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**HR-125** (2021-2022)

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REVISED AUGUST 30, 2022

AMENDED IN ASSEMBLY AUGUST 22, 2022

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

## HOUSE RESOLUTION

**NO. 125**

**Introduced by Assembly Member Reyes**

*(Coauthors: Assembly Members Aguiar-Curry, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Bigelow, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Mike Fong, Friedman, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Jones-Sawyer, Kalra, Kiley, Lackey, Levine, Low, Maienschein, Mathis, McCarty, McKinnor, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Quirk, Quirk-Silva, Ramos, Rendon, Luz Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wilson, and Wood)*

**August 04, 2022**

Relative to communications.

### LEGISLATIVE COUNSEL'S DIGEST

HR 125, as amended, Reyes.

WHEREAS, More than one in five Americans still lack broadband internet at home, including millions with limited access to broadband internet services. The pandemic has highlighted and exacerbated a digital divide that disproportionately afflicts low-income, elderly, and Latino, Black, Indigenous, and other people of color communities; and

WHEREAS, Digital redlining has caused underinvestment in digital infrastructure by internet companies to lower income communities of color and has resulted in broadband that has lower speeds, is less affordable, and is less pervasive when compared to those found in wealthier, Whiter areas; and

WHEREAS, Broadband with sufficient speeds, reliable connectivity, affordable rates, and accessible plans is necessary to achieve digital equity, defined by the National Digital Inclusion Alliance as a condition in which all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy; and

WHEREAS, Approximately 900,000 Californians do not have any access to the internet at their homes; and

WHEREAS, Broadband subscription rates in California are lower among certain populations, with subscription rates of only 83 percent for adults 65 years of age and older, 76 percent for low-income households, and 80 percent for households without a bachelor's degree; and

WHEREAS, The federal government, through both the American Rescue Plan Act of 2021 (Public Law 117-2) and the Infrastructure Investment and Jobs Act (Public Law 117-58), is now dedicating tens of billions of dollars to broadband deployment and affordability, but is dedicating relatively little funding in bridging the digital divide for digital literacy and inclusion; and

WHEREAS, If people do not know how to use technology, or cannot tap its value for basic needs, efforts to connect these people are fruitless; and

WHEREAS, Trained digital citizens contribute to economic development, job growth, educational opportunities, disability access, telehealth, and so much more; and

WHEREAS, Continuous funding is necessary to address the digital divide and spectrum auction revenue is a large source of funding that could address this problem; and

WHEREAS, Like land in the agricultural era and energy in the industrial era, the public airwaves are a key driver of wealth creation in the digital era. These airwaves are owned by the American people; and

WHEREAS, Auctions of public airwaves, referred to as spectrum auctions, have generated more than \$200 billion since the 1990s and more than \$100 billion in 2021 alone; and

WHEREAS, In 2022, Congress may extend the Federal Communications Commission's auction authority and decide whether the \$30 to \$50 billion or more in revenue will be recycled into the sector, and for what purpose; and

WHEREAS, It makes sense to designate a substantial portion from the sales of this public resource to endow a Digital Equity Foundation (Foundation) to make sustainable investments, year after year, in digital literacy, applications, devices, and training to close digital equity gaps; and

*WHEREAS, California has made great progress in institutionalizing unique statewide and regional collaborations among nonprofit and community-based organizations to promote digital inclusion and digital equity; and*

*WHEREAS, It would be most effective if a federally chartered Foundation collaborated and coordinated with existing consortia or state-designated entities, where appropriate, to determine priorities and best practices for auction revenues as well as ensure a transparent, accountable, and equitable distribution of available auction revenues; and*

WHEREAS, Because auction revenue is unpredictable in both its timing and amount, it is an appropriate source to fund a Foundation that would make sustainable investments that complement efforts regarding deployment and affordability; and

WHEREAS, An endowed Foundation could address critical needs involving public purpose applications, training, and evaluation, such as education technologies, telehealth and public health, disability access, and modernized online access to public benefits and services; and

WHEREAS, An endowed Foundation could address critical needs involving digital literacy and inclusion, such as community-based digital navigator programs, libraries and community technology centers, and local outreach and assistance to expand enrollments in the federal Affordable Connectivity Program, the federal Lifeline Program, and other programs; and

WHEREAS, A federally chartered, independent Foundation could provide great benefits, including sustainability. An endowment would provide the certainty of support year after year and the ability to evolve to address new digital equity gaps as they emerge; and

WHEREAS, A federally chartered, independent Foundation could provide great benefits, including expertise. Advisory groups with a broad range of expertise, and representing diverse stakeholders, could direct and redirect the Foundation's priorities; and

WHEREAS, A federally chartered, independent Foundation could provide great benefits, including innovation. The Foundation could raise additional funds; fund innovative tools, prototypes, and pilots; and promote partnerships; and

WHEREAS, A federally chartered, independent Foundation could provide great benefits, including governance and accountability. The Foundation should be transparent, include federal input and oversight, and report annually to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Committee on Energy and Commerce; and

WHEREAS, Legislative visionaries have long established that the monetization of public assets, including the public airwaves, can be dedicated to forward-looking investments in the national interest, including the FirstNet Public Safety Network Trust Fund and federal land sales that funded education. In 2012, Congress designated \$7.5 billion in future spectrum auction proceeds to fund the FirstNet Public Safety Network, the interoperable network recommended by the 9-11 Commission. The Land-Grant College Act, signed by President Abraham Lincoln during the Civil War, transferred 77 million acres of federal land to states to establish public colleges, and earlier, the Northwest Ordinance of 1787 sold frontier lands to finance elementary and secondary education; and

WHEREAS, There is bipartisan support for this concept; and

WHEREAS, Congress is likely to make two key decisions this year: renewing the Federal Communication Commission's auction authority and deciding whether the \$30 to \$50 billion or more in revenue from future auctions will be recycled into the sector, and for what purpose; and

WHEREAS, As it did with FirstNet in 2012, Congress can designate a substantial portion of the future revenue from this public resource by endowing a Foundation; and

WHEREAS, An opportunity exists to overcome digital equity challenges by leveraging this natural resource: the spectrum around us; now, therefore, be it

Resolved by the Assembly of the State of California, That the Assembly urges the United States Congress to pass, and the President of the United States to sign, legislation dedicating a substantial portion of future spectrum auction proceeds to endow a mission-driven Digital Equity Foundation to make sustainable investments in digital literacy and inclusion; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, to the Majority Leader of the United States Senate, and to the author for appropriate distribution.

REVISIONS:  
Heading—Line 2.