

An act to add Section 12096.3.5 to the Government Code, and to amend Sections 281, 912.2, and 914.7 of, and to add Section 281.2 to, the Public Utilities Code, relating to communications, and declaring the urgency thereof, to take effect immediately.

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12096.3.5 is added to the Government Code, to read:

12096.3.5. The office shall coordinate with other relevant state and local agencies and national organizations to explore ways to facilitate streamlining of local land use approvals and construction permit processes for projects related to broadband infrastructure deployment and connectivity.

SEC. 2. Section 281 of the Public Utilities Code is amended to read:

281. (a) The commission shall develop, implement, and administer the California Advanced Services Fund program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet-For All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the program is, no later than December 31, 2022, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the commission on or before January 1, 2017. The commission shall be responsible for achieving the goals of the program.

(B) ~~(i)~~ For purposes of this section the following definitions apply:

(i) “Mbps” means megabits per second.

~~(ii) (I) Except as provided in clause (ii), for purposes of this section, subclause (II), “unserved household” area” means a household an area for which at least 90 percent of the population has no facility-based broadband provider offers offering at least one tier of broadband service at speeds of at least 6 megabits per second (mbps) downstream 25 mbps downstream, 3 mbps upstream, and one mbps upstream. a latency that is sufficiently low to allow real-time interactive applications.~~

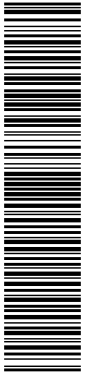
~~(ii)~~

(II) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, “unserved household” area” means a household ~~for an area in~~ which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects, the commission shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider, and, upon accomplishment of the goal of the program specified in paragraph (1), also approve projects pursuant to paragraph ~~(15)~~ (13) of subdivision (f).

(B) (i) ~~Give preference to~~ Prioritize projects in unserved areas where internet connectivity is available only through dial-up service that are not served by any form of wireline at speeds at or wireless facility-based broadband service below 6 mbps



downstream and 1 mbps upstream or areas with no internet-connectivity; connectivity, with a goal of achieving at least 100 mbps downstream.

(ii) This subparagraph does not prohibit the commission from approving funding for projects outside of the areas specified in clause (i).

(3) Moneys appropriated for purposes of this section may be used to match or leverage federal moneys for internet infrastructure and adoption including, but not limited to, moneys from the United States Department of Commerce Economic Development Administration, United States Department of Agriculture ReConnect Loan and Grant Program, and Federal Communications Commission for internet adoption and infrastructure.

(4) The commission shall transition California Advanced Services Fund program methodologies to service "housing units" and evaluate other program changes to align with other funding sources including, but not limited to, funding "locations."

(5) The commission shall maximize investments in new, robust, and scalable infrastructure and use California Advanced Services Fund moneys to leverage federal and non-California Advanced Services Fund moneys by undertaking activities including, but not limited to, all of the following:

(i) Provision of technical assistance to local governments and providers.

(ii) Assistance in developing grant applications.

(iii) Assistance in preparing definitive plans for deploying necessary infrastructure in each county.

(c) The commission shall establish the following accounts within the fund:

(1) The Broadband Infrastructure Grant Account.

(2) The Rural and Urban Regional Broadband Consortia Grant Account.

(3) The Broadband Public Housing Account.

(4) The Broadband Adoption Account.

