

April 10, 2025

Senate Committee on Energy, Utilities and Communications 1021 O Street, Suite 3350 Sacramento, California 95814

## Support SB716 (Durazo): California Home Internet LifeLine Act of 2025

Dear Chair Josh Becker, Vice-Chair Rosilicie Ochoa Bogh, and Committee Members Benjamin Allen, Bob Archuleta, Jesse Arreguín, Angelique Ashby, Anna Caballero, Megan Dahle, Lena Gonzalez, Shannon Grove, Melissa Hurtado, Monique Limón, Jerry McNerney, Susan Rubio, Henry Stern, Tony Strickland, and Aisha Wahab:

On behalf of the California Emerging Technology Fund (CETF), we urge you to pass SB716 (Durazo) to expand LifeLine support to a home Internet services while preserving the existing telephone LifeLine program. CETF is honored to support the leadership of Senator Durazo in the quest for Digital Equity to be the sponsor of SB716—a major missing piece of State policy required to close the Digital Divide. We welcome and expect additional co-sponsors of SB716 because a workable solution to affordable Internet service for low-income households is vital for the future of California.

SB716 is the result of an intense Stakeholder Conversation process including more than 50 participants who met for 7 weeks (2 hours each). We underscore that all Stakeholders participated in good faith. The Final Report has been shared with you and Committee staff. Although there is not yet consensus among all Stakeholders, SB716 represents the best proposal to date to ensure that all low-income households have affordable home Internet service. Further, the Stakeholders in support of SB716 represent consumers and the public interest.

SB716 provides an opportunity for the Legislature and Administration to seize a moment in time to jumpstart a truly groundbreaking program without any impact on the General Fund or ratepayers—the first in the nation. SB716:

- Establishes the Universal LifeLine Home Internet Services Fund as a new Universal Service Program administered by the California Public Utilities Commission (CPUC) and supported by the existing access line fee authorized by the Legislature (there are 53.5M access lines in California which is a broad base of contributors in comparison to 19.6M income tax filers).
- Directs current surplus access line fees to be deposited into the new LifeLine Home Internet Services Fund to seed funding for the program, which is sufficient to support enrollment of more than 50% of eligible households through at least FY28-29.
- Ensures adequate speeds and consumer protections in return for Internet Services Providers (ISPs) receiving a public subsidy for their eligible customers choosing an affordable Internet Plan.

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- Provides special considerations for small and rural ISPs and Tribal Lands.
- Standardizes eligibility linked to public assistance programs.
- Requires streamlining of the program to ease the administrative costs and regulatory costs for ISPs, while collecting essential data for transparency.
- Directs outreach to low-income residents through direct notification and community ethnic media in language to increase awareness, the primary barrier to enrollment in LifeLine and other affordable Internet plans.
- Sets performance standards with annual accountability to the Legislature.
- Establishes an advisory committee comprised of consumers, State Agencies, and all active stakeholders, including consumer advocacy organizations and industry associations, to foster ongoing collaboration for effective implementation and draw upon the lessons learned to date from the Governor's Broadband For All initiative and the expertise of the California Broadband Council which mobilized for Get Connected! California.
- Retains the Legislature's control of program expenditures and, therefore, the access line fees, through the annual Budget Act.

CETF remains inspired by the late Honorable Gwen Moore, author of the Moore Universal Telephone Service Act of 1987—known today as LifeLine. She declared on June 25, 2020 in an affidavit in support of the CETF proposal for modernization of LifeLine, "In my mind, without question, it is time that the LifeLine program acknowledge the central role broadband plays in our economy and our society and enable disadvantaged, low-income communities to obtain this essential utility."

On behalf of the California Emerging Technology Fund, we respectfully request your "aye" vote for SB716. <u>Please do not give SB716 opponents without a viable solution to have a veto on Digital Equity for our most needy Californians</u>. Now is the time to move forward to act in the public interest.

If you have any questions, please contact, Kyle O'Ryan, CETF Policy and Communications Director, at <u>Kyle.ORyan@CETFund.org</u>. Thank you for your consideration.

Sincerely,

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Sunne Wright McPeak CETF President and CEO Director

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