



Central Coast Broadband Consortium

The Honorable Eduardo Garcia
Member, California State Assembly
State Capitol, Room 4140
Sacramento, CA 95814

RE: Assembly Bill 1665 - OPPOSE

May 18, 2017

Dear Assembly Member Garcia:

High speed, high quality broadband service at affordable prices is a fundamental necessity in the 21st Century. Without it, people can't find jobs, access health care or participate in today's online economy; students can't even do their homework. Businesses will not locate in communities that do not have modern broadband infrastructure and service.

We are grateful that you are a leader on this important issue and want to help unserved people meet this great need, particularly those in rural and inner city communities. Unfortunately, as written, Assembly Bill 1665 will lock rural and inner city residents into low speed, high cost services that, for many, are the only choice available. We oppose it in its current form.

The Central Coast Broadband Consortium (CCBC) is a 20-year old, broadly based group of local governments and agencies, economic development, education and health organizations, community groups and private businesses. We are dedicated to improving broadband availability, access and adoption in Monterey, Santa Cruz and San Benito Counties.

The top priority of the CCBC is providing resources and incentives to telecommunications service providers to build broadband infrastructure and extend it throughout our region. Our work includes a broadband development program, funded by a grant from the California Public Utilities via the California Advanced Services Fund, that is resulting in service and infrastructure upgrades for more than 100,000 local residents, hundreds of businesses and dozens of community anchor institutions.

We believe that opportunity and prosperity in our largely rural region will be built on a foundation of diverse, competitively priced broadband service and infrastructure. Families in the Salinas Valley need fast and affordable Internet access. Businesses in Watsonville and Hollister can't grow without connecting to customers and suppliers around the world. Entrepreneurs from Santa Cruz to San Ardo have to attract – and hold – talent, capital and ideas. But they can't without the wealth of telecommunications options that affluent areas of California take for granted.

AB 1665 has three critical flaws:

- Setting California's minimum broadband standard at 6 Mbps download and 1 Mbps upload speeds is a step backwards, at a time when we must all move forward together. Reducing the minimum upload speed from the current 1.5 Mbps standard to 1 Mbps may seem like a minor issue, but its effect will be to lock rural and inner city communities into broadband infrastructure that is already one or two generations out of date. With high technology, small changes can result in great harm. Instead, California should look to the federal standard for advanced broadband service of 25 Mbps download and 3 Mbps upload speeds.

- AT&T and Frontier Communications should not be allowed to fence off most of rural California simply because they have accepted federal subsidies to provide service that doesn't even meet the CPUC's current standard. Because of the way the federal Connect America Fund program works, the money is often distributed in a checkerboard fashion. As a result, people are left stranded without acceptable service – a strategy Frontier has admittedly employed¹ – because it is not economically feasible for a competitive provider to reach them.
- The public housing broadband facilities program provides basic connectivity to some of California's poorest residents, and should not be eliminated, as the current version of AB 1665 proposes to do. Its elimination is the result of demands by the California Cable and Telecommunications Association and its member cable companies. They fear that even simple WiFi service in public housing communities will damage a business model that depends on selling expensive television service bundles to people that cannot afford it.

To address these issues, we recommend the following changes:

1. Do not lower California's minimum broadband standard, instead increase it to 25 Mbps download and 3 Mbps upload speeds.
2. Allow CASF funds to be spent in any area where incumbents fail to deliver acceptable minimum broadband speeds, even where they are using federal subsidies to deliver inferior service.
3. Retain and increase funding for the public housing broadband facilities program, and expand eligibility.

We respectfully ask that AB 1665 be either amended or set aside for the moment, so that all Californians may benefit equally from the California Advanced Services Fund.

Sincerely,



Joel Staker
Chair
Central Coast Broadband Consortium

cc: Honorable Members, Assembly Appropriations Committee
Jennifer Galehouse, Deputy Chief Consultant, Assembly Appropriations Committee

¹ Frontier Communications, letter to Cynthia Walker, Director, Communications Division, California Public Utilities Commission, dated May 1, 2017, regarding "Comments on Resolution T-17525 – Race Telecommunications CASF Grant to Construct the Gigafy Phelan Project".