The Honorable Bill Dodd  
California State Senate  
1020 O street, Suite 6620  
Sacramento, CA 95814

**RE:** Senate Bill 717 – OPPOSE UNLESS AMENDED  
As Amended May 17, 2022

Dear Senator Dodd:

On behalf of the Rural County Representatives of California, the California State Association of Counties, the League of California Cities, Access Humboldt, and Next Century Cities, we must respectfully submit an Oppose Unless Amended position on Senate Bill 717, your measure that would require a study on the constraints imposed on Internet Service Providers (ISPs) that impede their ability to deploy broadband.

The COVID-19 pandemic has illuminated the necessity for ubiquitous access to reliable highspeed broadband. In the state budget last year, the Legislature and Administration answered the call to address this need through an unprecedented investment of $6 billion in broadband infrastructure efforts. SB 717 would require the Office of Planning and Research to conduct a study on the barriers to investment in broadband infrastructure and make recommendations to the Legislature on how to accelerate deployment.

SB 717 is duplicative of other efforts by the California Department of Technology, which repeatedly references in its Broadband For All Action Plan (2020) the need to address regulatory obstacles to broadband deployment. In fact, the 58-page Broadband For All Action Plan is a roadmap to address barriers to broadband access based on 34 meetings and engagement of over 650 individuals, citing dozens of reports analyzing hurdles to deployment, and laying out specific actions, such as enhancing local permitting processes and modifying existing subsidy programs. The reasons the digital divide exists in California have been extensively studied and barriers to enhanced deployment well documented. Further, with state broadband infrastructure funding programs set to begin
in the next couple months, we are presented with an opportunity for communities, local governments, and ISPs to focus efforts and resources on implementing the solution, as opposed to debating the causes of the digital divide.

Generally, unserved areas of the state have remained unserved due to the business decisions of ISPs, not due to unjustified regulatory barriers. SB 717 itself states that "Reducing high regulatory costs and other costs and delays in urban areas would leave more money and encourage investment and development in rural and tribal areas," seemingly acknowledging that funding is the only barrier to deploying in rural and tribal unserved areas, and that profitability is the barrier to deploying in urban unserved areas.

Our organizations support efforts to increase data-driven policy decisions, but the provisions of SB 717 create a process with a predetermined conclusion: that the lack of broadband deployment is due to circumstances, actions, and decisions outside the control of ISPs. Although we believe another study and report are not necessary, if SB 717 continues to move forward, our organizations would like to see a more balanced approach and analysis. At the very least, the report should identify factors within the control of ISPs that have resulted in unserved and underserved areas remaining unserved and underserved, especially in cases when the factors currently in the bill are found not to have been significant barriers. Additional factors we believe should be in the review include, for example, antiquated broadband subsidy programs, the consistent disinvestment in marginalized communities (digital redlining), underutilized middle-mile networks that aren’t leased to other providers, increasing ratios of profits to infrastructure investments, rent seeking by ISPs, and the prioritization of high rates of return on investment by ISPs. Further, a diverse and inclusive group of stakeholders representing varying perspectives on broadband deployment, including state and local government educational and health care agencies, as well as community partners, should be integrated into the definition of “relevant stakeholder.”

We look forward to working with your office to address our concerns.

Sincerely,

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