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**CALIFORNIA EMERGING TECHNOLOGY FUND**

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June 21, 2024

Assembly Committee on Communications and Conveyance  
1020 N Street, Room 169  
Sacramento, California 95814

**Support SB424 (Durazo): Get Connected California Act of 2024**

Dear Chair Tasha Boerner, Vice-Chair Jim Patterson, and Committee Members Mia Bonta, Laurie Davies, Eduardo Garcia, Chris Holden, Josh Hoover, Brian Maienschein, Stephanie Nguyen, Luz Rivas, and Freddie Rodriguez:

On behalf of the California Emerging Technology Fund (CETF), we are writing to urge you to pass the Get Connected California Act of 2024 (SB424 – Durazo), to ensure there is ongoing affordable Internet service for low-income households. SB424 requires grantees from the California Public Utilities Commission (CPUC) California Advanced Services Fund (CASF) Infrastructure Grants Account (IGA) and Federal Funding Account (FFA) to offer affordable home Internet service to low-income households participating in major public assistance programs throughout all their service areas in California within 90 days of accepting the grant. SB424 defines an affordable offer to cost no more than \$30 per month for speeds of at least 100/20 Mbps. Deployment grant awardees also will be required to establish telephone numbers to sign up eligible households and to advertise the offers in-language and in-culture through community and ethnic media channels to reach the most digitally-disadvantaged residents.

Nothing in SB424 requires the CPUC to delay any decisions about pending IGA and/or FFA applications. It simply requires the CPUC to add conditions to the grants to reflect the policy of the Legislature and Governor to ensure affordability. Further, with 73 IGA applications pending requesting \$527M for available \$57.9M and 483 FFA applications pending requesting \$4.68B for available \$2B, there is little risk that applicants will walk away from these huge deployment subsidies just because they are required to provide affordable Internet service to low-income households.

Many of the key provisions of SB424 are based on the experience learned by CETF and its State and community-based partners that enrolled eligible households into the federal Affordable Connectivity Program (ACP). In California, 5.8 million households were ACP-eligible. California outperformed all other states by enrolling almost 3 million households in ACP – the lessons learned during this enrollment process now inform key provisions of SB424. However, more than 2.8 million households remain to be reached – most of who were not even aware of ACP according to the 2023 Statewide Digital Equity Survey. This finding alone is strong evidence of the need for more advertising and promotion in-language and in-culture as required by SB424.

We anticipate that Chair Boerner will put forth proposed amendments to establish a lower-cost subscription available to all households and which pertains only to IGA applications submitted after January 1, 2026, which CETF will accept provided that the following amendments are included to require the deployment grant recipient to:

- Establish a telephone number with trained personnel to assist customers sign up for the low-cost offer, including assisting prospective customers in-language and in-culture.
- Notify annually all residents and other locations in the project area by mail in-language and in-culture about the low-cost offer with the telephone number prominently displayed in the mailer, to be approved by the CPUC.
- Post the low-cost offer on the company website with a mobile-friendly link for automatically signing up for the offer and a connection to the call center if needed.
- Allow any customer to switch to the low-cost offer within the time frame consistent with the next month billing cycle, resulting in a “no wait” period and enrollment into the low-cost plan for the immediately following next billing cycle from the time of sign up.

In addition, SB424 should:

- Establish fines for any company found guilty of upselling with the CPUC establishing a process for consumer complaints and documentation of upselling.
- Require annual reports by the ISP to the CPUC of uptake rates of the low-cost offer with at least the following information by census tract and zip code: (a) number of new customers enrolling in the low-cost offer; and (b) number of existing customers switching to the low-cost offers with the monthly and annual billing amounts for their previous plans.
- Require submission of an annual report by the CPUC to the California Broadband Council regarding the impact of the low-cost offers by ISP by census tract and zip code with an analysis of the impact on residents by median income for those census tracts and zip codes.
- Require at least \$1 billion in Federal Funding Account (FFA) and Infrastructure Grant Account (IGA) grants be awarded by the end of 2024 and (a) prioritize grant awards to the most digitally-disadvantaged and hardest-to-reach areas; and (b) require the to obtain input from the Regional Broadband Consortia, Southern California Association of Governments, and San Diego Association of Governments as to the most digitally-disadvantaged and hardest-to-reach areas in their territories to inform the CPUC on award of Grants.

It should be underscored that nothing herein is intended to or shall modify the grant scoring process or criteria established by the CPUC for IGA and FFA. Further, it should be understood that smaller grant recipients with fewer than 100,000 customers shall be exempt from these provisions.

The bedrock question is: Shouldn't ISPs who are receiving taxpayer or ratepayer funds be required to assist the State in getting all low-income households online so that everyone can participate in modern daily life as we know it? The challenge is to ensure that ISPs continue to offer affordable Internet subscriptions for low-income households and join with the State in increasing awareness. SB424 – Get Connected California Act of 2024 – is the best solution to achieve Digital Equity.


CETF respectfully requests your “aye” vote for SB424.

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