



*The widely circulated photo of two young girls in Salinas relying on Taco Bell's wifi for their education. Image from Instagram*

## Lawmakers Seek to Make 2021 the Year California Finally Bridges the Digital Divide

May 2, 2021

Cal Matters, Times of San Diego

By Ben Christopher

It only took a global pandemic, a year spent working and studying at home and a once-in-a-generation spending blitz from the federal government, but 2021 might be the year that California finally goes big on broadband.

Expanding internet access has long been a cause that lawmakers of all stripes — Democrat and Republican, rural and urban — have been happy to get behind. Few, however, have been willing to actually prioritize it.

That might change this year, just so long as politics and industry resistance don't get in the way. This time, there's plenty of money to throw at the problem, there's an undeniable sense of urgency to act and there's commitment to the cause coming from both the [governor's office](#) and [legislative leadership](#).

"We've been talking about universal broadband since I've been in diapers," Gov. Gavin Newsom said at a recent press conference — maybe a slight overstatement from the 53-year-old chief executive. "I think we're just resolved to solve this once and for all."

Many state lawmakers seem to be thinking along the same lines. There are now 20 pending broadband-related bills — to boost state investments in unconnected areas, to make it easier for providers to lay fiber and hang wireless transmitters, to subsidize internet subscriptions for low-income Californians.

But even easy-to-fund, broadly popular measures can get chewed up in the California legislative process. Large internet providers, which have helped thwart earlier efforts, don't welcome new regulations or new sources of publicly-subsidized competition. Local governments are also pushing back on proposals to speed up the approval of infrastructure. Both groups are formidable lobbying forces in Sacramento.

"There are people who benefit from the existing system," said Geoff Neill, an analyst with the California State Association of Counties, which has made broadband a top priority. "I'm worried that we won't go big enough on this...(that) it won't be the kind of transformative change that we have a once-in-a-generation opportunity to effect here."

## Greasing the Skids

Lobbyists are used to making their case before lawmakers, but they rarely get to do so by example. Tracy Rhine got that opportunity, inadvertently, at the beginning of this year's legislative session.

Democratic state Sen. Lena Gonzalez of Long Beach was holding a virtual press conference to announce her "[Broadband for All](#)" bill, one of the higher profile digital divide proposals. Last year, version 1.0 of the proposal fizzled out, the victim of industry opposition, legislative infighting and a lawmaking schedule constrained by the coronavirus.

Rhine, who represents the Rural County Representatives of California, was invited to sing the new bill's praises. Calling from rural El Dorado County, she was audio-only. Her DSL was down, she explained. And her expensive but patchy backup satellite connection wasn't strong enough to carry the feed. Instead, her voice was coming in over her phone's data plan. And even then, only sometimes.

At the end of the event, she applauded the "really great information from all the speakers today on why...this...is...so...impor—," her voice breaking off with impeccable timing.

Rhine and her organization have been pushing for serious action on internet access for years. Now, for the first time, the rest of the state seems to be receptive to the message.

"Now with COVID, everyone is seeing it," she said in an interview. And with the influx of both state and federal money, "everyone sees the opportunity there too."

The federal COVID relief bill passed last month will be putting an extra [\\$26 billion](#) into the state budget — some of it available to broadband. The Biden administration and Congress are now hammering out a [possible \\$2 trillion infrastructure package](#) that includes \$100 billion for broadband. A \$568 billion [Republican counter-proposal](#) also includes a sizable chunk of change, \$65 billion, for network deployment. Either way, more money could be on the way.

Even without the generosity of Uncle Sam, California is sitting on an unexpectedly comfy [cushion of cash](#). Next month, Newsom will unveil his updated budget proposal, which he says will include “a substantial amount of money to adequately advance...the cause of universal broadband.”

A [study](#) commissioned by the California Public Utility Commission put the price tag on building out high-speed internet infrastructure to every under-connected Californian at \$6.8 billion.

