1)
April 26, 2021	Assembly Transportation Committee	Passed (11-2-2)
May 20, 2021	Assembly Appropriations Committee	Passed (12-0-4)
June 1, 2021	Assembly Floor	Passed (70-1-8)
July 5, 2021	Senate Energy, Utilities, and Communications Committee	Passed (12-0-2)
July 13, 2021	Senate Transportation Committee	Passed (13-0-4)
July 14, 2021	Senate Appropriations Committee	Under Review



# SB 4 (Gonzalez)

- Introduced by Senator Lena Gonzalez (D-Long Beach) on December 7, 2020, SB 4 extends and provides various modifications to the California Advanced Services Fund (CASF), including:
  - Increasing the minimum speed of broadband infrastructure funded by the program
  - Expanding the communities eligible for grants
  - Expanding the allowable expenditures from the Fund



# SB 4 (Gonzalez)

- SB 4 also provides the Governor's Office of Business and Economic Development (GO-Biz) with new responsibilities to facilitate streamlining of local land use approvals and construction and permit processes for projects related to broadband infrastructure deployment and connectivity.
- Additionally, the bill makes changes to the surcharge collection mechanism to increase funding for the Deaf and Disabled Telecommunications Program.



## SB 4 (Gonzalez)

- Specifically, SB 4 updates CASF speed standards to match federal broadband standards by increasing the minimum speed capability requirement of CASF-funded infrastructure from 10/1 mbps to 25/3 mbps.
- The 25/3 mbps broadband speed standard has been maintained by the Federal Communications Commission (FCC) for 6 years.

# SB 4 (Gonzalez)

## State Fiscal Impacts:

- According to the Senate Appropriations Committee, the CPUC estimates revenues up to \$150 million annually through the imposition of a surcharge and \$6.6 million in other programmatic costs such as updating program rules and implementing new provisions.
- GO-Biz estimates cost pressure in the low hundreds of thousands to coordinate with 3<sup>rd</sup> parties to explore ways to facilitate streamlining of local land use approvals and construction permit processes.

# SB 4 (Gonzalez)

## Legislative Status:

Date	Entity	Results
April 12, 2021	Senate Energy, Utilities, and Communications Committee	Passed (11-1-2)
May 20, 2021	Senate Appropriations Committee	Passed (5-2-0)
June 2, 2021	Senate Floor	Passed (31-5-4)
July 7, 2021	Assembly Communications and Conveyance Committee	Passed (8-3-2)
July 8, 2021	Assembly Appropriations Committee	Under Review

# SB 743 (Bradford)

- Introduced by Senator Steven Bradford (D-Torrance) on February 19, 2021, SB 743 requires the CPUC, upon appropriation by the Legislature, to establish a grant program to fund broadband adoption, digital literacy, and computer equipment for eligible publicly supported communities, low-income mobilehome parks, and farmworker housing.
- Specifically, the grant program would award funds to eligible entities for the purpose of funding computer equipment, establishing computer labs, and providing ongoing funding for broadband services and digital literacy programs.

# SB 743 (Bradford)

- **Publicly Supported Communities:** Publicly subsidized multifamily housing developments that are wholly owned by eligible public housing agencies or an incorporated nonprofit that has received public funding to subsidize housing for residents whose annual income is “low” or “very low” based on federal poverty guidelines.
- **Farmworker Housing:** Housing units in which at least 50% of the units are available to, and occupied by, farmworkers and their households.

*Implementation of this bill shall be subject to an appropriations of funds by the Legislature.*

# SB 743 (Bradford)

**State Fiscal Impacts:** Unknown, as the bill is keyed fiscal by Legislative Counsel.

## Legislative Status:

Date	Entity	Results
April 26, 2021	Senate Energy, Utilities, and Communications Committee	Passed (14-0-0)
May 20, 2021	Senate Appropriations Committee	Passed (7-0-0)
May 26, 2021	Senate Floor	Passed (40-0-0)
June 23, 2021	Assembly Communications and Conveyance Committee	Passed (12-0-1)
July 12, 2021	Assembly Housing & Community Development Committee	Passed (8-0-0)
July 13, 2021	Assembly Appropriations Committee	Under Review



# Summary

- The SGVCOG has been actively involved with SCAG and other stakeholders to advocate for additional broadband funding at the federal and state levels.
- Staff recommends the Executive Committee to recommend the Governing Board to support AB 41 (Wood), SB 4 (Gonzalez), and SB 743 (Bradford).



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