(d) (1) ~~The commission shall transfer the moneys received by the commission from the surcharge imposed the commission may impose to fund the accounts to the Controller for deposit in into the California Advanced Services Fund. Moneys collected shall be deposited in the following amounts in the following accounts:~~

~~(A) Three hundred million dollars (\$300,000,000) into the Broadband Infrastructure Grant Account.~~

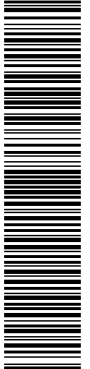
~~(B) Ten million dollars (\$10,000,000) into the Rural and Urban Regional Broadband Consortia Grant Account.~~

~~(C) Twenty million dollars (\$20,000,000) into the Broadband Adoption Account.~~

~~(2) All interest earned on moneys in the fund shall be deposited in into the fund.~~

~~(3) The commission may to exceed three hundred thirty million dollars (\$330,000,000) for a sum total of moneys collected by imposing the surcharge described in paragraph (1). The commission may collect the and continuing through the to exceed sixty-six million dollars (\$66,000,000) per year, unless the commission determines that collecting a higher amount in any year will not result in an increase in the total amount of all surcharges collected from telephone customers that year. make recommendations to the Legislature regarding appropriations from the California Advanced Services Fund and the accounts established pursuant to subdivision (c).~~

(4) (A) In imposing the surcharge pursuant to paragraph (1), the commission shall ensure that each service supplier subject to Section 41030 of the Revenue and Taxation Code remits to the commission revenues from a monthly surcharge for deposit



into the California Advanced Services Fund subject to both of the following requirements:

(i) The surcharge shall not exceed twenty three cents (\$0.23) per month per access line.

(ii) For each service supplier, the surcharge shall apply to the same number of access lines as the 911 surcharge imposed pursuant to Section 41020 of the Revenue and Taxation Code.

(B) Solely for purposes of the California Advanced Services Fund program, service supplier-specific access line information shall not be disclosed to the public and shall be used solely for purposes of surcharge collection.

(e) All moneys in the California Advanced Services Fund Fund, including moneys in the accounts within the fund, shall be available, upon appropriation by the Legislature, to the commission for the California Advanced Services Fund program administered by the commission pursuant to this section, including the costs incurred by the commission in developing, implementing, and administering the program and the fund.

(f) (1) The commission shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, including both wireline and wireless technology.

(2) The commission shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year through year 2022. year.

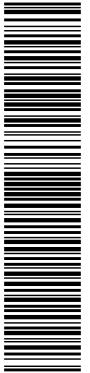
(3) The commission shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 914.7.

(4) (A) (i) The commission shall annually offer an existing facility-based broadband provider the opportunity to demonstrate that it will deploy broadband or upgrade existing facilities to a delineated unserved area within 180 days.

(ii) Except as provided in clause (iii), the commission shall not approve funding for a project to deploy broadband to a delineated unserved area if the existing facility-based broadband provider demonstrates to the commission, in response to the commission's annual offer, that it will deploy broadband or upgrade existing broadband service throughout the project area.

(iii) If the existing facility-based broadband provider is unable to complete the deployment of broadband within the delineated unserved area within 180 days, the provider shall provide the commission with information to demonstrate what progress has been made or challenges faced in completing the deployment. If the commission finds that the provider is making progress towards the completion of the deployment, the commission shall extend the time to complete the project beyond the 180 days. If the commission finds that the provider is not making progress towards completing the deployment, the delineated unserved area shall be eligible for funding pursuant to this subdivision.

(B) (i) Except for information specified in clause (ii), information submitted to the commission that includes the provider's plans for future broadband deployment shall not be publicly disclosed.



~~(ii) The commission may publicly disclose information regarding the area designated for a broadband deployment, the number of households or locations to be served, and the estimated date by which the deployment will be completed.~~

~~(C)~~

(4) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(5) Projects eligible for grant awards shall meet all of the following requirements:

(A) The project deploys infrastructure ~~capable of providing broadband access at speeds of a minimum of 10 megabits per second (mbps) downstream and one mbps upstream to unserved to unserved areas or unserved~~ households in census blocks where no provider offers access at speeds of at least ~~6~~ six mbps downstream and one mbps upstream.

(B) All or a significant portion of the project deploys last-mile infrastructure to provide service to unserved households. Projects that only deploy middle-mile infrastructure are not eligible for grant funding. For a project that includes funding for middle-mile infrastructure, the commission shall verify that the proposed middle-mile infrastructure is indispensable for accessing the last-mile infrastructure.

