

ASSEMBLY BILL

No. 14

Introduced by Assembly Members Aguiar-Curry, Bloom, Bonta, Cristina Garcia, Eduardo Garcia, Low, Petrie-Norris, Quirk, Quirk-Silva, Reyes, Robert Rivas, Santiago, Stone, and Weber (Principal coauthors: Assembly Members Bauer-Kahan, Carrillo, and Irwin)

(Principal coauthors: Senators Eggman and Gonzalez)

(Coauthors: Assembly Members Burke, Muratsuchi, Blanca Rubio, Wicks, and Wood)

(Coauthors: Senators Limón and McGuire)

December 7, 2020

An act to add Section 33314.5 to the Education Code, to amend Section 53167 of, and to add Sections 12096.3.5 and 26231 to, the Government Code, and to amend Sections 281, 285, 912.2, and 914.7 of, and to add Sections 281.2 and 884.2 to, the Public Utilities Code, relating to communications, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Aguiar-Curry. Communications: broadband services: California Advanced Services Fund.

(1) Existing law establishes the State Department of Education in state government, and vests the department with specified powers and duties relating to the state's public school system.

This bill would authorize local educational agencies to report to the department their pupils' estimated needs for computing devices and internet connectivity adequate for at-home learning. The bill would require the department, in consultation with the Public Utilities

Commission, to compile that information and to annually post that compiled information on the department's internet website.

(2) Existing law expressly authorizes a county service area to acquire, construct, improve, maintain, and operate broadband internet access services, and requires a county service area that does so to take certain actions regarding the accessing of content on the internet by end users of that service.

This bill would similarly authorize the board of supervisors of a county to acquire, construct, improve, maintain, or operate broadband internet access service, and any other communications service necessary to obtain federal or state support for the acquisition, construction, improvement, maintenance, or operation of broadband internet access service, and would require a board that does so to take certain actions regarding the accessing of content on the internet by end users of that service.

(3) Existing law establishes the Governor's Office of Business and Economic Development, known as "GO-Biz," within the Governor's office to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth.

This bill would require the office, on or before June 30, 2022, to develop recommendations and a model for streamlined local land use approval and construction permit processes for projects related to broadband infrastructure deployment and connectivity and to adopt, and post on its internet website, the recommendations and model, as specified.

(4) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law requires the commission to develop, implement, and administer the California Advanced Services Fund (CASF) program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies. Existing law requires the commission, in approving CASF infrastructure projects, to give preference to projects in areas where only dial-up internet service is available or where no internet service is available. Existing law authorizes the commission to impose a surcharge to collect \$330,000,000 for deposit into the CASF beginning January 1, 2018, and continuing through the 2022 calendar year. Existing law establishes 4 accounts,

the Broadband Infrastructure Grant Account, the Rural and Urban Regional Broadband Consortia Grant Account, the Broadband Public Housing Account, and the Broadband Adoption Account within the CASF and specifies the amount of moneys to be deposited into each account, subject to appropriation by the Legislature. Existing law specifies, among other things, eligibility criteria for grants awarded from each of those accounts.

This bill would require the commission, in approving CASF infrastructure projects that provide last-mile broadband access to unserved and unserved households, to instead prioritize projects in unserved areas, as defined, where internet connectivity is available only at speeds at or below 6 megabits per second (mbps) downstream and one mbps upstream or areas with no internet connectivity, with a goal of achieving at least 100 mbps downstream, and to further prioritize projects based on other specified attributes. Upon the achievement of the goal of providing broadband access to 98% of California households in each consortia region, the bill would require the commission to prioritize only middle-mile infrastructure, as provided. The bill would authorize moneys appropriated for purposes of CASF program to be used to match or leverage federal moneys for internet infrastructure and adoption, as specified. The bill would require the commission to maximize investments in new, robust, and scalable infrastructure and use CASF moneys to leverage federal and non-CASF moneys by undertaking specified activities. The bill would delete the commission's authorization to collect \$330,000,000 for deposit into the CASF beginning January 1, 2018, and continuing through the 2022 calendar year, delete the requirement that specified amounts of the surcharge revenues be deposited into those accounts, and instead authorize the commission to collect the surcharge in an amount not to exceed an unspecified percentage of an end user's intrastate telecommunications service costs to fund the accounts within the CASF. The bill would revise, among other things, the eligibility criteria for grants awarded from the Broadband Infrastructure Grant Account, as specified. The bill would authorize the additional uses of moneys in the Rural and Urban Regional Broadband Consortia Grant Account to, among other uses, promote adoption of free, low-cost, income-qualified, or affordable home internet service offers.

This bill would require that the CASF program promote remote learning and telehealth, in addition to economic growth, job creation, and the substantial social benefits of advanced information and

communications technologies. The bill would repeal the requirement that moneys in the Broadband Public Housing Account not awarded by December 31, 2020, be transferred back to the Broadband Infrastructure Grant Account and would require that moneys in that account be available for grants and loans for network deployment in eligible publicly support communities, as specified. The bill would authorize the commission to require a performance metric plan to improve the administration of grants awarded from the Broadband Adoption Account.

Existing law requires the commission to annually offer an existing facility-based broadband provider the opportunity to demonstrate that it will deploy broadband or upgrade existing facilities to a delineated unserved area within 180 days. Existing law prohibits the commission from approving funding for a project to deploy broadband to a delineated unserved area if the existing facility-based broadband provider demonstrates to the commission, in response to the commission's annual offer, that it will deploy broadband or upgrade existing broadband service throughout the project area.

This bill would repeal that requirement and prohibition.

This bill would authorize the commission, upon determining, in consultation with the State Treasurer, that doing so would be lawful, to issue bonds secured by CASF surcharge revenues in an aggregate amount up to \$1,000,000,000 for broadband deployment and adoption, and provide that such bonds do not constitute a debt or liability of the state or of any political subdivision thereof, other than the commission. The bill would establish the Broadband Bond Financing and Securitization Account within the CASF and, if the commission issues bonds, would deposit the moneys received by the commission from the CASF surcharge into the account for purposes of funding costs related to broadband bond financing and securities. The bill would require each local government agency or nonprofit organization allocated moneys from this account to file specified reports with the commission.

Existing law requires the commission to conduct interim and final financial and performance audits of the implementation and effectiveness of the CASF for specified purposes and to report the interim findings to the Legislature by April 1, 2020, and to report the final findings by April 1, 2023. Existing law repeals this requirement on January 1, 2027.

This bill would instead require the commission, on or before April 1, 2023, and annually thereafter, to conduct a financial audit and a performance audit of the implementation and effectiveness of the CASF

for those purposes and to report those findings to the Legislature. The bill would require the commission to submit that report in perpetuity.

