



Contra  
Costa  
County

To: Board of Supervisors  
From: LEGISLATION COMMITTEE  
Date: June 9, 2015

Subject: AB 1262 (Wood) Telecommunications: Universal Service

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**RECOMMENDATION(S):**

ADOPT a "Support" position on AB 1262 (Wood), as introduced: Telecommunications: Universal Service, a bill that would modify existing limits on funds allocated from the California Advanced Services Fund (CASF) to the Rural and Urban Regional Broadband Consortia Grant Account and the Broadband Infrastructure Revolving Loan Account, to promote ubiquitous broadband deployment and to advance broadband adoption in unserved and underserved areas throughout the state, as recommended by the Legislation Committee.

**FISCAL IMPACT:**

Increased annual PUC implementation and oversight costs of approximately \$130,000 (CASF) beginning in January 2018. By increasing the limit of the Rural and Urban Regional Broadband Consortia Grant Account, this bill effectively extends the program beyond 2017.

**BACKGROUND:**

At its May 7, 2015 meeting, the Legislation Committee considered and accepted the recommendation from the Executive Director of Contra Costa Economic Partnership to recommend a position of "Support" to the Board of Supervisors on AB 1262.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **06/09/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I  
Supervisor  
Candace Andersen, District II  
Supervisor  
Mary N. Piepho, District III  
Supervisor  
Karen Mitchoff, District IV  
Supervisor

ABSENT: Federal D. Glover, District V  
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 9, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: L. DeLaney,  
925-335-1097

cc:

Introduced: 02/27/2015

Disposition: Pending

Location: SENATE

Status: 05/21/15 to Senate Committee on Energy, Utilities, and Communications

## BACKGROUND: (CONT'D)

### SUMMARY:

This bill modifies existing limits on funds allocated from the California Advanced Services Fund (CASF) to the Rural and Urban Regional Broadband Consortia Grant Account and the Broadband Infrastructure Revolving Loan Account. Specifically, this bill:

- 1) Increases the existing limit from \$10 to \$15 million for monies collected for the CASF and allocated to the Rural and Urban Regional Broadband Consortia Grant Account.
- 2) Decreases the existing limit from \$15 million to \$10 million for monies collected for the CASF and allocated to the Broadband Infrastructure Revolving Loan Account.

### COMMENTS:

1) Purpose. According to the author, the CASF was created to encourage the deployment of high-quality advanced communications services to all Californians. As progress continues in achieving greater broadband expansion, it is imperative to continue the state's commitment to help ensure universal access to basic telecommunications services.

The author further states, the Rural and Urban Regional Broadband Consortia Grant Account is about to be exhausted. Therefore, if further monies are not available, many rural consortia will no longer be able to provide the appropriate broadband educational service nor assist in preparing applications for CASF grants.

2) Background. SB 1193 (Padilla) Chapter 393, Statutes of 2008, established the CASF and gave the PUC authority to assess a surcharge on communication service ratepayers (wireline, wireless, and voice over internet protocol customers) receiving intrastate telecommunication services to fund the program. Beginning in April 1, 2014, the CPUC increased the surcharge from 0.164% to 0.464%.

As of December 31, 2014, the CASF has collected approximately \$199 million of which approximately \$85 million is still remaining in the fund. Currently, after several legislative modifications, funding is allocated to four CASF accounts:

a) Broadband Infrastructure Grant Account \$270 million

Funds the capital costs of broadband infrastructure projects in unserved and underserved areas in California. Local government projects are limited to unserved households or businesses. Carriers eligible to apply for a grant award must hold a certificate of public convenience and necessity or Wireless Identification Registration from the PUC. CASF

funding is also available to non-telephone corporations which are facilities based broadband service providers.

b) Broadband Infrastructure Revolving Loan Account \$10 million

Supplements financing for projects also receiving CASF grant funding. Up to 20% of total project cost is eligible for financing. Applicant and project eligibility is the same as the Infrastructure Grant Account.

c) Rural and Urban Regional Broadband Consortia Grant Account \$10 million

Provides funding for the cost of broadband deployment activities, other than the capital cost of facilities. Eligible recipients include, but is not limited to local and regional governments, public safety, K-12 education, health care, and community-based organizations.

d) Broadband Public Housing Account \$25 million

Supports projects to deploy local area networks and to increase adoption rates in publicly supported housing communities.

CONSEQUENCE OF NEGATIVE ACTION:

Contra Costa County would not have a position on the bill.

ATTACHMENTS

Attachment A - Bill Text

Attachment B - Letter of Support\_Contra Costa Economic Partnership

Attachment C - Letter of Support\_California Regional Broadband Consortia Leaders