



## **Effort Required to Reach the Most Digitally-Disadvantaged Households**

- It is increasingly challenging to reach Unconnected HHs: lack of awareness and economic fragility.
- CETF + Partners enrolled 32,684 HHs in 21 months (20,000 HHs supported by CASF Grant): Call Center received 289,207 Calls; 177,425 Completed assisted by CBOs in 3-way calls with ISPs.
- 21.2M HHs contacted to enroll 20,000 HHs: Outreach to 1,124 HHs to enroll 1 Unconnected HH. (ACP: Outreach to 100 HHs for 1 Enrollment – FCC enrollment website; ISP conversions for subsidy).
- Direct Notification is most effective: 2 State Agencies (DHCS, CDSS); 12 Counties; L.A. Care engaged.
- Comcast requires 90 days no service; Charter requires 30 days; AT&T, Frontier immediately enroll.

## **Fairness in Funding and Options for Action: Must Address Affordability and Awareness**

- Several options for incentives to achieve affordability (CETF sponsored bills since 2021):
  - Corporate Consolidations: Public Benefits (Verizon-Frontier Public Benefits)
  - Procurement: Voluntary Contract for ISPs and Technology Companies
  - Infrastructure Grant: Public Funding (require affordable offers in all service territories)
  - Statewide Franchise: Public Benefit
  - Regulation pursuant to Titles 1 and 3 of 1934 Telecommunications Act (AB353 was legal).
  - Home Internet LifeLine Program with Subsidies: SB716 is a major opportunity for action in 2026.
- CPUC Broadband Pilot Project will provide experience; 3 years timeframe is problematic.
  - 1.9M HHs enrolled (4 decades): 16 Wireless ISPs (16 Bundled) 87%; 31 Wireline (18 Bundled) 13%
  - ISPs should be encouraged to participate: Verizon-Frontier; Comcast; Siskiyou Telephone
  - Need funding for Direct Notification and Public Awareness: Legislature should authorize.
  - CPUC PIlot Project provides more subsidies than SB716 (approved in the State Budget).
  - Funding mechanism is Access Line Fee supporting all California
- CPUC transition to Access Line Fee in April 2023 broadened base of contributors.
- 52.5M access lines (historically continued to increase) – compared to <20M income taxpayers.
- Landline bill before: \$1.62-\$1.87 monthly for LifeLine (\$2.14-\$3.09 with long distance); cut to 1/3.
- Wireless ISPs have received 94% of LifeLine funds for 4 decades; VoIP are 15% of access lines.
- Access Line Fee to enroll 2.9M: \$1.27 (\$.16 above \$1.11); \$1.86 for 5.8M (could target <150% FPL) (if all other variable are held constant to be conservative).

## **CETF Recommendations for Action**

- Seize the Moment: Affordable Policy Pillar to close the Digital Divide and achieve Digital Equity.
- Convene Legislative Leadership, Governor's Office, stakeholders, in consultation with CPUC.
  - Engage the expertise of ISPs, TURN, CWA, Cal Advocates.
  - Leverage ISP leadership to mobilize.
  - CETF is available to assist in continuing the Stakeholder Conversation process from last year.
- Amend SB716 to modify and remove the fatal Committee Amendment on July 16.
  - ✓ Authorize extension of CPUC Pilot Project to 5 years for appropriate timeframe to gather data.
  - ✓ Acknowledge projected total amount for Access Line Fee through 2030: Consider combination of required ISP affordable offer of \$30 and subsidizing <150% FPL.
  - ✓ Direct phased appropriation of Lifeline revenues for public awareness in community and ethnic media with assessment of impact.
- Confer on all other strategies to promote affordability and broadband revenue base.
- Require annual Joint Committee Oversight Hearing with approval in Budget of Access Line Fee.