Existing law requires the commission, until April 1, 2023, to annually provide a report to the Legislature that includes certain information, including the remaining unserved areas in the state, the status of the California Advanced Services Fund balance, and the projected amount to be collected in each year.

This bill would require the commission to submit that report in perpetuity.

This bill would authorize the commission to require each internet service provider, as defined, to report specified information regarding each free, low-cost, income-qualified, or affordable internet service plan advertised by the provider.

(5) Existing law requires the commission to require interconnected Voice over Internet Protocol service providers to collect and remit surcharges on their California intrastate revenues in support of the public purpose program funds. Existing law authorizes those providers to use certain methodologies to identify their intrastate revenues subject to the surcharge.

This bill would repeal that authorization to use those methodologies.

(6) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

1 (1) Deployment of broadband infrastructure is vital to connect
2 California’s workforce to gainful employment, harness the
3 lifesaving technology of telemedicine, democratize distance
4 learning, enable precision agriculture, and sustain economic
5 transactions in times of emergencies.

6 (2) The creation of a fiber optic network for “middle-mile”
7 broadband service deployment and “backhaul” infrastructure for
8 unserved households, community anchor institutions, small
9 businesses, and employers is critical to close the digital divide.

10 (3) All state agencies and departments with pertinent authority
11 and resources to assist and facilitate timely deployment of
12 broadband infrastructure throughout California must be engaged
13 and coordinated by the administration and California Broadband
14 Council to coordinate actions to achieve the goals and purposes
15 of the Internet for All Now Act (Chapter 851 of the Statutes of
16 2017).

17 (b) It is the intent of the Legislature to close the digital divide
18 by connecting students, families, and communities with reliable
19 internet connectivity that will remain a necessity after the
20 COVID-19 pandemic has abated.

21 (c) It is the intent of the Legislature that California achieve the
22 goal specified in the Internet for All Now Act of providing
23 broadband access to no less than 98 percent of California
24 households in each California Advanced Services Fund consortia
25 region.

26 (d) It is the intent of the Legislature to reduce impacts on the
27 environment and avoid unnecessary costs for deployment, in
28 addition to providing “last-mile” internet connectivity to unserved
29 households, including all other unserved and underserved
30 households and locations along the path of deployment.

31 SEC. 2. Section 33314.5 is added to the Education Code, to
32 read:

33 33314.5. (a) A local educational agency may report to the
34 department the agency’s pupils’ estimated needs for computing
35 devices and internet connectivity adequate for at-home learning.

36 (b) The department, in consultation with the Public Utilities
37 Commission, shall compile the information reported pursuant to
38 subdivision (a) and shall annually post that compiled information
39 on the department’s internet website.

1 SEC. 3. Section 12096.3.5 is added to the Government Code,
2 to read:

3 12096.3.5. (a) On or before June 30, 2022, the office, in
4 consultation with the Office of Planning and Research, California
5 Broadband Council, Public Utilities Commission, Department of
6 Transportation, and Department of Technology, shall develop
7 recommendations and a model for streamlined local permit
8 processes for projects related to broadband infrastructure
9 deployment and connectivity.

10 (b) For purposes of developing the recommendations and model
11 pursuant to subdivision (a), the office may convene any relevant
12 stakeholders, including statewide local government associations,
13 statewide education associations, private sector companies that
14 provide broadband services and install broadband infrastructure,
15 and regional broadband consortia.

16 (c) On or before June 30, 2021, the office shall adopt and post
17 on its internet website the recommendations and model developed
18 pursuant to subdivision (a).

19 (d) The office shall provide technical assistance to local
20 governments that adopt the recommendations and model developed
21 pursuant to subdivision (a).

22 (e) The office shall update the recommendations and model
23 developed pursuant to subdivision (a) as necessary.

24 SEC. 4. Section 26231 is added to the Government Code, to
25 read:

26 26231. (a) The board of supervisors of any county may acquire,
27 construct, improve, maintain, or operate broadband internet access
28 service, and any other communications service necessary to obtain
29 federal or state support for the acquisition, construction,
30 improvement, maintenance, or operation of broadband internet
31 access service.

32 (b) A county that acquires, constructs, improves, maintains, or
33 operates broadband internet access service shall comply with the
34 requirements of Article 12 (commencing with Section 53167) of
35 Chapter 1 of Part 1 of Division 2 of Title 5.

36 (c) For purposes of this section, “broadband internet access
37 service” has the same meaning as defined in Section 53167.

38 SEC. 5. Section 53167 of the Government Code is amended
39 to read:

40 53167. For purposes of this article:

1 (a) “Broadband~~Internet~~ *internet* access service” means a
2 mass-market retail service provided by a local agency in California
3 by wire or radio that provides the capability to transmit data to and
4 receive data from all or substantially all~~Internet~~ *internet* endpoints,
5 including any capabilities that are incidental to and enable the
6 operation of the communications service, but excluding dial-up
7 ~~Internet~~ *internet* access service. “Broadband~~Internet~~ *internet* access
8 service” also encompasses any service provided by a local agency
9 in California that provides a functional equivalent of that service
10 or that is used to evade the protections set forth in this article.

11 (b) “Edge provider” means any individual or entity that provides
12 any content, application, or service over the~~Internet~~, *internet*, and
13 any individual or entity that provides a device used for accessing
14 any content, application, or service over the~~Internet~~ *internet* to an
15 end user.

16 (c) “End user” means any individual or entity in California that
17 uses a broadband~~Internet~~ *internet* access service that is provided
18 by a local agency.

19 (d) “Fixed broadband~~Internet~~ *internet* access service” means
20 any broadband~~Internet~~ *internet* access service that serves end users
21 primarily at fixed endpoints using stationary equipment. Fixed
22 broadband~~Internet~~ *internet* access service includes fixed wireless
23 services, including fixed unlicensed wireless services, and fixed
24 satellite services.

25 (e) “Local agency” means any agency of local government
26 authorized by any other law to provide broadband internet access
27 service, including the following:

- 28 (1) A city.
- 29 (2) A *county, including a county service area.*
- 30 (3) A community services district.
- 31 (4) A public utility district.
- 32 (5) A municipal utility district.

33 (f) “Mobile broadband~~Internet~~ *internet* access service” means
34 any broadband~~Internet~~ *internet* access service that serves end users
35 primarily using mobile stations.

36 (g) “Network management practice” means a practice that has
37 a primarily technical network management justification, but does
38 not include other business practices.

39 (h) “Paid prioritization” means the management of a broadband
40 provider’s network to directly or indirectly favor some traffic over

1 other traffic, including through the use of techniques such as traffic
2 shaping, prioritization, resource reservation, or other forms of
3 preferential traffic management, that either:

4 (1) Is in exchange for consideration, monetary or otherwise,
5 from a third party.

6 (2) Done to benefit an affiliated entity.