Outside of state budget negotiations, lawmakers are pushing through what Ernesto Falcon, a lobbyist with the Electronic Frontier Foundation, calls a “[blitzkrieg of legislative activity](#).”

Broadband legislation “usually tinkers around the edges,” said Falcon, whose organization is pushing for more public investment and management of internet infrastructure. Not so this year. “This many statewide rethinks at this scale? There’s been nothing close to this before.”

It’s no wonder why. For many Californians weathering the pandemic, a stable, high-speed internet connection has meant the difference between [getting an education](#), applying for a job, staying connected to family and friends, [participating in local government meetings](#), seeing a doctor or snagging a [vaccine appointment](#) — or not.

Throughout the legislative session this year, one example has been cited by lawmakers more than any other: two children sitting in a Salinas parking lot doing their homework with [Taco Bell WiFi](#). It was a viral depiction of a divide that has been there for years. But as with so many of the state’s inequalities, COVID has only made things worse — and harder to ignore.

[As a CalMatters analysis found](#), the California public schools where many students don’t have access to basic broadband service were also much more likely to have more students living in poverty. That was true before the pandemic.

Assemblymember Cecilia Aguiar-Curry, a Democrat from Winters in rural Yolo County who is working with Gonzalez on a broadband proposal, said she’s been pounding the table on this issue for years. “You might see those pictures of kids sitting outside a Taco Bell. Well, my kids have been sitting for 10 to 15 years in front of the library trying to connect.”

## **One Problem, Many Solutions**

Dollar-for-dollar, the [biggest broadband proposal](#) is a bill by Torrance Democratic Assemblymember Al Muratsuchi that would put a \$10 billion bond on the November 2022 ballot to fund new broadband infrastructure in underserved communities.

That price tag alone could make for some political difficulty when the state is already flush with cash. But there’s another challenging wrinkle: The money would be reserved for cities, counties, tribal

governments, school districts and other public entities that want to build out internet networks. Private corporations need not apply.

“Wouldn’t it be wonderful,” Muratsuchi explained at a recent press conference, “if we had the public broadband infrastructure where the state, the school districts, the communities — they would own this broadband infrastructure? And then we can have the private internet service providers come in and pay, basically, a rent to gain access to that public broadband infrastructure?”

Naturally, the private internet service providers do not agree. Even some universal broadband advocates are skeptical.



*Mario Ramirez Garcia, 10, attends online school in the bedroom he shares with his sister on April 23, 2021. According to their father, the internet connection at their Oakland home cuts out about twice a week, which is especially frustrating to the kids when they are taking tests. Photo by Anne Wernikoff, CalMatters*

Sunne Wright McPeak, president of the nonprofit California Emerging Technology Fund, called the proposal “mind boggling” and questioned whether it was wise to have public sector agencies that “have never been in the business...take a lot of billions of our dollars and go figure out how” to be internet service providers.

Another major funding proposal comes in two bills by [Gonzalez](#) and [Aguiar-Curry](#) that would put as much as \$150 million per year into a state grant program that funds the construction of new broadband networks in unserved and underserved areas.

But the bills would also change the rules, effectively opening up grants to areas that are already served by some private companies, requiring state-funded networks to maintain higher speeds than most cable and DSL lines can provide and making it harder for current providers to stall new subsidized projects. Carolyn McIntyre, president of the California Cable & Telecommunications Association, which represents industry giants including Comcast, Cox and Charter, said she has mixed feelings about the two bills.

“Competition is great. We support competition,” she said in an interview. “What we don’t support is government-subsidized competition.”

[Cable](#) and [wireless](#) industry trade groups throw plenty of money around the Capitol. During the last legislative session, they collectively spent more than \$1.6 million lobbying legislators and regulators. Since 2015, the two groups and the largest internet service providers have contributed more than \$5.6 million to California campaigns.

McIntyre stressed that public investment should stay out of areas where there’s already a “robust network...that has been built with private investment.”

Distinguishing a “robust network” from one in which the private sector has failed and government needs to intervene is where the most contentious political battle is now taking place.

