
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

Senator Steven Bradford, Chair

2023 - 2024 Regular

Bill No:	AB 1065	Hearing Date:	6/20/2023
Author:	Jim Patterson		
Version:	5/18/2023 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Communications: California Advanced Services Fund

DIGEST: This bill clarifies that otherwise eligible wireless communications providers may receive certain broadband infrastructure grants issued by the California Public Utilities Commission (CPUC).

ANALYSIS:

Existing law:

- 1) Establishes the California Advanced Services Fund (CASF), which is administered by the CPUC to fund broadband infrastructure and adoption in unserved and underserved communities. Existing law sets eligibility criteria for CASF grants, sets speed requirements for CASF-funded infrastructure, and authorizes the collection of a surcharge to fund the CASF until 2032. (Public Utilities Code §281 and §281.1)
- 2) Existing law establishes various accounts within the CASF to fund broadband projects, including the Infrastructure Grant Account (IGA) and the Federal Funding Account (FFA) to fund last-mile broadband infrastructure projects. Existing law allocates surcharge funds to the IGA and allocates federal funds to the FFA to fund these broadband infrastructure projects. (Public Utilities Code §281)

This bill clarifies that otherwise eligible wireless providers may receive grants from the CASF IGA and FFA.

Background

Status of CPUC broadband infrastructure funds. In 2021, the Legislature passed several bills that made a historic investment in broadband infrastructure. This

legislation included SB 156 (Committee on Budget, Chapter 112, Statutes of 2021), which allocated \$6 billion in federal and state funds to build a state-owned middle-mile broadband network. SB 156 also established the FFA and allocated \$2 billion to the FFA to fund last-mile broadband projects in urban and rural counties. Since the passage of SB 156, the CPUC adopted rules for the FFA in a 2022 decision (D.22-04-055). These rules established projects' eligibility for FFA grants. Under the CPUC's decision, wireless projects are not eligible for FFA grants.

In addition to passing SB 156, the Legislature also passed SB 4 (Gonzalez, Chapter 671, Statutes of 2021) and AB 14 (Aguiar-Curry, Chapter 658, Statutes of 2021). These measures revised and extended the CASF, including increasing program eligibility and raising speed standards for CASF-funded infrastructure. Following the passage of these measures, the CPUC adopted new rules for the CASF IGA in November 2022. Under the new CASF IGA rules, wireless infrastructure capable of meeting other CASF standards is eligible for grants from the IGA.

Funding swaps have given the CPUC more time to spend broadband monies.

While the CPUC has adopted rules for its infrastructure programs, the CPUC has yet to issue grants under these revised rules. Wireless projects are eligible for CASF IGA grants, this bill would likely require the CPUC to revise its rules for the FFA. Funding swaps have provided the CPUC with more time to create and modify plans for broadband grants and evaluate applications for those monies. The FFA was originally established to fund broadband projects using allocations of Coronavirus State and Local Fiscal Recovery Funds, which must be encumbered by December 31, 2024. However, in subsequent budget actions, this funding has been swapped for a combination of General Fund monies and a grant from the federal Capital Projects Fund. As a result, the CPUC now must only encumber Capital Projects Fund monies in the FFA by December 31, 2026.

Bill clarifies that wireless infrastructure is eligible for broadband grants. Existing statutes do not exclude wireless projects from CASF grant eligibility; however, CPUC decisions regarding the FFA have specified that wireless projects are not eligible for FFA funding. In April 2022, the CPUC adopted rules governing the FFA (Decision 22-04-055). These rules defined an eligible project as one "...capable of offering wireline broadband service at or above 100/100 Mbps, or 100/20 Mbps if symmetrical service is not practicable." The CPUC's exclusion of wireless broadband reflected the federal Department of Treasury's guidance to states that urged states to prioritize funding fiber optic broadband projects. This bill specifies that otherwise eligible wireless projects may receive grants from the

CASF IGA and FFA, but it does not specify which wireless projects meet the federal and state standards.

Fixed wireless projects have had mixed results, but technology evolves.