7 (i) “Reasonable network management” means a network
8 management practice that is primarily used for and tailored to
9 achieving a legitimate network management purpose, taking into
10 account the particular network architecture and technology of the
11 broadband-Internet *internet* access service.

12 SEC. 6. Section 281 of the Public Utilities Code is amended
13 to read:

14 281. (a) The commission shall develop, implement, and
15 administer the California Advanced Services Fund program to
16 encourage deployment of high-quality advanced communications
17 services to all Californians that will promote economic growth,
18 job creation, *remote learning*, *telehealth*, and the substantial social
19 benefits of advanced information and communications
20 technologies, consistent with this section and with the statements
21 of intent in Section 2 of the Internet-For for All Now Act (Chapter
22 851 of the Statutes of 2017).

23 (b) (1) (A) The goal of the program is, ~~no later than December~~
24 ~~31, 2022~~, is to approve funding for infrastructure projects that will
25 provide broadband access to no less than 98 percent of California
26 households in each consortia region, as identified by the
27 commission on or before January 1, 2017. The commission shall
28 be responsible for achieving the goals of the program.

29 (B) *For purposes of this section, the following definitions apply:*

30 (i) “Anchor institution” means *schools maintaining kindergarten*
31 *or any of grades 1 to 12, inclusive, community colleges,*
32 *fairgrounds, libraries, hospitals, health clinics, public safety*
33 *entities, government buildings, and community organizations.*

34 (ii) “High-poverty area” means *a census tract in which at least*
35 *50 percent of the residents are designated low income according*
36 *to the most recent, as of December 31, 2020, five-year data series*
37 *available from the American Community Survey in the United*
38 *States Census Bureau.*

39 (iii) “Mbps” means *megabits per second.*

1 (iv) “Unserved household” means a household for which no
 2 facility-based broadband provider offers broadband service at
 3 speeds of at least 25 mbps downstream and 3 mbps upstream.

4 ~~(B) (i)~~

5 (v) (I) Except as provided in ~~clause (ii)~~, *subclause (II)*, for
 6 purposes of this section, “~~unserved household~~” area” means a
 7 ~~household~~ an area for which at least 90 percent of the population
 8 has no facility-based broadband provider ~~offers offering~~ at least
 9 one tier of broadband service at speeds of at least ~~6 megabits per~~
 10 ~~second (mbps)~~ 25 mbps downstream and ~~one~~ 3 mbps upstream.

11 ~~(ii)~~

12 (II) For projects funded, in whole or in part, from moneys
 13 received from the federal Rural Digital Opportunity Fund,
 14 “~~unserved household~~” area” means a ~~household~~ for an area in
 15 which no facility-based broadband provider offers broadband
 16 service at speeds consistent with the standards established by the
 17 Federal Communications Commission pursuant to In the Matter
 18 of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report
 19 and Order, FCC 20-5 (adopted January 30, 2020, and released
 20 February 7, 2020), or as it may be later modified by the Federal
 21 Communications Commission.

22 (2) In approving infrastructure projects, the commission shall
 23 do ~~both~~ all of the following:

24 (A) Approve projects that provide last-mile broadband access
 25 to ~~households that are unserved by an existing facility-based~~
 26 ~~broadband provider, and, upon accomplishment of the goal of the~~
 27 ~~program specified in paragraph (1), also approve projects pursuant~~
 28 ~~to paragraph (15) of subdivision (f). and underserved households.~~

29 (B) (i) *Prioritize projects in unserved areas where internet*
 30 *connectivity is available only at speeds at or below 10 mbps*
 31 *downstream and one mbps upstream or areas with no internet*
 32 *connectivity, with a goal of achieving at least 100 mbps*
 33 *downstream.*

34 (ii) *Pursuant to clause (i), prioritize projects in the following*
 35 *descending order:*

36 (I) *Projects that connect households in an area where internet*
 37 *connectivity is available only through dial-up service, that is not*
 38 *served by any form of wireline or wireless facility-based broadband*
 39 *service, and that is a high-poverty area.*

40 ~~(B) (i) Give preference to projects~~

1 (II) ~~Projects that connect households in areas~~ an area where
2 internet connectivity is available only through dial-up service ~~that~~
3 ~~are and that is not served by any form of wireline or wireless~~
4 ~~facility-based broadband service or areas with no internet~~
5 ~~connectivity.~~ service.

6 (III) *Projects that connect households in an unserved area that*
7 *is a high-poverty area.*

8 (IV) *Projects that connect households in an unserved area.*

9 (C) *Upon accomplishment of the goal of the program specified*
10 *in subparagraph (A) of paragraph (1), prioritize projects that*
11 *deploy only middle-mile infrastructure as follows:*

12 (i) *A project that includes only middle-mile infrastructure for*
13 *which the application includes an applicant that will deploy any*
14 *applicable last-mile infrastructure, and provides open access to*
15 *the project's improved facilities. The project may include an*
16 *internet exchange point in a rural county or a county without an*
17 *internet exchange point.*

18 (ii) *A project for transmission of a wireless broadband signal*
19 *into cultivated agricultural fields.*

20 ~~(ii) This subparagraph does~~

21 (D) *Subparagraphs (B) and (C) do not prohibit the commission*
22 *from approving funding for projects outside of the areas specified*
23 *in ~~clause (i)~~; those subparagraphs.*

24 (3) *Moneys appropriated for purposes of this section may be*
25 *used to match or leverage federal moneys for internet*
26 *infrastructure and adoption including, but not limited to, moneys*
27 *from the United States Department of Commerce Economic*
28 *Development Administration, United States Department of*
29 *Agriculture ReConnect Loan and Grant Program, and Federal*
30 *Communications Commission for internet adoption and*
31 *infrastructure.*

32 (4) *The commission shall transition California Advanced*
33 *Services Fund program methodologies to service "housing units"*
34 *and evaluate other program changes to align with other funding*
35 *sources including, but not limited to, funding "locations."*

36 (5) *The commission shall maximize investments in new, robust,*
37 *and scalable infrastructure and use California Advanced Services*
38 *Fund moneys to leverage federal and non-California Advanced*
39 *Services Fund moneys by undertaking activities including, but not*
40 *limited to, all of the following:*

1 (A) *Provision of technical assistance to local governments and*
2 *providers.*

3 (B) *Assistance in developing grant applications.*

4 (C) *Assistance in preparing definitive plans for deploying*
5 *necessary infrastructure in each county.*

6 (c) The commission shall establish the following accounts within
7 the fund:

8 (1) The Broadband Infrastructure Grant Account.

9 (2) The Rural and Urban Regional Broadband Consortia Grant
10 Account.

11 (3) The Broadband Public Housing Account.

12 (4) The Broadband Adoption Account.