(C) (i) Except as provided in clause (ii), until July 1, 2020, the project is not located in a census block where an existing facility-based broadband provider has accepted federal funds for broadband deployment from Phase II of the Connect America Fund, unless the existing facility-based broadband provider has notified the commission before July 1, 2020, that it has completed its Connect America Fund deployment in the census block.

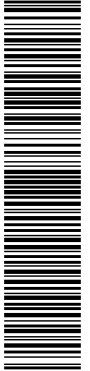
(ii) An existing facility-based broadband provider is eligible for a grant pursuant to this subdivision to supplement a grant pursuant to Phase II of the Connect America Fund to expand broadband service within identified census blocks, as needed.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the commission shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved household, if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.



(8) The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.

~~(9) A local governmental agency may be eligible for an infrastructure grant only if the infrastructure project is for an unserved household or business, the commission has conducted an open application process, and no other eligible entity applied.~~

~~(10)~~

(9) The commission shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the commission's internet website at least 30 days before publishing the corresponding draft resolution.

~~(11)~~

(10) A grant awarded pursuant to this subdivision may include funding for the following costs consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Cost incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

~~(12)~~

(11) The commission may award grants to fund all or a portion of the project. The commission shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

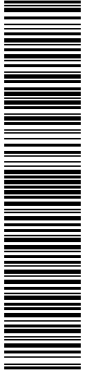
~~(13)~~

(12) The commission may require each infrastructure grant applicant to indicate steps taken to first obtain any available funding from the Connect America Fund program or similar federal public programs that fund broadband infrastructure. This paragraph does not authorize the commission to reject a grant application on the basis that an applicant failed to seek project funding from the Connect America Fund program or another similar federal public program.

~~(14)~~

(13) Upon the accomplishment of the goal of the program specified in paragraph (1) of subdivision (b), not more than thirty million dollars (\$30,000,000) of the moneys remaining in the Broadband Infrastructure Grant Account shall be available for infrastructure projects that provide last-mile broadband access to households to which no facility-based broadband provider offers broadband service at speeds of at least 10 mbps downstream and ~~one~~ 1 mbps upstream.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care,



libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) All remaining moneys in the Broadband Infrastructure Revolving Loan Account that are unencumbered as of January 1, 2018, shall be transferred to the Broadband Infrastructure Grant Account.

(2) All repayments of loans funded by the former Broadband Infrastructure Revolving Loan Account shall be deposited into the Broadband Infrastructure Grant Account.

(i) (1) For purposes of this subdivision, the following terms have the following meanings:

(A) "Publicly subsidized" means either that the housing development receives financial assistance from the United States Department of Housing and Urban Development pursuant to an annual contribution contract or is financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants and the rents of the occupants, who are lower income households, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

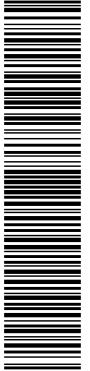
(B) "Publicly supported community" means a publicly subsidized multifamily housing development that is wholly owned by either of the following:

(i) A public housing agency that has been chartered by the state, or by any city or county in the state, and has been determined to be an eligible public housing agency by the United States Department of Housing and Urban Development.

(ii) An incorporated nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)), and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as "low" or "very low" income according to federal poverty guidelines.

(2) Moneys in the Broadband Public Housing Account shall be available for the commission to award grants and loans pursuant to this subdivision to an eligible publicly supported community if that entity otherwise meets eligibility requirements and complies with program requirements established by the commission.

(3) (A) Not more than twenty million dollars (\$20,000,000) of the moneys deposited into the Broadband Public Housing Account on or before January 1, 2018, shall be available for grants and loans to a publicly supported community to finance a project to connect a broadband network to that publicly supported community. A publicly supported community may be an eligible applicant only if the publicly supported community can verify to the commission that the publicly supported



community has not denied a right of access to any broadband provider that is willing to connect a broadband network to the facility for which the grant or loan is sought and the publicly supported community is unserved. sought.

