

TOWNSEND

PUBLIC AFFAIRS

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MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: March 12, 2021

Subject: Consider adopting a position on Senate Bill 4 (Gonzalez) Communications: California Advanced Services Fund

Summary

SB 4 would prioritize the deployment of broadband infrastructure in unserved and underserved communities throughout the state through the ongoing collection of the California Advanced Services Fund (CASF) surcharge. Specifically, the measure:

- Authorizes the ongoing collection of the existing CASF surcharge beyond the original sunset date of 2022;
- Requires the Governor's Office of Business and Economic Development (GO-Biz) to coordinate with state, local, and national agencies to explore ways to streamline local land use approval and construction permit processes for broadband infrastructure deployment and connectivity projects;
- Identifies unserved areas as areas where 90% of the population does not have a provider offering at least one tier of broadband service at speeds of at least 25 megabits per second (mbps) downstream and three mbps upstream;
- Maintains the CPUC's prioritization of CASF projects in unserved areas where internet connectivity is at or below ten mbps downstream and one mbps upstream or areas with no internet connectivity;
- Deletes the prohibition on the CPUC approving projects in areas where the existing 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;
- Requires CASF projects to at a minimum provide broadband access at speeds of a minimum of 25 mbps downstream and three mbps upstream with a goal of 100 mbps downstream;
- Makes it easier for local governments to apply for CASF grants:
 - Currently, local governments are only eligible for CASF funding if no other service provider applies to fund a project in that area;
 - SB 4 would eliminate that requirement making it easier for local governments to be eligible for funding;

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- Not only will local governments be eligible for CASF funding, but SB 4 also enables jurisdictions to utilize CASF funding to match or leverage other public and private funding opportunities; and
- Creates a Broadband Bond Financing and Securitization Account within the CASF, authorizing the California Public Utilities Commission (CPUC) to issue bonds for the deployment of broadband infrastructure by local governments or nonprofits.

Status

SB 4 has been referred to the Senate Energy, Utilities and Commerce Committee and the Senate Judiciary Committee. The bill has not yet been set for a hearing.

Support

SB 4 has not yet been set for hearing, an official list of supporters is not yet available; however, the League of California Cities has taken a support position on the measure.

Opposition

SB 4 has not yet been set for hearing, an official list of opposition is not yet available.

Recommended Action

A) Adopt a support position on SB 4 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on SB 4.