13 (5) *The Broadband Bond Financing and Securitization Account.*

14 (d) (1) The commission shall transfer the moneys received by
15 the commission from the surcharge ~~imposed~~ *the commission may*
16 *impose* to fund the accounts to the Controller for deposit ~~in~~ *into*
17 the California Advanced Services Fund. ~~Moneys collected shall~~
18 ~~be deposited in the following amounts in the following accounts:~~

19 ~~(A) Three hundred million dollars (\$300,000,000) into the~~
20 ~~Broadband Infrastructure Grant Account.~~

21 ~~(B) Ten million dollars (\$10,000,000) into the Rural and Urban~~
22 ~~Regional Broadband Consortia Grant Account.~~

23 ~~(C) Twenty million dollars (\$20,000,000) into the Broadband~~
24 ~~Adoption Account.~~

25 (2) All interest earned on moneys in the fund shall be deposited
26 ~~in~~ *into* the fund.

27 (3) The commission may ~~collect a sum not to exceed three~~
28 ~~hundred thirty million dollars (\$330,000,000) for a sum total of~~
29 ~~moneys collected by imposing the surcharge described in paragraph~~
30 ~~(1). The commission may collect the sum beginning with the~~
31 ~~calendar year starting on January 1, 2018, and continuing through~~
32 ~~the 2022 calendar year, in an amount not to exceed sixty-six million~~
33 ~~dollars (\$66,000,000) per year, unless the commission determines~~
34 ~~that collecting a higher amount in any year will not result in an~~
35 ~~increase in the total amount of all surcharges collected from~~
36 ~~telephone customers that year. make recommendations to the~~
37 ~~Legislature regarding appropriations from the California Advanced~~
38 ~~Services Fund and the accounts established pursuant to subdivision~~
39 ~~(c).~~

1 (4) A surcharge imposed pursuant to paragraph (1) shall not
2 exceed ____ percent of an end user's intrastate telecommunications
3 service costs.

4 (e) ~~All moneys~~ Moneys in the California Advanced Services
5 Fund shall be available, upon appropriation by the Legislature, to
6 the commission for the program administered by the commission
7 pursuant to this section, including the costs incurred by the
8 commission in developing, implementing, and administering the
9 program and the fund.

10 (f) (1) The commission shall award grants from the Broadband
11 Infrastructure Grant Account on a technology-neutral basis,
12 including both wireline and wireless technology.

13 (2) The commission shall consult with regional consortia,
14 stakeholders, local governments, existing facility-based broadband
15 providers, and consumers regarding unserved areas and
16 cost-effective strategies to achieve the ~~broadband access goal~~ goal
17 specified in subparagraph (A) of paragraph (1) of subdivision (b)
18 through public workshops conducted at least annually no later than
19 April 30 of each ~~year through year 2022~~ year.

20 (3) The commission shall identify unserved rural and urban
21 areas and delineate the areas in the annual report prepared pursuant
22 to Section 914.7.

23 (4) (A) (i) ~~The commission shall annually offer an existing~~
24 ~~facility-based broadband provider the opportunity to demonstrate~~
25 ~~that it will deploy broadband or upgrade existing facilities to a~~
26 ~~delineated unserved area within 180 days.~~

27 (ii) ~~Except as provided in clause (iii), the commission shall not~~
28 ~~approve funding for a project to deploy broadband to a delineated~~
29 ~~unserved area if the existing facility-based broadband provider~~
30 ~~demonstrates to the commission, in response to the commission's~~
31 ~~annual offer, that it will deploy broadband or upgrade existing~~
32 ~~broadband service throughout the project area.~~

33 (iii) ~~If the existing facility-based broadband provider is unable~~
34 ~~to complete the deployment of broadband within the delineated~~
35 ~~unserved area within 180 days, the provider shall provide the~~
36 ~~commission with information to demonstrate what progress has~~
37 ~~been made or challenges faced in completing the deployment. If~~
38 ~~the commission finds that the provider is making progress towards~~
39 ~~the completion of the deployment, the commission shall extend~~
40 ~~the time to complete the project beyond the 180 days. If the~~

1 commission finds that the provider is not making progress towards
2 completing the deployment, the delineated unserved area shall be
3 eligible for funding pursuant to this subdivision.

4 ~~(B) (i) Except for information specified in clause (ii),~~
5 ~~information submitted to the commission that includes the~~
6 ~~provider's plans for future broadband deployment shall not be~~
7 ~~publicly disclosed.~~

8 ~~(ii) The commission may publicly disclose information regarding~~
9 ~~the area designated for a broadband deployment, the number of~~
10 ~~households or locations to be served, and the estimated date by~~
11 ~~which the deployment will be completed.~~

12 ~~(C) An existing facility-based broadband provider may, but is~~
13 ~~not required to, apply for funding from the Broadband~~
14 ~~Infrastructure Grant Account to make an upgrade pursuant to this~~
15 ~~subdivision.~~

16 (5)

17 (4) Projects eligible for grant awards *pursuant to this subdivision*
18 shall meet all of the following requirements:

19 (A) The project deploys infrastructure capable of providing
20 broadband access at speeds of a ~~minimum of 10 megabits per~~
21 ~~second (Mbps) at least 25 Mbps~~ downstream and ~~one 25 Mbps~~
22 ~~upstream to unserved households in census blocks where no~~
23 ~~provider offers access at speeds with a goal of at least 6 100 Mbps~~
24 ~~downstream and one Mbps upstream.~~ *downstream.*

25 (B) All or a significant portion of the project deploys last-mile
26 infrastructure to provide service to unserved households. Projects
27 that only deploy middle-mile infrastructure are not eligible for
28 ~~grant funding.~~ *funding until after the commission verifies that the*
29 *goal specified in subparagraph (A) of paragraph (1) of subdivision*
30 *(b) has been met.* For a project that includes funding for
31 middle-mile infrastructure, the commission shall verify that the
32 proposed middle-mile infrastructure is indispensable for accessing
33 the last-mile infrastructure.

34 (C) (i) Except as provided in clause (ii), until July 1, 2020, the
35 project is not located in a census block where an existing
36 facility-based broadband provider has accepted federal funds for
37 broadband deployment from Phase II of the Connect America
38 Fund, unless the existing facility-based broadband provider has
39 notified the commission before July 1, 2020, that it has completed
40 its Connect America Fund deployment in the census block.

1 (ii) An existing facility-based broadband provider is eligible for
2 a grant pursuant to this subdivision to supplement a grant pursuant
3 to Phase II of the Connect America Fund to expand broadband
4 service within identified census blocks, as needed.

5 ~~(6)~~

6 (5) (A) An individual household or property owner shall be
7 eligible to apply for a grant to offset the costs of connecting the
8 household or property to an existing or proposed facility-based
9 broadband provider. Any infrastructure built to connect a household
10 or property with funds provided under this paragraph shall become
11 the property of, and part of, the network of the facility-based
12 broadband provider to which it is connected.

