

July 7, 2017

Senator Ben Hueso (Chair)
Senator Mike Morrell (Vice Chair)
Senator Steven Bradford
Senator Anthony Cannella
Senator Robert M. Hertzberg
Senator Jerry Hill

Senator Mike McGuire
Senator Nancy Skinner
Senator Henry I. Stern
Senator Andy Vidak
Senator Scott D. Wiener

State Capitol, Room 4035
Sacramento, CA 95514

Subject: OPPOSITION UNLESS AMENDED to AB 1665 (Garcia) – The Internet For All Now Act

Dear Chairman Hueso, Vice Chairman Morrell and Members of the Standing Committee on Energy, Utilities and Communications:

On behalf of the California Center for Rural Policy (CCRP), I write to strongly “Oppose Unless Amended” AB 1665, the Internet For All Now Act.

The California Center for Rural Policy is a research center committed to informing policy, building community, and promoting the health and well-being of the more than five million Californians living in rural and frontier communities. We recognize how important broadband is to the future of rural communities, which is why since our inception we have worked to expand broadband deployment and adoption.

CCRP unfortunately has changed from a support position on AB 1665. As it was passed in the Assembly, the bill would have continued the progress of closing the Digital Divide in California. Amendments have changed this progress to legislation that provides rolling protectionism and blocks fair opportunities for small businesses to participate in the California Advanced Services Fund (CASF). Furthermore, it codifies that rural communities will receive heavily subsidized old technology limiting educational and economic opportunities to a large geographic area of the state.

CCRP supports amendments offered by the California Emerging Technology Fund that include:

- No change in definition of unserved or eliminate the definition of underserved
- No annual “Right of First Refusal”—which de facto creates monopolies and blocks competition by small providers.

- Companies accepting CAF2 dollars from FCC should have to make public their build plans and those with corporate consolidation conditions should have to do the same. Companies are already telling some rural communities that they do not intend to provide service in all CAF2 areas. Areas that will not get service should be eligible for CASF.
- Anchor institutions such as schools, libraries, community centers, health and medical facilities, small businesses and large employers, and research organizations, need broadband access greater than 10 megabits per second (MPS) downstream and 1 megabits per second (MPS) upstream. Projects receiving CASF funding in areas with such anchors should agree to provide greater broadband access.

In addition, CCRP is concerned about the amended language requiring assurance that “middle mile is indispensable to facilitate access to the last mile.” Indispensable seems an impossible bar compared to a “reasonable” standard, which is currently how the Public Utilities Commission determines whether middle-mile is allowable.

Also the requirement that “any” amendment to an application be posted on the commission’s website at least 30 days would bar commission members from making even small changes without dragging an arduous review application process.

As of today, the average time from submittal of a CASF application to approval is 386 days! Although the current rulemaking suggests a review time period of 106 days, there are still five pending applications that have been under review for an average of 474 days.

For the above reasons, we respectfully urge a NO vote as AB 1665 is currently written.

Respectfully,



Connie Stewart

Executive Director, California Center for Rural Policy

Cc: Assemblymember Eduardo Garcia, Assemblymember Aguiar-Curry, Assemblymember Bonta, Assemblymember Dahle, Assemblymember Gallagher, Assemblymember Holden, Assemblymember Low, Assemblymember McCarty, Assemblymember Santiago, Assemblymember Mark Stone, Assemblymember Wood, Assemblymember Chiu, Assemblymember Eggman, Assemblymember Mathis, Assemblymember Mullin, Assemblymember Caballero, Assemblymember Gipson, Assemblymember Jones-Sawyer, Assemblymember Lackey, Assemblymember Levine, Assemblymember Medina, Assemblymember Reyes, Assemblymember Rubio, Sunne McPeak,