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June 26, 2024

Senate Committee on Energy, Utilities and Communications
1021 O Street, Suite 3350
Sacramento, California 95814

Support AB1588 (Wilson): Modernization of LifeLine Service – Broadband

Dear Chair Steven Bradford, Vice-Chair Brian Dahle, and Committee Members Angelique Ashby, Josh Becker, Anna Caballero, Bill Dodd, María Elena Durazo, Susan Talamantes Eggman, Lena Gonzalez, Shannon Grove, Monique Limón, Dave Min, Josh Newman, Susan Rubio, Kelly Seyarto, Nancy Skinner, Henry Stern, and Scott Wilk:

On behalf of the California Emerging Technology Fund (CETF), we are writing to urge you to pass AB1588 (Wilson), which expands California LifeLine to broadband Internet services. This bill is a major missing piece of State policy required to close the Digital Divide and is essential to achieve Digital Equity in California. It also is a vital backstop and back-up plan to ensure that 5.8 million low-income, digitally-disadvantaged households have access to broadband Internet at home for participation in daily life and today's economy.

There is an urgency to act now in this Legislative Session because several things have changed in the last year:

- The federal Affordable Connectivity Program (ACP) enrollment was frozen in February and subsidies ended in May. To date, no action has been taken by Congress to extend ACP. This leaves 5.8 million California households who were eligible for ACP without an assurance of affordable Internet service.
- Almost 3 million households (2,945,281 as of March 1, 2024) of 5.8 million ACP-eligible households in California were enrolled in the program—more than 1 million more families than in any other state. Yet, another 2.9 million eligible households were not reached by ACP and remain to be enrolled in an affordable Internet service subscription. And, these 2.9 million households are among the most poorest, most digitally-disadvantaged, and most economically-fragile Californians.
- The Legislature passed and the Governor signed into law the Digital Equity Bill of Rights, which reaffirms the State's commitment to ensuring that affordable, high-speed Internet service is available to all residents. The 2023 Statewide Digital Equity Survey revealed that affordability was the primary reason why low-income households are not connected to the Internet: 35.6% cited affordability while only 2.7% cited the lack of infrastructure.

While CETF is a stalwart champion for Ubiquitous Deployment of high-speed Internet networks through California, the Legislature and Governor have committed almost \$10 billion to infrastructure construction and now need a solution for affordability to accomplish Universal Adoption if the goal really is to achieve Digital Equity.

The experience gained through ACP provides a wealth of lessons that can now inform AB1588 and enhance implementation of a 21st Century Lifeline Program. We collectively have learned what it takes to reach low-income households statewide and operate at a scale to accelerate progress. As an example, pursuant to the Governor's Executive Order on Broadband for All and under the umbrella of the California Broadband Council, CETF led the statewide mobilization *Get Connected! California* to get more than 50% of all eligible households enrolled in ACP, which brought more than \$1.5 billion in subsidies to more than 2.9 million California households, infusing more money into local economies than any state in the nation.

In contrast, the current LifeLine Program, which has been in existence for more than 4 decades, has about 1.1 million participants, which is about 30% of eligible households. It is with this experience and lens that CETF shares what it will take to actually reach low-income, digitally-disadvantaged households in California through LifeLine. Achieving Digital Equity cannot be "business as usual" and must have a whole different paradigm for driving to success. It is the role and responsibility of the Legislature to ensure that public resources are used efficiently and effectively. That intent must be stated now in AB1588.

CETF is committed to working with the author to inform AB1588 with the key insights learned from ACP. We strongly encourage the Governor and Legislature to establish a goal for the enrollment rate to be included in statute. A very reasonable, yet conservative, goal would be to achieve 80% LifeLine enrollment by 2027 and 90% by 2030. Considering that ACP enrollment exceeded 50% in less than 2 years versus 30% for LifeLine in more than 4 decades, this is an achievable goal. Further, accountability is essential to measure impact and outcomes. CETF recommends that the LifeLine Program be required to report regularly to the California Broadband Council regarding progress in enrolling qualified low-income households and contributing to achieving Digital Equity.

As learned through ACP, to maximize enrollment there must be a strategic investment in outreach and advertising in community and ethnic media, which is part of a larger Digital Equity Ecosystem. CETF has completed an analysis and developed a framework for a Digital Equity Ecosystem that delineates in detail the components and practices that support efficient and effective enrollment, such as direct notification, use of a call center, enrollment offered in-culture and in-language, referrals to Digital Literacy Training and affordable devices. It would be appropriate for the Legislature to encourage the CPUC to design Lifeline to include the 12 Essential Components of a Digital Equity Ecosystem:

12 Essential Components of a Digital Equity Ecosystem

1. Direct Notification
2. Call Center
3. Recruitment and Training of Digital Navigators
4. Outreach In-Language and In-Culture by Trusted Messengers
5. Digital Literacy Training by CBO Digital Navigators with Proficiency Assessments
6. Online Digital Literacy Resources
7. Affordable Computing Devices
8. In-Person Enrollment Events
9. Public Awareness Advertising
10. Tech Support
11. Grant Management
12. Evaluation

CETF remains inspired by the late Assemblymember Gwen Moore, the author of the Moore Universal Telephone Service Act of 1987—known today as LifeLine. She declared on June 25, 2020 in an affidavit in support of the CETF proposal for modernization of LifeLine, “In my mind, without question, it is time that the LifeLine program acknowledge the central role broadband plays in our economy and our society and enable disadvantaged, low-income communities to obtain this essential utility.”