13 (B) (i) In approving a project pursuant to this paragraph, the
14 commission shall consider limiting funding to households based
15 on income so that funds are provided only to households that would
16 not otherwise be able to afford a line extension to the property,
17 limiting the amount of grants on a per-household basis, and
18 requiring a percentage of the project to be paid by the household
19 or the owner of the property.

20 (ii) The aggregate amount of grants awarded pursuant to this
21 paragraph shall not exceed five million dollars (\$5,000,000).

22 ~~(7)~~

23 (6) An entity that is not a telephone corporation shall be eligible
24 to apply to participate in the program administered by the
25 commission pursuant to this section to provide access to broadband
26 to an unserved household, if the entity otherwise meets the
27 eligibility requirements and complies with program requirements
28 established by the commission.

29 ~~(8)~~

30 (7) (A) The commission shall provide each applicant, and any
31 party challenging an application, the opportunity to demonstrate
32 actual levels of broadband service in the project area, which the
33 commission shall consider in reviewing the application.

34 (B) *The commission may approve an application for funding to*
35 *deploy broadband or upgrade broadband services upon making*
36 *a finding that the existing facility-based broadband provider is*
37 *unwilling or unable to deploy broadband throughout the project*
38 *area.*

39 ~~(9)~~

1 (8) (A) A local governmental ~~agency may be~~ agency, including
 2 a special district or joint powers authority, is eligible for ~~an~~
 3 infrastructure a grant only if the infrastructure project is for
 4 pursuant to this subdivision. A local government within an ~~unserved~~
 5 household or business, the commission has conducted an open
 6 application process; area of a regional consortium shall consult
 7 that regional consortium in regards to planning, application, and
 8 no other eligible entity applied. implementation of the project.

9 (B) A California tribal government is eligible for a grant
 10 pursuant to this subdivision.

11 ~~(10)~~

12 (9) The commission shall establish a service list of interested
 13 parties to be notified of any California Advanced Services Fund
 14 applications. Any application and any amendment to an application
 15 for project funding, and any request for additional funding after
 16 an initial grant, shall be served to those on the service list and
 17 posted on the commission’s internet website at least 30 days before
 18 publishing the corresponding draft resolution.

19 ~~(11)~~

20 (10) A grant awarded pursuant to this subdivision may include
 21 funding for the following costs consistent with paragraph (5):

22 (A) Costs directly related to the deployment of infrastructure.

23 (B) Costs to lease access to property or for internet backhaul
 24 services for a period not to exceed five years.

25 (C) ~~Cost~~ Costs incurred by an existing facility-based broadband
 26 provider to upgrade its existing facilities to provide for
 27 interconnection.

28 (D) Costs directly related to the deployment of infrastructure
 29 to connect an anchor institution in the eligible project area if all
 30 of the following occur:

31 (i) The anchor institution provides a public education, public
 32 safety, public health, or other significant public benefit.

33 (ii) The applicant includes a reasonable cost-sharing proposal
 34 for funding the cost to connect the anchor institution.

35 (iii) The applicant complies with all federal universal service
 36 program requirements.

37 (iv) The applicant, in good faith, applies for the maximum
 38 federal subsidies available through all federal universal service
 39 programs.

40 ~~(12)~~

1 (11) The commission may award grants to fund all or a portion
2 of the project. The commission shall determine, on a case-by-case
3 basis, the level of funding to be provided for a project and shall
4 consider factors that include, but are not limited to, the location
5 and accessibility of the area, the existence of communication
6 facilities that may be upgraded to deploy broadband, and whether
7 the project makes a significant contribution to achievement of the
8 program goal.

9 ~~(13)~~

10 (12) The commission may require each infrastructure grant
11 applicant to indicate steps taken to first obtain any available
12 funding from the Connect America Fund program or similar federal
13 public programs that fund broadband infrastructure. This paragraph
14 does not authorize the commission to reject a grant application on
15 the basis that an applicant failed to seek project funding from the
16 Connect America Fund program or another similar federal public
17 program.

18 ~~(14) Upon the accomplishment of the goal of the program~~
19 ~~specified in paragraph (1) of subdivision (b), not more than thirty~~
20 ~~million dollars (\$30,000,000) of the moneys remaining in the~~
21 ~~Broadband Infrastructure Grant Account shall be available for~~
22 ~~infrastructure projects that provide last-mile broadband access to~~
23 ~~households to which no facility-based broadband provider offers~~
24 ~~broadband service at speeds of at least 10 mbps downstream and~~
25 ~~one mbps upstream.~~

26 (13) *The commission shall prioritize a grant application for a*
27 *project that offers both of the following:*

28 (A) *Open access fiber middle-mile backhaul.*

29 (B) *Capacity for interconnection of unserved households and*
30 *anchor institutions along the path of deployment at speeds of 25*
31 *mbps downstream and 25 mbps upstream with a goal of 100 mbps*
32 *downstream.*

33 (14) *The commission shall prioritize a grant application for a*
34 *project for an anchor institution that maximizes available federal,*
35 *local, or state moneys to fund broadband infrastructure for its*
36 *interconnection.*

37 (15) *The commission shall authorize the interconnection of*
38 *anchor institutions on a fair cost-sharing basis along the path of*
39 *deployment.*

1 (g) (1) Moneys in the Rural and Urban Regional Broadband
2 Consortia Grant Account shall be available for grants to eligible
3 consortia to do any of the following:

4 (A) In order to assist grant applicants to prepare cost-effective
5 grant applications to achieve the goal specified in subparagraph
6 (A) of paragraph (1) of subdivision (b), identify all unserved or
7 underserved households and anchor institutions in project areas.

8 (B) Consult with local stakeholders, including those that
9 represent educational institutions, public health care providers,
10 incumbent internet service providers, builders of broadband
11 infrastructure, and libraries in each region, to identify unserved
12 anchor institutions.

13 (C) Promote adoption of available free, low-cost,
14 income-qualified, or affordable home internet service offers.

15 (D) Facilitate deployment of broadband services by assisting
16 infrastructure applicants in the project development or grant
17 application process.

18 ~~(g) (1) Moneys in the Rural and Urban Regional Broadband~~
19 ~~Consortia Grant Account shall be available for grants to eligible~~
20 ~~consortia to facilitate deployment of broadband services by~~
21 ~~assisting infrastructure applicants in the project development or~~
22 ~~grant application process.~~

23 ~~An~~
24 (2) An eligible consortium may include, as specified by the
25 commission, representatives of organizations, including, but not
26 limited to, local and regional government, public safety, elementary
27 and secondary education, health care, libraries, postsecondary
28 education, community-based organizations, tourism, parks and
29 recreation, agricultural, business, workforce organizations, and air
30 pollution control or air quality management districts, and is not
31 required to have as its lead fiscal agent an entity with a certificate
32 of public convenience and necessity.

