SENATE BILL SB-68

Introduced by Senator Mike McGuire (D-2)

An act relating to Rural Broadband Transparency Act.

LEGISLATIVE COUNSEL'S DIGEST

SB-68, Mike McGuire (D-2). Rural Broadband Transparency Act.

Existing federal rules require internet service providers to display a standardized "broadband label" at the point of sale that lists typical download and upload speeds. Those figures are national or regional averages that the provider calculates itself. Existing federal broadband maps also rely largely on self-reported data about where service is available, not on how well that service actually performs. Existing state law, the Unfair Competition Law and the False Advertising Law, prohibits deceptive business practices generally, but does not set any specific standard for how internet speeds must be measured or disclosed. As a result, a customer in a rural area such as Humboldt, Mendocino, or Del Norte County may pay for an advertised speed that is rarely, if ever, delivered to their home, with no local data to prove it.

This bill would enact the Rural Broadband Transparency Act. The bill would require every provider of fixed or mobile internet service with 5,000 or more California subscribers to test the actual speeds it delivers, using a recognized methodology, and to publish a speed report on its website twice a year showing the median and typical-low download and upload speeds and latency for each ZIP code it serves. The bill would require providers to show a customer the actual median speed in that customer's ZIP code before the customer signs up and on each monthly bill, and would prohibit advertising a speed that is more than 25 percent higher than what the provider actually delivers in the area where the ad runs. The bill would require providers to give a customer a bill credit, or allow the customer to cancel without penalty, when delivered speeds stay below 50 percent of the advertised speed for 60 days.

The bill would require providers to file a copy of each speed report with the Public Utilities Commission, which would post the reports on its existing website. The bill would make a violation an unfair business practice enforceable by the Attorney General, district attorneys, and city attorneys under existing law. All testing and reporting costs would be borne by internet service providers. The bill would not appropriate any funds and would not require any new state program.

Vote: Majority. **Appropriations/fiscal:** no. **Local program:** no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known, and may be cited, as the Rural Broadband Transparency Act.

SEC. 2. The Legislature finds and declares all of the following:

(a) Reliable internet service is essential for remote work, telehealth, school, small business, and emergency alerts, especially during wildfires, floods, and public safety power shutoffs.

(b) Rural and coastal communities across the North Coast and other parts of California frequently receive internet speeds far below what is advertised, while paying prices similar to urban customers.

(c) Speed information that is averaged across large regions hides the gap between urban and rural service, making it nearly impossible for rural customers, local governments, and the state

to identify where service is failing.

(d) Requiring providers to measure and disclose real speeds at the ZIP code level, at their own expense, gives consumers the power to make informed choices and gives communities the evidence they need to demand better service, without any cost to taxpayers.

SEC. 3. Definitions. For purposes of this act:

(a) “Provider” means any person or entity that sells fixed or mobile internet access service to 5,000 or more subscribers in California.

(b) “Advertised speed” means any download or upload speed stated or implied in a provider’s advertising, sales materials, service plan name, or customer contract.

(c) “Median speed” means the middle value of all valid speed test results for a given service plan in a given ZIP code during a reporting period.

(d) “Typical-low speed” means the speed that at least 80 percent of valid speed test results for a given service plan in a given ZIP code met or exceeded during a reporting period.

(e) “Reporting period” means January 1 through June 30, or July 1 through December 31, of each year.

(f) “Commission” means the Public Utilities Commission.

SEC. 4. Speed testing and public reports.

(a) Each provider shall measure the actual download speed, upload speed, and latency delivered to its California subscribers using either of the following:

(1) The testing methodology used by the Federal Communications Commission’s Measuring Broadband America program.

(2) An independent, third-party testing method that measures performance at the subscriber’s location during peak usage hours of 7 p.m. to 11 p.m.

(b) Within 45 days after the end of each reporting period, each provider shall publish on its website a speed report that lists, for each ZIP code and each service plan it offers in that ZIP code, all of the following:

(1) The advertised speed.

(2) The median speed and the typical-low speed, for both download and upload.

(3) The median latency.

(4) The number of valid tests on which the figures are based.

(c) The speed report shall be posted in a downloadable, machine-readable format and in a plain-language summary that can be searched by ZIP code.

(d) On the same day it publishes a speed report, the provider shall file a copy with the Commission. The Commission shall post each filed report on its existing internet website.

SEC. 5. Consumer disclosures.

(a) Before a customer agrees to purchase internet service, a provider shall clearly disclose the median speed and typical-low speed for the selected service plan in the ZIP code of the service address, as shown in the provider’s most recent speed report.

(b) Each monthly bill, whether paper or electronic, shall include the advertised speed for the

customer's plan, the median speed in the customer's ZIP code from the most recent speed report, and a link to the full speed report.

(c) A provider shall not advertise, in any media directed at a specific geographic area, a download or upload speed that is more than 25 percent higher than the median speed the provider actually delivered in that area during the most recent reporting period.

(d) All disclosures required by this section shall be provided in English and in any other language in which the provider markets its services in California.

SEC. 6. Customer remedies.

(a) If a customer's measured download speed, as shown by the provider's own testing or by a test the customer runs using a tool approved by the provider, remains below 50 percent of the advertised speed for 60 consecutive days, the customer may choose either of the following:

(1) A credit on the next monthly bill equal to the percentage of the advertised speed that was not delivered, applied to the monthly service charge for each affected month.

(2) Cancellation of the service without any early termination fee or equipment penalty.

(b) A provider shall inform customers of these remedies on its website and on each monthly bill.

(c) This section does not apply to any period during which service was interrupted by a declared state of emergency, a public safety power shutoff, or damage caused by a natural disaster.

SEC. 7. Implementation and enforcement.

(a) The Commission is the agency responsible for receiving and publicly posting speed reports under this act, and shall carry out these duties within its existing resources and authority.

(b) A violation of this act constitutes an unfair business practice under the Unfair Competition Law (Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code), and may be enforced by the Attorney General, a district attorney, or a city attorney under that chapter.

(c) All costs of speed testing, reporting, disclosures, and customer remedies required by this act shall be paid by providers and shall not be listed as a separate fee or surcharge on a customer's bill.

(d) No funding source is required. This act does not appropriate any state funds and does not create any new state program.

SEC. 8. Operative date. This act shall become operative on July 1, 2027. The first speed report shall cover the reporting period beginning July 1, 2027.