

# COUNTY OF NEVADA

STATE OF CALIFORNIA

## BOARD OF SUPERVISORS



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April 28, 2017

Honorable Board of Supervisors  
Eric Rood Administrative Center  
950 Maidu Avenue  
Nevada City, CA 95959

**DATE OF MEETING:** May 9, 2017

**SUBJECT:** Letter of Support the 'Internet For All Now Act'  
(Assembly Bill (AB) 1665 - Garcia).

**RECOMMENDATION:** Approve Attached Letter

**FUNDING:** Not applicable.

**BACKGROUND:**

The California Advanced Series Fund (CASF) was established by the Legislature through SB 1193 (Padilla) in 2008 to create a universal service program to encourage the development of broadband services in unserved and underserved areas of the state. The program was further codified and expanded in 2010 through SB 1040. The CASF is funded through a surcharge collected on all telecommunication end-users not to exceed \$315 million until 2020; in an amount not to exceed \$25 million per year, unless the California Public Utilities Commission (CPUC) determined that collecting a higher amount in any year would not result in an increase in the total amount of all surcharges collected from telephone customers in a year (PUC Section 281). The CPUC was required to develop, implement and administer the program with the goal to approve funding for infrastructure projects that provide broadband access to no less than 98 percent of California households by December 31, 2015. The CPUC established four accounts within CASF, which included:

- A. The Infrastructure Account
- B. The Rural and Urban Regional Broadband Consortia Grant Account
- C. The Broadband Infrastructure Revolving Loan Account
- D. The Broadband Public Housing Account

However, as of December 2016, the CASF surcharge rate has been reduced to 0% as all authorized funds have been collected. Out of all of the allocated projects, only two project applications have been approved within Nevada County, with one being later rejected. The first project application to be approved was the Nevada County Connected Middle Mile Project of Nevada County Economic Resource Council for \$1,312,747 (Resolution T-17242). However, the project was later declined funding in both round 1 and round 2 of

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the American Recovery and Reinvestment Act (ARRA) funding. The second project to be approved was the grant and loan application for Bright Fiber Network, Inc. (dba Spiral Internet) in the amount of \$16,156,353 from the Board Band Infrastructure Grant Account and \$500,000 from the Broadband Infrastructure Revolving Loan Account for a fiber-to-the-premise project in Nevada County in 2015 (Resolution T-17495). And while this project is still underway, there have been significant hurdles and continued delays in its implementation. Outside of this project, there are other projects to continue to expand broadband connectivity across Nevada County and no other funds to expand connectivity across the state.

Therefore, on February 17, 2017 Assembly Members Eduardo Garcia, Aguiar-Curry, Holden and McCarty introduced the bill to amend Sections 281 and 914.7 of the Public Utilities Code. According to the author(s), “Internet access should be treated as a right, not a luxury. It is a basic necessity to access education, health care and economic opportunity. This bill will ensure vulnerable communities across the State are not left behind in the 21<sup>st</sup> century.” As such, AB 1665 will make various changes to CASF.

Specifically, the bill will authorize the CPUC to collect an unspecified amount beginning on January 1, 2018 through 2027, not to exceed an unspecified amount, unless the CPUC determined that collecting a higher amount in any year will not result in an increase in the total amount of all surcharges collected from telephone customers that year, to fund the CASF. The bill extends the date of the goal to provide broadband access to no less than 98 percent of California households to December 31, 2023. Additionally, a fifth account will be created called the Broadband Adoption Account with the goal of providing funds for projects that increase the percentage of households actually using broadband in areas where it is available in order to increase digital inclusion and bridge the digital divide.

In summary, AB 1665 extends the goal and funding mechanism necessary to ensure that Nevada County has the opportunity to further develop and expand its broadband infrastructure to the unserved and underserved communities in the unincorporated areas of the County. Without adequate broadband connectivity, the County’s economic development will be at a significant disadvantage in years to come. Attached you will find an analysis of the bill and its current draft as the date of this letter. Therefore, I respectfully request the Board to authorize the Chair to sign and submit the attached Letter of Support for the Internet For All Now Act, AB 1665.

Respectfully Submitted,



Heidi Hall  
Supervisor, District 1