



Issue Brief: California's Digital Divide

December 2020

Executive Summary

Access to affordable, high-speed internet is more critical now than ever before, yet many California households go without or lack sufficient bandwidth to meet their household's needs. These households are then hindered, among other things, in their ability to access education, contribute to a productive economy, and obtain crucial government services. Due to the cross-cutting and highly-relevant nature of this issue, the Commission is offering this valuable background research on the digital divide and municipal fiber broadband network initiatives in the form of an Issue Brief. In its Brief, the Commission outlines the status of broadband service in both California and the U.S. This research shows that:

- California's broadband coverage, speed, and pricing is **rated 13th in the nation** with strong access to low-cost plans (defined as less than \$60/month) but very slow speeds.
- The U.S. ranked **31st out of 36 OECD countries** for their internet access among households. A majority of U.S. cities still pay more for slower internet speeds than their counterparts abroad.
- Experts attribute higher broadband prices and slower speeds to a **lack of competition** among internet service providers.

The Commission also provides background on initiatives from municipalities – in California and across the globe – to start fiber broadband networks as a way to increase competition and potentially make access more affordable for consumers. The Commission discovered that:

- Using public and public-private partnership models respectively, **Chattanooga** and **Stockholm** were able to offer fiber broadband connections to businesses and residents.
- The **South Bay Cities Council of Governments** has developed a ring of fiber with connections to data centers, municipal buildings, and public agencies in the South Bay and anticipates that 15 South Bay cities and additional agencies will be connected to the network by the end of the year.
- **Santa Monica** executed a successful effort to bring fiber broadband connections to the city's business, anchor institutions, and municipal buildings and also provides residential service to some affordable housing units in the city.
- Attempts to create public-private partnerships to build fiber broadband networks in California's more populous cities – **San Francisco** and **Los Angeles** – were unsuccessful.

We hope this research will serve as a resource for policymakers and others as they weigh opportunities to better serve all Californians.