



Internet For All Now Act

An Imperative for Economic Competitiveness and Quality of Life

Digital Divide Persists for Rural Communities and Poor Neighborhoods

- Broadband Deployment: 95.7% (wireline) vs. Legislature’s Goal 98%
- Broadband Adoption: 84% (at home) vs. Proposed Goal 90%
- Digital Divide is the greatest for disadvantaged populations.

Population – Households	Percent Not Connected	Percent Connected	Percentage by Smartphone Only
Statewide	16%	84%	14%
Low-Income (<\$20,000 Annually)	32%	68%	25%
Spanish-Speakers	31%	69%	30%
People With Disabilities	29%	71%	13%
Seniors (65 or Older)	44%	56%	5%
Non-High School Graduates	37%	63%	29%

CASF – California’s Unique Resource to Close the Digital Divide

- Legislature established CASF in 2008 and has authorized a total of \$315M to be collected in past 7 years from a small fee on phone bills (few cents/month). Prior to CASF, a larger fee was collected to subsidize rural phone service and about \$300M was collected each year. CASF was a relief for consumers. The existing telephone surcharge is the only source of funding for closing the Digital Divide in California unless the Legislature authorizes a new fee or tax.
- Priority for CASF is last-mile Unserved households (HHs).
- Incumbent broadband providers have “first right of opportunity” to participate in CASF and may protest applications. Industry concerns have been heard.
- Inappropriate applications have been declined by the CPUC.
- CASF has funded 54 projects to reach 304,555 HHs at an average CASF subsidy of \$461 per HH and total average cost of \$1,385 per HH. CASF is cost-effective in comparison to the FCC Connect America Fund 2 average subsidy in California of \$2,550 per HH.
- 2 projects account for 77% of the HHs reached and are technically categorized as “Underserved” (CVIN-CENIC 206,764 HHs + Digital 395 28,127 HHs), but clearly are reaching rural communities and are not “overbuilds” competing with incumbents.
- CASF is out of money for infrastructure deployment with 14 projects pending.
- CASF (AB1299) funds for publicly-subsidized multi-unit housing will reach less than 20% of the 300,000 attached affordable housing units in California.

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Working Proposal to Reach Agreement with Stakeholders

- Sunsets CASF and establishes CASF II. Authorizes \$50M per year for 10 years for total additional funding of \$500M. (New York allocated \$500M in 2015.)
- Requires CPUC to identify priority Unserved areas to achieve Legislature’s goal of 98% deployment in each region and set objectives for timely decisions.
- Maintains funding priority for last-mile Unserved HHs and allows improvements in Underserved areas only if adjacent to Unserved areas.
- Prohibits “overbuilding” in areas upgraded to CASF or CAF standards.
- Recognizes the spectrum of customers (and varying speed needs) along the path to households for last-mile projects (consistent with “dig once” policy) and the need for cost-effective middle-mile with “first right of opportunity” for incumbent broadband providers to help meet the 98% deployment goal.
- Allocates \$10M to California Telehealth Network to leverage more than \$21M from the FCC Healthcare Connect Fund to get California’s appropriate share.
- Allocates \$150M to Office of Emergency Services to connect county and state fair sites with command centers for emergency response.
- Ensures most disadvantaged residents living in publicly-subsidized housing will be online and able to participate in the Digital Economy to get out of poverty.
- Tackles remaining challenge of broadband adoption (use of high-speed Internet service at home) for the most disadvantaged residents to achieve 90% by 2023.
- Provides proven project management tools for the CPUC to enhance efficiency and effectiveness: project management; value engineering; grants management.

CASF Account	Amount Authorized To Date	Internet For All Now	Total for CASF Over 20 Years
Infrastructure Grants	\$270M	\$335M	\$605M
Publicly-Subsidized Housing	\$ 25M	\$50M	\$75M
Regional Consortia	\$15M	\$15M	\$30M
Revolving Loans	\$5M	\$0	\$5M
Broadband Adoption (New)		\$100M	\$100M
TOTAL	\$315M	\$500M	\$815M