~~(B) (i) In its review of applications received pursuant to subparagraph (A), the commission shall award grants only to unserved housing developments, regardless of when the applicant filed its application.~~

~~(ii) For purposes of this subparagraph, a housing development is unserved when at least one housing unit within the housing development is not offered broadband internet service.~~

~~(C)~~

~~(B) Only after all funds available pursuant to this paragraph in the Broadband Public Housing Account have been awarded may a publicly supported community otherwise eligible to submit an application for funding from the Broadband Public Housing Account submit an application for funding for these purposes from the Broadband Infrastructure Grant Account.~~

(4) (A) Not more than five million dollars (\$5,000,000) of the moneys deposited into the Broadband Public Housing Account on or before January 1, 2018, shall be available for grants and loans to a publicly supported community to support programs designed to increase adoption rates for broadband services for residents of that publicly supported community. A publicly supported community may be eligible for funding for a broadband adoption program only if the residential units in the facility to be served have access to broadband services or will have access to broadband services at the time the funding for adoption is implemented.

(B) A publicly supported community may contract with other nonprofit or public agencies to assist in implementation of a broadband adoption program.

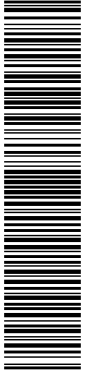
(C) Only after all funds available pursuant to this paragraph in the Broadband Public Housing Account have been awarded may a publicly supported community otherwise eligible to submit an application for funding from the Broadband Public Housing Account submit an application for funding for these purposes from the Broadband Adoption Grant Account pursuant to subdivision (j).

(5) To the extent feasible, the commission shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of publicly supported communities.

(6) In reviewing a project application under this subdivision, the commission shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(7) Any moneys in the Broadband Public Housing Account that have not been awarded pursuant to this subdivision by December 31, 2020, shall be transferred back to the Broadband Infrastructure Grant Account.

(j) (1) Moneys in the Broadband Adoption Account shall be available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and



public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the commission that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.

(4) The commission shall, in a new or existing proceeding, develop, by June 30, 2018, criteria for awarding grants and a process and methodology for verifying outcomes. The commission shall be prepared to accept applications for grants from the Broadband Adoption Account no later than July 1, 2018.

(5) The commission shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. In the proceeding specified in paragraph (4), the commission shall determine how best to prioritize projects for funding pursuant to this paragraph.

(6) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(k) The commission shall post on the homepage of the California Advanced Service Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

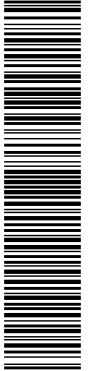
(l) The commission shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in paragraph (1) of subdivision (b) is achieved.

SEC. 3. Section 281.2 is added to the Public Utilities Code, to read:

281.2. (a) Notwithstanding paragraph (1) of subdivision (d) of Section 281, the commission shall establish the Broadband Bond Financing and Securitization Account within the California Advanced Services Fund and deposit the moneys received by the commission from the surcharge imposed pursuant to Section 281 into the account for purposes of funding costs related to broadband bond financing and securities, including the financing of the deployment of broadband infrastructure by a local government agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt.

(b) The commission may establish eligibility requirements for infrastructure projects deployed using financing supported in whole or in part by moneys allocated pursuant to this section.

(c) The commission may require a local government agency or nonprofit organization to provide information demonstrating the agency or nonprofit organization's ability to reasonably finance and implement the infrastructure project deployed using financing supported in whole or in part by moneys allocated pursuant to this section.



(d) The commission shall require each local government agency or nonprofit organization allocated moneys pursuant to this section to file both of the following reports in the form and manner specified by the commission:

(1) Biannual progress reports identifying project milestones and completion percentage to date.