33 ~~(2)~~
34 (3) Each consortium shall conduct an annual audit of its
35 expenditures for programs funded pursuant to this subdivision and
36 shall submit to the commission an annual ~~report~~ report, which
37 shall be posted on the commission's internet website, that includes
38 both of the following:

1 (A) A description of activities completed during the prior year,
2 how each activity promotes the deployment of broadband services,
3 and the cost associated with each activity.

4 (B) The number of project applications assisted.

5 (h) (1) All remaining moneys in the Broadband Infrastructure
6 Revolving Loan Account that are unencumbered as of January 1,
7 2018, shall be transferred ~~to~~ into the Broadband Infrastructure
8 Grant Account.

9 (2) All repayments of loans funded by the former Broadband
10 Infrastructure Revolving Loan Account shall be deposited into the
11 Broadband Infrastructure Grant Account.

12 (i) (1) For purposes of this subdivision, the following terms
13 have the following meanings:

14 (A) “Publicly subsidized” means either that the housing
15 development receives financial assistance from the United States
16 Department of Housing and Urban Development pursuant to an
17 annual contribution contract or is financed with low-income
18 housing tax credits, tax-exempt mortgage revenue bonds, general
19 obligation bonds, or local, state, or federal loans or grants and the
20 rents of the occupants, who are lower income households, do not
21 exceed those prescribed by deed restrictions or regulatory
22 agreements pursuant to the terms of the financing or financial
23 assistance.

24 (B) “Publicly supported community” means a publicly
25 subsidized multifamily housing development that is wholly owned
26 by either of the following:

27 (i) A public housing agency that has been chartered by the state,
28 or by any city or county in the state, and has been determined to
29 be an eligible public housing agency by the United States
30 Department of Housing and Urban Development.

31 (ii) An incorporated nonprofit organization as described in
32 Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec.
33 501(c)(3)) that is exempt from taxation under Section 501(a) of
34 that code (26 U.S.C. Sec. 501(a)), and that has received public
35 funding to subsidize the construction or maintenance of housing
36 occupied by residents whose annual income qualifies as “low” or
37 “very low” income according to federal poverty guidelines.

38 (2) Moneys in the Broadband Public Housing Account shall be
39 available for the commission to award grants and loans pursuant
40 to this subdivision to an eligible publicly supported community if

1 that entity otherwise meets eligibility requirements and complies
2 with program requirements established by the commission.

3 ~~(3) (A) Not more than twenty million dollars (\$20,000,000) of~~
4 ~~the moneys deposited into the Broadband Public Housing Account~~
5 ~~on or before January 1, 2018, shall be available for grants and~~
6 ~~loans to a publicly supported community to finance a project to~~
7 ~~connect a broadband network to that publicly supported~~
8 ~~community. A publicly supported community may be an eligible~~
9 applicant only if the publicly supported community can verify to
10 the commission that the publicly supported community has not
11 denied a right of access to any broadband provider that is willing
12 to connect a broadband network to the facility for which the grant
13 or loan is sought and the publicly supported community is
14 ~~unserved. sought.~~

15 ~~(B) (i) In its review of applications received pursuant to~~
16 ~~subparagraph (A), the commission shall award grants only to~~
17 ~~unserved housing developments, regardless of when the applicant~~
18 ~~filed its application.~~

19 ~~(ii) For purposes of this subparagraph, a housing development~~
20 ~~is unserved when at least one housing unit within the housing~~
21 ~~development is not offered broadband internet service.~~

22 ~~(C)~~

23 ~~(B) Only after all funds available pursuant to this paragraph in~~
24 ~~the Broadband Public Housing Account have been awarded may~~
25 ~~a publicly supported community otherwise eligible to submit an~~
26 ~~application for funding from the Broadband Public Housing~~
27 ~~Account submit an application for funding for these purposes from~~
28 ~~the Broadband Infrastructure Grant Account.~~

29 (4) (A) Not more than five million dollars (\$5,000,000) of the
30 moneys deposited into the Broadband Public Housing Account on
31 or before January 1, 2018, shall be available for grants and loans
32 to a publicly supported community to support programs designed
33 to increase adoption rates for broadband services for residents of
34 that publicly supported community. A publicly supported
35 community may be eligible for funding for a broadband adoption
36 program only if the residential units in the facility to be served
37 have access to broadband services or will have access to broadband
38 services at the time the funding for adoption is implemented.

1 (B) A publicly supported community may contract with other
2 nonprofit or public agencies to assist in implementation of a
3 broadband adoption program.

4 (C) Only after all funds available pursuant to this paragraph in
5 the Broadband Public Housing Account have been awarded may
6 a publicly supported community otherwise eligible to submit an
7 application for funding from the Broadband Public Housing
8 Account submit an application for funding for these purposes from
9 the Broadband Adoption-Grant Account pursuant to subdivision
10 (j).

11 (5) To the extent feasible, the commission shall approve projects
12 for funding from the Broadband Public Housing Account in a
13 manner that reflects the statewide distribution of publicly supported
14 communities.

15 (6) In reviewing a project application under this subdivision,
16 the commission shall consider the availability of other funding
17 sources for that project, any financial contribution from the
18 broadband service provider to the project, the availability of any
19 other public or private broadband adoption or deployment program,
20 including tax credits and other incentives, and whether the applicant
21 has sought funding from, or participated in, any reasonably
22 available program. The commission may require an applicant to
23 provide match funding, and shall not deny funding for a project
24 solely because the applicant is receiving funding from another
25 source.

26 (7) ~~Any~~ *On and after January 1, 2021, moneys in the Broadband*
27 *Public Housing Account that shall only be available for the*
28 *commission to award grants and loans for network deployment in*
29 *eligible publicly supported communities in which at least 20*
30 *percent of the residents do not have internet service in their*
31 *residential units because either the requisite infrastructure was*
32 *not been awarded pursuant to this subdivision by December 31,*
33 *2020, shall be transferred back to present on January 1, 2021, or*
34 *the Broadband Infrastructure Grant Account. internet service*
35 *available is unaffordable to those residents.*

36 (8) *In awarding grants and loans pursuant to this subdivision,*
37 *the commission shall prioritize an application from a publicly*
38 *subsidized organization that had submitted an application under*
39 *the guidelines established by Chapter 851 of the Statutes of 2017.*

1 (j) (1) Moneys in the Broadband Adoption Account shall be
2 available to the commission to award grants to increase publicly
3 available or after school broadband access and digital inclusion,
4 such as grants for digital literacy training programs and public
5 education to communities with limited broadband adoption,
6 including low-income communities, senior communities, and
7 communities facing socioeconomic barriers to broadband adoption.
8 *The commission may award grants from the Broadband Adoption*
9 *Account to meet needs reported pursuant to Section 33314.5 of*
10 *the Education Code.*

11 (2) Eligible applicants are local governments, senior centers,
12 schools, public libraries, nonprofit organizations, and
13 community-based organizations with programs to increase publicly
14 available or after school broadband access and digital inclusion,
15 such as digital literacy training programs.