On behalf of the California Emerging Technology Fund, we respectfully request your “aye” vote for AB1588. If you have any questions, please contact Leticia Alejandrez, CETF Director of Policy and Communications at Leticia.Alejandrez@CETFund.org. Thank you for your consideration.

Sincerely,



Sunne Wright McPeak
President and CEO
California Emerging Technology Fund



Senator (Ret.) Richard Polanco
Tres Es Inc.
CETF Legislative Representative



Marvin Pineda
California Advocacy LLC
CETF Legislative Representative

DECLARATION OF GWEN MOORE

1. My name is Gwen Moore, President CEO of GeM Communications Group. I proudly served as an elected Assembly member in the California State Legislature from 1978 to 1994 representing the 49th District. During the time I served as an Assembly member, I chaired the Utilities and Commerce Committee for 12 years, During that time I authored the Moore Universal Telephone Service Act (the "Moore Act") which passed into law in 1987.
2. The purpose of the Moore Act was to ensure that high-quality basic telephone service at affordable rates to the greatest number of citizens is available. The Act put into California law a means to achieve universal service by making basic telephone service affordable to low-income households through the creation of a LifeLine class of service. The Act also instructed the California Public Utilities Commission ("Commission") and telephone providers to ensure that every household qualified to receive LifeLine telephone service is informed of and given the opportunity to subscribe to that affordable telephone service. Finally, the Act provided that the furnishing of LifeLine telephone service is in the public interest and should be supported fairly and equitably by every telephone company and the Commission was responsible for the administration of the program. Since the Moore Act was passed 33 years ago in 1987, an era well before Internet usage being available to the general public, it did not include advanced information technologies like broadband.
3. I am providing this declaration to provide support to the position of the parties such as the California Emerging Technology Fund and others that are advocating for the addition of broadband Internet access service ("broadband") to the California LifeLine program. I understand that some broadband providers have objected to this proposal, arguing that the Moore Act requires single-minded focus -- or prioritization -- on the provision of only basic telephone service. Also, some parties including the largest telephone companies and some of the large cable providers have argued that offering broadband should be on a voluntary basis only.
4. At this point 33 years after the Moore Act passage, it is my opinion that broadband has become an essential utility for residents to obtain necessary services: perform work; participate in distance learning; obtain health care and information; look for employment;

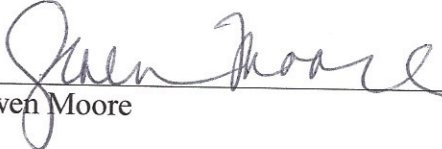
apply for higher education; express their political views; and participate in society and the economy. In my mind, without question, it is time that the LifeLine program acknowledge the central role broadband plays in our economy and our society and enable disadvantaged, low-income communities to obtain this essential utility. Thus, along with continuing support for voice service, I urge this Commission to immediately add broadband as a supported service option in the LifeLine program, not only for wireless providers but also for wireline providers like the incumbent telephone companies and the cable providers, all of whom provide the bulk of the wireline broadband services in the state.

5. For statutory support, I suggest that the Commission refer to California Public Utility Section 281(a) which established the California Advanced Service Fund and provides grants for rural broadband infrastructure and broadband adoption grants for those who are unconnected to the Internet. In that Public Utilities code section, the Legislature encouraged this Commission to deploy “high-quality advanced communications services to all Californians” including “the substantial social benefits of advanced information and communications technologies.” The reference to “all Californians” provides legal support for bringing broadband to participants of the California LifeLine program. Further the reference to “advanced information” technologies clearly encompasses broadband service. In my mind, this indicates a clear direction to this Commission to make advanced communications services available to all, which includes our most disadvantaged, low-income residents. This should include modern advanced information technologies such as broadband, and not be limited to dated traditional telephone technology.
6. In 2016, the Federal Communications Commission (FCC) has already added broadband to the federal Lifeline program. In doing so, the FCC found that like telephone service in the last century, a broadband connection has become an essential tool for participating in the 21st Century economy. What is California waiting for? The Commission should follow the FCC’s lead, while ensuring that the values of our state of inclusion, affordability, and digital equity are upheld. There is ample data showing low-income households do not connect to the Internet due to affordability, lack of digital literacy, and the lack of a computing device.

7. In closing, I point out that in light of the current pandemic emergency which may extend a number of months if not years, the disparity in Internet access at home has made the misery of the current situation far worse for those who are unconnected to the Internet. For the unemployed with school age children, a home Internet connection is a must for job search, for the children to connect to their teachers for home distance learning, and to obtain health information and instructions from the government during this serious health emergency. A mere telephone connection is inadequate for these functions. Connectivity and computer devices are essential for low-income persons during this unprecedented time. It is further well reported in the press that the pandemic has disproportionately impacted low-income persons and people of color.
8. I hereby make this declaration in support of the position by the California Emerging Technology Fund and others supporting adding broadband to the LifeLine program. I offer this declaration based on my own personal knowledge. I have conducted sufficient due diligence to be informed regarding these facts based on information from individuals from CETF with personal knowledge, I believe the facts presented in this Declaration are true and correct.

I declare under penalty of perjury that the facts represented herein are true and correct.

Executed this 25 day of June, 2020, at Los Angeles, California


Gwen Moore