(2) A completion report including a full description of the completed project, comparison of approved versus actual costs of construction, speed test data for all areas served by the project.

SEC. 4. Section 912.2 of the Public Utilities Code is amended to read:

912.2. ~~(a) The commission shall conduct an interim financial audit and a final financial audit and an interim~~ On or before April 1, 2023, and biennially thereafter, the commission shall conduct a fiscal and performance audit and a final performance audit of the implementation and effectiveness of the California Advanced Services Fund to ensure that funds have been expended in accordance with the approved terms of the grant awards and loan agreements pursuant to Section ~~281. The commission~~ 281, and shall report its interim findings to the Legislature by April 1, 2020. The commission shall Legislature. Each report its final findings to the Legislature by April 1, 2023. ~~The reports shall also include an update to the maps in the final report of the California Broadband Task Force and data on the types and numbers of jobs created as a result of the program administered by the commission pursuant to Section 281.~~

~~(b) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2027.~~

SEC. 5. Section 914.7 of the Public Utilities Code is amended to read:

914.7. ~~(a) By April 1, 2019, and by April 1 of each year thereafter, until April 1, 2023,~~ the commission shall provide a report to the Legislature that includes all of the following information:

~~(1)~~

(a) The remaining unserved areas in the state.

~~(2)~~

(b) The amount of funds expended from the California Advanced Services Fund in the prior year.

~~(3)~~

(c) The recipients of funds expended from the California Advanced Services Fund in the prior year.

~~(4)~~

(d) The geographic regions of the state affected by funds expended from the California Advanced Services Fund in the prior year, including information by county.

~~(5)~~

(e) The expected benefits to be derived from the ~~fund~~ funds expended from the California Advanced Services Fund in the prior year.

~~(6)~~

(f) Details on the status of each project funded through the California Advanced Services Fund and whether the project has been completed or the expected completion date of the project.

~~(7)~~

(g) Actual broadband adoption levels from funds expended from the California Advanced Services Fund in the prior year.



(8)

(h) The cost per household for each project.

(9)

(i) The number of formerly unserved households subscribing to broadband service in areas covered by projects funded by the California Advanced Services Fund.

(10)

(j) The number of subscriptions resulting from the broadband adoption program funded by the California Advanced Services Fund.

(11)

(k) An update on the expenditures from the California Advanced Services Fund, broadband adoption levels, the progress in achieving the goals of the program, and an accounting of the remaining unserved households in each region of the state as of December 31 of the immediately preceding year.

(12)

(l) The amount of funds expended from the California Advanced Services Fund to match federal funds.

(13)

(m) Addition details on efforts to leverage non-California Advanced Services Fund moneys.

(14)

(n) The status of the California Advanced Services Fund balance and the projected amount to be collected in each year through 2022 to fund approved projects.

~~(b) This section is repealed on January 1, 2024, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2024, deletes or extends that date.~~

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 7. The Legislature finds and declares that Section 2 of this act, which amends Section 281 of the Public Utilities Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the need for a government agency to obtain proprietary business information with calculating an accurate surcharge to support the deployment of broadband infrastructure for purposes of the California Advanced Services Fund program.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:



To expedite the deployment of broadband infrastructure and internet service to unserved rural and urban communities, which will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, including telehealth and distance learning.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, Lena Gonzalez.
General Subject: Communications: California Advanced Services Fund.

(1) Existing law establishes the Governor's Office of Business and Economic Development, known as "GO-Biz," within the Governor's office to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.

This bill would require the office to coordinate with other relevant state and local agencies and national organizations to explore ways to facilitate streamlining of local land use approvals and construction permit processes for projects related to broadband infrastructure deployment and connectivity.