16 (3) Payment pursuant to a grant for digital inclusion shall be
17 based on digital inclusion metrics established by the commission
18 that may include the number of residents trained, the number of
19 residents served, or the actual verification of broadband
20 subscriptions resulting from the program funded by the grant.

21 (4) The commission shall, in a new or existing proceeding,
22 develop, by June 30, 2018, criteria for awarding grants and a
23 process and methodology for verifying outcomes. The commission
24 shall be prepared to accept applications for grants from the
25 Broadband Adoption Account no later than July 1, 2018.

26 (5) The commission shall give preference to programs in
27 communities with demonstrated low broadband access, including
28 low-income communities, senior communities, and communities
29 facing socioeconomic barriers to broadband adoption. In the
30 proceeding specified in paragraph (4), the commission shall
31 determine how best to prioritize projects for funding pursuant to
32 this paragraph.

33 (6) Moneys awarded pursuant to this subdivision shall not be
34 used to subsidize the costs of providing broadband service to
35 households.

36 (7) *For purposes of improving the efficiency of the*
37 *administration of grants awarded from the Broadband Adoption*
38 *Account, the commission may require a performance metrics plan*
39 *that includes both of the following:*

1 (A) A detailed description of how outcomes will be measured
2 and tracked for milestone or completion reports. Outcomes include,
3 but are not limited to, all of the following:

4 (i) The total number of participants trained or provided access.

5 (ii) The total number of hours that training or access has been
6 provided to the community and the number of participants served.

7 (iii) The number of participants that subsequently subscribe to
8 a broadband internet service provider to use a device in their
9 home.

10 (B) Methods of tracking such as verification of subscription
11 online through internet service providers, billing, surveys, sign-in
12 sheets, or other methodologies.

13 (k) The commission shall post on the homepage of the California
14 Advanced Service Fund on its internet website a list of all pending
15 applications, application challenge deadlines, and notices of
16 amendments to pending ~~applications~~. *applications, or any other*
17 *request for funding submitted pursuant to this section.*

18 (l) The commission shall notify the appropriate policy
19 committees of the Legislature on the date on which the goal
20 specified in *subparagraph (A) of paragraph (1) of subdivision (b)*
21 *is achieved.*

22 SEC. 7. Section 281.2 is added to the Public Utilities Code, to
23 read:

24 281.2. (a) (1) The commission may, upon determining, in
25 consultation with the State Treasurer, that doing so would be
26 lawful, issue bonds secured by California Advanced Services Fund
27 surcharge revenues in an aggregate amount up to one billion dollars
28 (\$1,000,000,000) for broadband deployment and adoption.

29 (2) Bonds issued pursuant to this section shall not be deemed
30 to constitute a debt or liability of the state or of any political
31 subdivision thereof, other than the commission, or a pledge of the
32 faith and credit of the state or of any such political subdivision,
33 but shall be payable solely from the funds herein provided for. All
34 bonds shall contain a statement to the following effect: "Neither
35 the faith and credit nor the taxing power of the State of California
36 is pledged to the payment of the principal of or interest on this
37 bond." The issuance of bonds shall not directly or indirectly or
38 contingently obligate the state or any political subdivision thereof
39 to levy or to pledge any form of taxation whatever therefor or to
40 make any appropriation for their payment.

1 (b) Notwithstanding subdivision (d) of Section 281, if the
 2 commission issued bonds pursuant to this section, the commission
 3 shall deposit the moneys received by the commission from the
 4 surcharge imposed pursuant to Section 281 into the Broadband
 5 Bond Financing and Securitization Account for purposes of funding
 6 costs related to broadband bond financing and securities, including
 7 the financing of the deployment of broadband infrastructure by a
 8 local government agency or nonprofit organization, including, but
 9 not limited to, payment of costs of debt issuance, obtaining credit
 10 enhancement, and establishment and funding of reserves for the
 11 payment of principal and interest on the debt.

12 (c) The commission may establish eligibility requirements for
 13 infrastructure projects deployed using financing supported in whole
 14 or in part by moneys allocated pursuant to this section.

15 (d) The commission may require a local government agency or
 16 nonprofit organization to provide information demonstrating the
 17 agency or nonprofit organization’s ability to reasonably finance
 18 and implement the infrastructure project deployed using financing
 19 supported in whole or in part by moneys allocated pursuant to this
 20 section.

21 (e) The commission shall require each local government agency
 22 or nonprofit organization allocated moneys pursuant to this section
 23 to file both of the following reports in the form and manner
 24 specified by the commission:

25 (1) Biannual progress reports identifying project milestones and
 26 completion percentage to date.

27 (2) A completion report including a full description of the
 28 completed project, comparison of approved versus actual costs of
 29 construction, speed test data for all areas served by the project.

30 SEC. 8. Section 285 of the Public Utilities Code is amended
 31 to read:

32 285. (a) As used in this section, “interconnected Voice over
 33 Internet Protocol (VoIP) service” has the same meaning as in
 34 Section 9.3 of Title 47 of the Code of Federal Regulations.

35 (b) The Legislature finds and declares that the sole purpose of
 36 this section is to require the commission to impose the surcharges
 37 pursuant to this section to ensure that end-use customers of
 38 interconnected VoIP service providers contribute to the funds
 39 enumerated in this section, and, therefore, this section does not

1 indicate the intent of the Legislature with respect to any other
2 purpose.

3 (c) The commission shall require interconnected VoIP service
4 providers to collect and remit surcharges on their California
5 intrastate revenues in support of the following public purpose
6 program funds:

7 (1) California High-Cost Fund-A Administrative Committee
8 Fund under Section 275.

9 (2) California High-Cost Fund-B Administrative Committee
10 Fund under Section 276.

11 (3) Universal Lifeline Telephone Service Trust Administrative
12 Committee Fund under Section 277.

13 (4) Deaf and Disabled Telecommunications Program
14 Administrative Committee Fund under Section 278.

15 (5) California Teleconnect Fund Administrative Committee
16 Fund under Section 280.

17 (6) California Advanced Services Fund under Section 281.