“We’re not fighting the providers,” said Sara Bachez, a lobbyist with the California Association of School Business Officials, which supports all three funding bills. “We’re just saying, if you’re not going to take it on, then help us do it.”

Other advocates are a little more direct in their criticism.

“The internet service providers are so short-sighted as to almost have screwed this up royally once again,” said McPeak.

McPeak, who served as Business, Consumer Services and Housing Agency secretary under Gov. Arnold Schwarzenegger and who describes herself as a “fierce capitalist,” points the finger specifically at the corporate suites of five major providers for failing to invest in rural areas and then resisting change: AT&T, Charter, Comcast, Verizon and Frontier.

“It’s basically five men who stand in the way of getting to digital equity and they are headquartered in Dallas, New York, Philadelphia, New Jersey and Connecticut,” she said.

## **Less Carrot, More stick**

Underlying much of the debate around broadband during the pandemic is a fundamental disagreement about what role internet access plays in society.

In a hearing earlier this month, Democratic state Sen. Anna Caballero from Salinas likened the push for broadband to the New Deal crusade to build out the electrical grid across America in the 1930s.

Then, as now, political leaders realized a lack of access to a highly capital intensive service was miring swaths of the country in poverty. And it took a cataclysmic national crisis — then the Great Depression, now the pandemic — to [spur the federal government](#) to fill in gaps left by the private sector.

“What we did as a country is we made an investment in the infrastructure in order to be able to connect people everywhere,” said Caballero. “We have to do the same thing in the broadband sector as well.” She was speaking in favor of her [bill](#) that would require internet providers to give state regulators detailed information about who is covered and where.

While the bond and subsidy bills provide carrots for more investment, Caballero’s proposal packs a stick. All cable companies hold franchise agreements with the state allowing them to operate in certain areas. If they are found to be selectively offering internet service to some people and not others — what Caballero and other advocates liken to discriminatory “[redlining](#)” — the bill would give regulators the right to revoke their licenses.

The cable industry is adamantly opposed. McIntyre said that state regulators don’t have the legal authority. And even if it was legal, she said, it could be counterproductive, leading cable companies to pull out of some markets.

The cable industry is supporting its own legislation this year that would authorize the state government to buy broadband service from current providers on behalf of [school districts](#) and [public housing](#). Millions of Californians live in areas with high-speed networks, but don’t have the money or know-how to log on, McIntyre said. Making it cheaper and easier for potential subscribers to connect could be done “within a couple of months.”

Neill, the analyst with the California State Association of Counties, which supports Caballero’s bill, said getting the state to pay for existing services isn’t good enough.

If the only policy the current providers support “is for the government to give them money” without introducing more competition or regulation, “that’s not a very good option,” he said.

## **Not on My Telephone Pole**

Another political roadblock this year should be familiar to anyone who has followed California’s housing crisis: Expanding broadband requires digging trenches, erecting towers and hooking up transmitters. And not everyone wants to make it easy to build.

A raft of bills sponsored by fiber builders and wireless internet providers would force local governments to speed up their permitting for new broadband infrastructure.

Those are all welcome changes for industry groups, who argue that the state’s patchwork of local regulations and processes slows deployment and raises costs. They’re also supported by a coalition of labor organizations, school districts and economic development groups.

But many local governments argue that these measures could jeopardize their ability to ensure new infrastructure is done safely and efficiently. The League of California Cities has taken particular issue with a bill by Democratic Sen. Bill Dodd of Napa that would make it easier for companies to [hang wireless internet transmitters](#) on street lights and traffic poles.

In a [letter](#) to its members, the league called it “an attempt by the telecommunications industry to undermine local authority while making no meaningful progress towards closing the digital divide.”

But between the demands of industry and local governments, some advocates see potential for compromise.

McPeak of the California Emerging Technology Fund said making it easier for telecommunication companies to build out their infrastructure is worthwhile. “Provided they’re going to build where we need the service — as well as where they can make a lot of money.”