(2) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law requires the commission to develop, implement, and administer the California Advanced Services Fund (CASF) program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies. Existing law requires the commission, in approving CASF infrastructure projects, to give preference to projects in areas where only dial-up internet service is available or where no internet service is available. Existing law authorizes the commission to impose a surcharge to collect \$330,000,000 for deposit into the CASF beginning January 1, 2018, and continuing through the 2022 calendar year. Existing law establishes 4 accounts, the Broadband Infrastructure Grant Account, the Rural and Urban Regional Broadband Consortia Grant Account, the Broadband Public Housing Account, and the Broadband Adoption Account within the CASF and specifies the amount of surcharge revenues to be deposited into each account, subject to appropriation by the Legislature. Existing law specifies, among other things, eligibility criteria for grants awarded from each of those accounts. Existing law prohibits the commission from approving funding from the Broadband Infrastructure Grant Account for a project to deploy broadband to a delineated unserved area if the existing facility-based broadband provider demonstrates that it will deploy broadband or upgrade existing broadband service throughout the project area, and, except as provided, prohibits the commission from publicly disclosing information submitted to the commission that includes the provider's plans for future broadband deployment, as specified.

This bill would require the commission, in approving CASF infrastructure projects, to instead prioritize projects in unserved areas, as defined, where internet connectivity is available only at speeds at or below 6 megabits per second (mbps) downstream and one mbps upstream or areas with no internet connectivity, with a goal of achieving at least 100 mbps downstream. This bill would authorize moneys appropriated for purposes of CASF program to be used to match or leverage federal



moneys for internet infrastructure and adoption, as specified. The bill would require the commission to maximize investments in new, robust, and scalable infrastructure and use CASF moneys to leverage federal and non-CASF moneys by undertaking specified activities. The bill would delete the commission's authorization to collect \$330,000,000 for deposit into the CASF beginning January 1, 2018, and continuing through the 2022 calendar year, thereby authorizing the commission to collect an unspecified amount for an unspecified duration to fund the accounts within the CASF, and would delete the requirement that specified amounts of those surcharge revenues be deposited into those accounts. The bill would require the commission to ensure that each service supplier, as defined, remits to the commission revenues from a monthly surcharge not to exceed \$0.23 per month per access line for deposit into the CASF. The bill would delete the prohibitions on the commission approving projects in areas that the existing facility-based broadband provider demonstrates it will deploy broadband or upgrade existing broadband service to that area and publicly disclosing information relating to the provider's plans for future broadband deployment. The bill would revise, among other things, the eligibility criteria for grants awarded from the Broadband Infrastructure Grant Account and the Broadband Public Housing Account, as specified.

This bill would require the commission to establish the Broadband Bond Financing and Securitization Account within the CASF and deposit the moneys received by the commission from the CASF surcharge into the account for purposes of funding costs related to broadband bond financing and securities. The bill would require each local government agency or nonprofit organization allocated moneys from this account to file specified reports with the commission.

(3) Existing law requires the commission to conduct interim and final financial and performance audits of the implementation and effectiveness of the CASF for specified purposes and to report the interim findings to the Legislature by April 1, 2020, and to report the final findings by April 1, 2023. Existing law repeals this requirement on January 1, 2027.

This bill would instead require the commission, on or before April 1, 2023, and biennially thereafter, to conduct a fiscal and performance audit of the implementation and effectiveness of the CASF for those purposes and to report those findings to the Legislature. The bill would require the commission to submit that report in perpetuity.

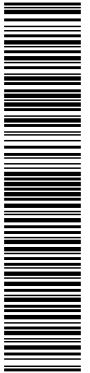
(4) Existing law requires the commission, until April 1, 2023, to annually provide a report to the Legislature that includes certain information, including the remaining unserved areas in the state, the status of the California Advanced Services Fund balance, and the projected amount to be collected in each year.

This bill would require the commission to submit that report in perpetuity.

(5) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because certain of the above provisions would be part of the act and a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.



This bill would provide that no reimbursement is required by this act for a specified reason.

(6) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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