18 (d) The authority to impose a surcharge pursuant to this section
19 applies only to a surcharge imposed on end-use customers for
20 interconnected VoIP service provided to an end-use customer's
21 place of primary use that is located within California. As used in
22 this subdivision, "place of primary use" means the street address
23 where the end-use customer's use of interconnected VoIP service
24 primarily occurs, or a reasonable proxy as determined by the
25 interconnected VoIP service provider, such as the customer's
26 registered location for 911 purposes.

27 ~~(e) (1) For the purposes of determining what revenues are~~
28 ~~subject to a surcharge imposed pursuant to this section, an~~
29 ~~interconnected VoIP service provider may use any of the following~~
30 ~~methodologies to identify intrastate revenues:~~

31 ~~(A) The inverse of the interstate safe harbor percentage~~
32 ~~established by the Federal Communications Commission for~~
33 ~~interconnected VoIP service for federal universal service~~
34 ~~contribution purposes, as these percentages may be revised from~~
35 ~~time to time.~~

36 ~~(B) A traffic study specific to the interconnected VoIP service~~
37 ~~provider allocating revenues between the federal and state~~
38 ~~jurisdictions.~~

39 ~~(C) Another means of accurately apportioning interconnected~~
40 ~~VoIP service between federal and state jurisdictions.~~

1 ~~(2) The methodology chosen pursuant to paragraph (1) shall be~~
2 ~~consistent with the revenue allocation methodology the provider~~
3 ~~uses to determine its federal universal service contribution~~
4 ~~obligations.~~

5 ~~(3) It is the intent of the Legislature that a traffic study described~~
6 ~~in subparagraph (B) of paragraph (1) is excluded from public~~
7 ~~inspection pursuant to Public Utilities Commission General Order~~
8 ~~66-C, because the disclosure of these studies would place the~~
9 ~~provider at an unfair business disadvantage.~~

10 SEC. 9. Section 884.2 is added to the Public Utilities Code, to
11 read:

12 884.2. The commission may require each internet service
13 provider, as defined in Section 3100 of the Civil Code, to report
14 the following information regarding each free, low-cost,
15 income-qualified, or affordable internet service plan advertised by
16 the provider:

- 17 (a) The cost of the plan, including any fees and taxes.
- 18 (b) The eligibility requirements for the plan.
- 19 (c) The data limitations of the plan.
- 20 (d) The number of California residents enrolled in the plan.
- 21 (e) A description of the outreach efforts undertaken by the
22 provider to eligible populations to increase awareness about the
23 plan.

24 SEC. 10. Section 912.2 of the Public Utilities Code is amended
25 to read:

26 912.2. ~~(a) The~~ *On or before April 1, 2023, and annually*
27 *thereafter, the commission shall conduct an interim financial audit*
28 ~~and a final financial audit and an interim a performance audit and~~
29 ~~a final performance audit~~ *of the implementation and effectiveness*
30 *of the California Advanced Services Fund to ensure that funds*
31 *have been expended in accordance with the approved terms of the*
32 *grant awards and loan agreements pursuant to Section 281. The*
33 ~~commission 281, and shall report its interim findings to the~~
34 *Legislature by April 1, 2020. The commission shall report its final*
35 *findings to the Legislature by April 1, 2023. The reports shall also*
36 *Legislature. Each report shall include an update to the maps in*
37 *the final report of the California Broadband Task Force and data*
38 *on the types and numbers of jobs created as a result of the program*
39 *administered by the commission pursuant to Section 281.*

1 ~~(b) Pursuant to Section 10231.5 of the Government Code, this~~
2 ~~section is repealed on January 1, 2027.~~

3 SEC. 11. Section 914.7 of the Public Utilities Code is amended
4 to read:

5 914.7. ~~(a)~~ By April 1, 2019, and by April 1 of each year
6 thereafter, ~~until April 1, 2023~~, the commission shall provide a
7 report to the Legislature that includes all of the following
8 information:

9 ~~(1)~~

10 (a) The remaining unserved areas in the state.

11 ~~(2)~~

12 (b) The amount of funds expended from the California Advanced
13 Services Fund in the prior year.

14 ~~(3)~~

15 (c) The recipients of funds expended from the California
16 Advanced Services Fund in the prior year.

17 ~~(4)~~

18 (d) The geographic regions of the state affected by funds
19 expended from the California Advanced Services Fund in the prior
20 year, including information by county.

21 ~~(5)~~

22 (e) The expected benefits to be derived from the ~~fund~~ funds
23 expended from the California Advanced Services Fund in the prior
24 year.

25 ~~(6)~~

26 (f) Details on the status of each project funded through the
27 California Advanced Services Fund and whether the project has
28 been completed or the expected completion date of the project.

29 ~~(7)~~

30 (g) Actual broadband adoption levels from funds expended from
31 the California Advanced Services Fund in the prior year.

32 ~~(8)~~

33 (h) The cost per household for each project.

34 ~~(9)~~

35 (i) The number of formerly unserved households subscribing
36 to broadband service in areas covered by projects funded by the
37 California Advanced Services Fund.

38 ~~(10)~~

1 (j) The number of subscriptions resulting from the broadband
2 adoption program funded by the California Advanced Services
3 Fund.

4 ~~(11)~~

5 (k) An update on the expenditures from the California Advanced
6 Services Fund, broadband adoption levels, the progress in achieving
7 the goals of the program, and an accounting of the remaining
8 unserved households in each region of the state as of December
9 31 of the immediately preceding year.

10 ~~(12)~~

11 (l) The amount of funds expended from the California Advanced
12 Services Fund to match federal funds.

13 ~~(13) Addition~~

14 (m) *Additional* details on efforts to leverage non-California
15 Advanced Services Fund moneys.

16 ~~(14)~~

17 (n) The status of the California Advanced Services Fund balance
18 and the projected amount to be collected in each year ~~through 2022~~
19 to fund approved projects.

20 ~~(b) This section is repealed on January 1, 2024, and as of that~~
21 ~~date is repealed, unless a later enacted statute that is enacted before~~
22 ~~January 1, 2024, deletes or extends that date.~~

23 SEC. 12. No reimbursement is required by this act pursuant
24 to Section 6 of Article XIII B of the California Constitution because
25 the only costs that may be incurred by a local agency or school
26 district will be incurred because this act creates a new crime or
27 infraction, eliminates a crime or infraction, or changes the penalty
28 for a crime or infraction, within the meaning of Section 17556 of
29 the Government Code, or changes the definition of a crime within
30 the meaning of Section 6 of Article XIII B of the California
31 Constitution.

32 SEC. 13. This act is an urgency statute necessary for the
33 immediate preservation of the public peace, health, or safety within
34 the meaning of Article IV of the California Constitution and shall
35 go into immediate effect. The facts constituting the necessity are:

36 To expedite the deployment of broadband infrastructure and
37 internet service to unserved rural and urban communities and

- 1 establishing 21st century infrastructure essential for economic
- 2 competitiveness and quality of life.

O