

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE

Sharon Quirk-Silva, Chair

AB 1934 (Rodriguez) – As Amended March 28, 2022

**SUBJECT:** Office of Emergency Services: broadband communications grant program: fairgrounds

**SUMMARY:** Upon appropriation by the legislature, requires the Office of Emergency Services (Cal OES) to establish a grant program to provide fairs with grant funding for purposes of building and upgrading broadband communication infrastructure on fairgrounds. Specifically, **this bill:**

- 1) Requires Cal OES to establish a grant program, on or before January 1, 2024, to provide fairs with grant funding for building and upgrading broadband communication infrastructure on fairgrounds.
- 2) Requires Cal OES to establish standards to determine how fairs receive grant funding and authorizes prioritization of funds based on frequency of emergency activation and existing operational deficiencies.
- 3) Requires Cal OES to consult with the Department of Technology (CDT) and Department of Food and Agriculture (CDFA).
- 4) States the intent of the Legislature, if a future appropriation is made for the program, to include at least \$125,000,000 to OES for implementing the program.

**EXISTING LAW:**

- 1) Requires Cal OES to be responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (Government Code § 8585)
- 2) Permits Cal OES the use of all state and local fair properties, as conditions require. (Government Code § 8589)
- 3) Establishes the California Advanced Services Fund (CASF) to deploy broadband infrastructure in unserved areas of the state. (Public Utilities Code § 281)
- 4) Authorizes the California Public Utilities Commission (CPUC) to assess a surcharge on communication service ratepayers receiving intrastate telecommunication services, collecting a maximum of \$150 million per year for the period between January 1, 2022 and December 31, 2032, to fund the CASF program. (Public Utilities Code § 281)
- 5) Authorizes CASF monies to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including fairgrounds. (Public Utilities Code § 281)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

- 1) *Purpose of the bill and the scope of this committee.* The purpose of this bill is to improve emergency response efforts, not to improve broadband connectivity for unserved households like other bills this committee has considered. According to the author, “Despite how often fairgrounds serve as a site for emergency response operations, many are woefully unequipped to do so when it comes to high-speed internet capabilities. During disasters, victims, first responders, and public safety personnel rely on social media, email, calls, and video calls for communication and up-to-date information. During times of disaster, large numbers of people are housed and work at fairgrounds and strong, high-speed internet is essential. Several fairgrounds throughout the State, especially rural fairgrounds, lack the broadband infrastructure necessary to host emergency responders and evacuees. A study by CSU Chico in 2020 compared rural versus urban fairgrounds and found that rural fairground are 15-20% less likely to have connection speeds capable of even a two-person video call. Even more urban fairs with broadband connectivity are in need of infrastructure updates in order to function at the levels necessary to host an emergency response operation.” The Committee on Emergency Management analysis of this bill provides more context on the benefits and impacts of this legislation on emergency response efforts. This analysis will focus on the bill’s impacts in the context of the state’s existing broadband policies and efforts.
- 2) *Lack of adequate broadband is a problem for California households and businesses too.* Existing state and federal policies consider households that do not have access to minimum broadband speeds of 25 megabits per second (mbps) download and 3 mbps upload to be unserved. Underserved households, on the other hand, are generally considered to be those households that do not have access to speeds of 100 mbps download and 20 mbps upload. According to Legislative Analyst Office (LAO) analysis of state broadband data, there are nearly 354,000 unserved households in the state and about 743,000 underserved households in California. Households that are unserved and underserved are located throughout the state, but the percentage of unserved and underserved households in the state is highest in rural areas. Accordingly, most state investments in broadband infrastructure has gone to rural counties. The fairgrounds that would receive the benefits of the program proposed by this bill are also likely be located in areas with a high-percentage of unserved household like rural counties. However, this bill does not require that the communities surrounding a fairground selected for grant funding would receive any benefit for their day-to-day broadband service needs.
- 3) *Fairgrounds without adequate broadband service are likely in areas without adequate access to middle-mile broadband infrastructure.* One of the reasons some rural areas lack access to adequate broadband service, aside from the economics, is because those areas lack middle-mile broadband infrastructure to build a local broadband network. Middle-mile broadband infrastructure consist of high-capacity fiber lines that carry large amounts of data at high speeds over long distances between local networks and global internet networks. Middle-mile infrastructure is a necessary component to enable connectivity for homes and community institutions, such as a fairground. Therefore, if there were no middle mile broadband infrastructure available in area then a local network at a fairground would not be technologically feasible without constructing new middle-mile infrastructure to support the

project. Such an undertaking would likely be prohibitively expensive, or require a large amount of the program funds. Coincidentally, California is already investing \$3.25 billion dollars to support a statewide middle-mile broadband network, which the program created by this bill could potentially leverage through coordination with CDT although it is not required.

