

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 28, 2021

CAO File No. 0220-05904-0000

Council File No. 21-0879

Council District: All

To: The Information, Technology, and
General Services Committee

From: Matthew W. Szabo, City Administrative Officer



Reference: Council Motion dated August 8, 2021

Subject: **REPORT BACK ON SENATE BILL 156**

RECOMMENDATION

That the Council note and file this report.

SUMMARY

On September 1, 2021, Council approved a motion relative to California Senate Bill 156 (SB 156) directing the Office of the City Administrative (CAO) and the Information Technology Agency (ITA) to report on the impacts of SB 156, any potential revenue the City expects to receive from the bill, current broadband assistance programs available within the City of Los Angeles, and potential uses of funds provided by this legislation that will enhance the City's digital inclusion efforts (C.F. 21-0879). This report has been developed in consultation with the ITA.

On July 20, 2021, Governor Gavin Newsom signed SB 156 into law, initiating the creation of a statewide open-access middle-mile network. The law requires California Public Utilities Commission (Commission) staff, in collaboration with relevant stakeholders, to provide the California Department of Technology a report that contains, among other items, locations for the statewide open-access middle-mile broadband network. Key provisions of SB 156 require the Commission to: 1) identify existing middle-mile infrastructure and areas with no known middle-mile infrastructure that is open access, with sufficient capacity, and at affordable rates; 2) identify priority middle-mile locations; 3) identify last-mile and anchor institution network end users; and 4) take public comment on the design, technical, business, and operational considerations that would increase the attractiveness and usefulness of the statewide open-access middle-mile broadband network for commercial Internet service providers. The current proposal from the Commission on the use of funds is to base the network on freeways. Comments and discussions on the Commission's proposal are ongoing and, therefore, the details on the use of funds has not yet been finalized.

In addition, SB 156 would require the Commission to allocate the \$2 billion appropriated in the Budget Act of 2021 to applicants for the construction of last-mile broadband infrastructure. The details on the disbursement of SB 156 funds, including which regions will be eligible for funding as well as use of funds, are still being developed so it is unclear whether the City will receive funding at this time. Once instructions on the disbursement of funds is made available, our Office will report back on any potential revenue the City may be eligible to receive as well as potential uses of the funds. In accordance with Council direction, the Economic and Workforce Development Department will be consulted as part of the recommendation on how the funds will be spent should the City receive any funding from SB 156.

The City currently provides a number of broadband assistance programs to its constituents in an effort to bridge the digital divide. The gap between those that have opportunities to access and benefit from the internet and those that do not is a growing issue in the City which has been exacerbated by the COVID-19 pandemic. As a result, multiple City departments and offices have increased their efforts to bridge the digital divide. The Department of Public Works, Bureau of Street Lighting (BSL) recently reported on the status of their broadband co-location deployment and efforts to bridge the digital divide (C.F. 21-0600-S46). BSL's report provides more information on digital inclusion programs and projects provided by various City departments such as OurCycle LA by the Information Technology Agency, Tech2Go by the Library Department, and Computer Labs at Public Housing by the Housing Authority of the City of Los Angeles.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. This is an informational report with no financial recommendations. If the City were to receive funds under SB 156, subsequent Council action would be required to accept the funds.

FINANCIAL POLICIES STATEMENT

This report is in compliance with the City's Financial Policies as this is an informational item with no fiscal impact.

Cc: Ted Ross, Information Technology Agency
Maryam Abbassi, Information Technology Agency
Dawn Comer, Mayor's Office of Budget & Innovation