Historically, state and federal broadband infrastructure grants have included wireless projects; however, these projects have not always provided reliable broadband service that meets modern needs. The federal Rural Digital Opportunity Fund (RDOF) initially approved funds for multiple fixed wireless projects that were later rescinded when the Federal Communications Commission determined that the fixed wireless projects were unlikely to provide the services promised. It is possible that some fixed wireless technologies are superior to others and can provide speeds, latency, and reliability similar to those for wired broadband. These technologies may be quicker and cheaper to deploy broadband in areas where fiber installation is infeasible; however, it is unclear how the CPUC can distinguish the technical capacities of different wireless projects unless the CPUC adopts more specific criteria for wireless projects and devotes greater time to reviewing the capacity of these technologies.

Prior/Related Legislation

AB 2749 (Quirk-Silva, 2022) would have required the CPUC to take various steps regarding applications for the FFA, and the bill would have clarified that otherwise eligible wireless providers are eligible for grants from the FFA. The bill was vetoed.

SB 4 (Gonzalez, Chapter 671, Statutes of 2021) and AB 14 (Aguilar-Curry, Chapter 658, Statutes of 2021) revised and extended the CASF by increasing speed standards for CASF-funded infrastructure to 100/20 Mbps, expanded eligibility to communities that lack broadband service meeting federal standards, expanded local governments' eligibility for CASF grants, and extended CASF's operation and funding until 2032.

SB 156 (Committee on Budget, Chapter 112, Statutes of 2021) implemented broadband infrastructure spending approved in the 2021 Budget Act. The bill established the FFA within CASF, set forth funding allocations for the FFA, and created technical assistance and additional broadband funding opportunities for local governments. The bill also established the Office of Broadband and Digital Literacy and required the office to oversee the construction of a state-owned, open access middle mile broadband network.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Supervisor Jaron E. Brandon, Tuolumne County- District 5
Advanced Wireless
Cal.net, Inc.
OACYS
Tarana Wireless

OPPOSITION:

5G Free California
Alliance for Nurses for Healthy Environments
As You Sow
Boyle Heights Community Garden
Breast Cancer Prevention Partners
California Brain Tumor Association
California Nurses for Environmental Health & Justice
Californians for Safe Technology
Center for Environmental Health
Clean Earth 4 Kids
Consumers for Safe Cell Phones
Dietrick Institute for Applied Insect Ecology
Ecological Options Network
EMF Safety Network Education/Outreach
Environmental Health Trust
Environmental Working Group
FACTS: Families Advocating for Chemical and Toxics Safety
Feather River Action!
GMOScience
Health & Habitat, Inc.
Malibu for Safe Tech
Media Alliance
Moms Across America
Mothers of East LA
Neighbors for Safe Metering
Parents for a Safer Environment
Physicians for Safe Technology
Plumas Wired!
Preserve Rural Sonoma County

Safe Tech for Santa Rosa
Safer 5G Moraga
Sonoma County Tomorrow
Sonoma Neighbors for Safe Tech
Sonoma Safe Ag Safe Schools
Stop Smart Meters!
The Utility Reform Network
Towards an Internet of Living Beings
Wine & Water Watch
Wireless Radiation Education & Defense
Several Individuals

ARGUMENTS IN SUPPORT: According to the author:

We have the shared goal of connecting as many households as possible with broadband internet. AB 1065 supports the pursuit of that goal by making wireless broadband projects eligible for state grants that fund broadband deployment.

ARGUMENTS IN OPPOSITION: Opponents largely oppose this measure because they oppose wireless technology and the use of state grants to support the expansion of wireless broadband service. Media Alliance opposes this bill because it argues that fixed wireless technology is not sufficiently reliable. In opposition, Media Alliance states:

Federal infrastructure funding, which California is heavily relying on to supplement state funds supporting the fiber broadband middle mile project, has clearly stated that their funding policy is to explicitly prioritize and favor fiber infrastructure broadband projects. By asserting that California will not, in fact, follow the federal guidelines, the state runs the not inconsiderable risk of having allocated federal funds not disbursed or clawed back due to the state's insistence on using inferior technology options at the behest of incumbent providers. This could be the undoing of the state's ambitious broadband expansion.

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