- 4) *Competing priorities, limited funding.* California has invested millions of dollars in broadband infrastructure programs to reach the state's broadband goals in recent years, and billions more will be spent in the coming years. However, the primary focus of those broadband investments has been to connect households. For example, the goal of the California Advanced Services Fund, the state's most notable broadband infrastructure program, is to connect 98% of households in each consortia region by 2032. Last year the Governor and Legislature also agreed to invest an additional \$2 billion dollars in the California Advanced Services Fund to help meet the state's broadband deployment goals. Although creating a new broadband deployment program, as proposed by this bill, would not directly hinder existing broadband deployment efforts, the state's resources are not unlimited. Therefore, any funding invested in a broadband program for fairgrounds means there is less money available for other purposes, like connecting households to broadband.

It is possible investments in broadband for public safety, as proposed by this bill, can provide co-benefits to broadband accessibility for the surrounding communities but that is not guaranteed. Notably, as currently drafted the bill does not require broadband investments for fairgrounds to garner any benefits beyond public safety. As a result, this program may create a competing interest for the state's limited broadband funding without a requirement of providing any benefit to a selected community's day-to-day broadband needs.

- 5) *Recent legislation authorizes CASF monies for fairgrounds.* Senate Bill 4 (Gonzalez, Chapter 671, Statutes of 2021) authorizes CASF monies to be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including fairgrounds. The authorization for funding in that legislation is aligned with the program proposed by this bill, although the author has represented to the committee their desire to pursue general fund dollars to implement the program. Nonetheless, it's worth noting that the requested minimum allocation to fund this bill would be nearly as much as the entire authorized surcharge collection cap for the CASF program. Under current law, the CPUC may collect up to \$150 million per year in surcharges to fund CASF programs and this bill states the intention of the Legislature that a future appropriation be at least \$125 million. If CASF monies were to be used to fund this program, it could deplete nearly the entire annual surcharge collections for the CASF program without bringing the state any closer to the program goal of connecting households.
- 6) *State regulations require telecommunications service providers to provide resources during declared emergencies.* The state of California experienced major wildfires in 2017 that gravely impacted the lives of many Californians and affected multiple utility services across the state. Following those wildfires, in 2018 the CPUC initiated a rulemaking<sup>1</sup> to consider whether the Commission should adopt permanent rules requiring all electric, gas, telephone, water and sewer utilities under this Commission's jurisdiction to make available post-disaster

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<sup>1</sup> Rulemaking R.18-03-011. Rulemaking Regarding Emergency Disaster Relief Program.  
<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/service-quality-and-etc/communications-network-resiliency>

customer protections measures to Californians in the event that certain types of emergency disaster declarations are pronounced. That same year the CPUC adopted the first<sup>2</sup> of a series of decisions regarding emergency customer protections, communications resiliency, and emergency response duties of telecommunications providers. Under the first decision all wireless telephone corporations were required to take steps to ensure the availability of reliable cell service during an emergency, including requiring providers maintain WiFi access in areas where impacted wireless customers seek refuge from fires. The program proposed by this bill has a similar intent, to the extent that both existing regulations and this bill are aimed at ensuring access to telecommunications services during an emergency.

- 7) *Arguments in support.* Supporters of the bill note that fairgrounds are regularly used as evacuation sites following natural disasters and emergencies and that this bill can improve emergency response efforts. The Utility Reform Network (TURN) writes in support: “Many of these locations [fairgrounds] lack any broadband service, or, at best, can only provide a minimal level of service that is insufficient to support communication for first responders, emergency officials and evacuees. Broadband service provides access to crucial information such as details about the status of an emergency, available resources for evacuees, contact with family and friends and serves as a vital tool for managing emergency response.”
- 8) *Committee amendments.* The following suggested amendments are substantive in nature and would place additional conditions on administration of the program. The amendments would 1) Provide that CASF funds may not be used for the program; 2) Require that fair eligible for grant funding are located in an area with sufficient open-access middle-mile broadband infrastructure; 3) Require that the fair is capable of providing publicly available broadband access throughout the year.

- 1) Amendment 1: On page 2, in line 22, after “(2)” insert (A)
- 2) Amendment 2: On page 3, between lines 2 and 3, insert:  
(B) Revenues from the California Advanced Services Fund collected pursuant to Section 281 and Section 281.1 of the Public Utilities Code shall not be used to fund this program.
- 3) Amendment 3: On page 3, in line 5, after the period insert:  
The standards shall require that fairs eligible for funding meet, at a minimum, the following criteria:
  - a) The fair is located in an area with sufficient open-access middle-mile broadband infrastructure within a reasonable distance to support the fairground’s expanded broadband capabilities.
  - b) The fair is capable of providing publicly available broadband access to the fair’s broadband network throughout the year.

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<sup>2</sup> Decision D.18-08-004. Affirming the Provisions of Resolutions M-4833 and M-4835 as Interim Disaster Relief Emergency Customer Protection.  
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M221/K552/221552166.PDF>

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

League of California Cities  
The Utility Reform Network (TURN)

**Opposition**

None on file

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