



**Assembly Committee on Communications and Conveyance  
Oversight Hearing: The State of Broadband Affordability  
Consumer Perspective on Broadband Affordability  
Wednesday, January 14, 2026  
State Capitol – Room 437 – 1:30PM – 3:30PM**

**Scope of Testimony**

- Magnitude and Nature of the Challenge
- Effort Required to Reach the Most Digitally-Disadvantaged Households
- Fairness in Funding and Options for Action

**Background on California Emerging Technology Fund (CETF)**

- CPUC directed establishment of CETF as a statewide non-profit as a public benefit from corporate consolidations in 2005 (SBC-AT&T; Verizon-MCI).
- By State law, CETF report to the Legislature annually through CPUC (AB1338).
- State Senator Alex Padilla purposely included CETF as a member of the California Broadband Council.
- Governors Executive Order on Broadband For All (N-73-20) and Action Plan direct CETF to assist State Agencies in promoting affordable Internet service to get online all low-income HHs and assist them in becoming digitally-proficient with an affordable computing device.
- Under California Broadband Council, CETF led *Get Connected! California* mobilization for the Affordable Access Program (ACP): enrolled >50% of eligible HHs – <2.9M (<1M more than any other state), including 105 in-person ACP Enrollment Events; 10 Counties exceeded statewide rate.

**Definitions and Terminology**

- Digital Divide (Challenge); Digital Inclusion (Process); Digital Equity (Result) – CPR
- Broadband: Generic terminology for high-speed Internet infrastructure, including wireline and wireless networks. CETF is technology neutral: it is all about performance for consumers.
- Digitally-Disadvantaged Households (HHS): Unconnected+Underconnected (Concentration of Poverty)
  - Unconnected: Have no Internet access.
  - Underconnected: Have a smartphone only (when subscriber leaves home, it is Unconnected).

**Magnitude and Nature of Challenge: Affordability and Awareness**

- CETF initiated Statewide Survey in 2008: most statistically-reliable methodology (margin of error <3%).
- 2023 Statewide Survey (with CDT for Digital Equity and BEAD Plans) showed Adoption progress:
  - Statewide: 55% to 91% (with Underconnected cut in half from 6% in 2021 to 3% in 2023)
  - Low-Income (LI) HHs: 33% to <87% (13% Unconnected; 6% Underconnected cut from 15% in 2018)
  - Latino HHs: 34% to >87%
  - People with Disabilities: 36% to 91% (equal to statewide average)
- 35.6% Unconnected HHs cited Affordability as top reason; 2.7% cited lack of Internet infrastructure.
- 74.2% unaware of ISP affordable offers; 69% said ISP didn't tell them (2024 Survey – 201/544 HHs):
- Nearly 70% (68%) Connected LI HHs are paying more than FCC yardstick of 2% disposable income.
- 5,844,707 HHs Eligible for ACP (~6M – same universe for Telephone LifeLine): 2,945,281 HHs Enrolled
  - 3,111,400 HHs >150% – 200% Federal Poverty Level (FPL) – 53% (can afford \$30 per month)
  - 2,945,281 HHs <150% FPL (IIJA Covered HHs): Priority for California Home Internet LifeLine subsidy
  - ~ 500,000 HHs Digitally-Disadvantaged (355,342 HHs Unconnected; 158,536 HHs Underconnected)

### **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; Siskiyow 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.