

To: Assemblymembers: Cecelia Aguiar-Curry (AD-04); Marc Levine (AD-10);
Jim Wood (AD-02)

From: Mendocino Supervisor Dan Hamburg (D-5), Chair, NBNCBC Oversight Committee

Subject: **AB 1665: Last Minute Changes Deny Our Communities Access to State Broadband Funding**

Date: May 2, 2017

In the last days of "stakeholder" meetings and work sessions on AB 1665, three (3) provisions were added that mean if passed into law the bill would deny access to state broadband funding to most of our communities.

Here in our region (Marin, Mendocino, Napa and Sonoma counties), the reality of these recent amendments means that approximately 11,000 homes will become ineligible for CPUC funding for state-of-the-art networks. They will instead be slated for barely adequate broadband service for years to come. The provisions are:

- 1. 'CAF vs. CASF' (Federal vs. State) Exclusion'** The new language excludes from state funding any areas in which federal Connect America Fund (CAF II) awards of the FCC have been accepted by incumbent carriers, like AT&T and Frontier. As reported nationally, and as is being proposed in our counties today, most of this federal funding within the AT&T and Frontier service areas will be limited to 10/1 low speed broadband delivered by 'fixed wireless' technology.
- 2. 'Substandard DSL Lock in'** Surprisingly, as the FCC and many states are raising the definition of broadband to higher levels, a new provision in AB 1665 actually lowers the California levels. As it does this, it removes from funding eligibility communities with inadequate services today which would otherwise be able to get state funding. Across California, this means that communities with older telephone company-delivered DSL networks will be largely locked into them and unable to apply for state grants for upgrades.
- 3. 'Investment Preemption by Incumbents'** In another surprise move over the last days, incumbent carriers are given an unspecified amount of time to deploy network upgrades, of their own choosing, if a provider signals it intends to apply for state grant funds. This fully unwarranted and last minute provision gives an effective veto over new investment to the large incumbent carriers.

We need your action now:

- Encourage our legislators amend the bill to meet our local rural needs as suggested above. And, to cast our net wider to legislators in adjacent districts/counties.
- If the bill cannot be amended on these points, we strongly believe that no new legislation is preferable to this highly damaging proposal. We will be forced to not support this bill.

cc: Marin Supervisor Dennis Rodoni (D-4); Napa Supervisor Diane Dillon (D-3); Sonoma Supervisor Lynda Hopkins (D-5)