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Arielle Roth
Assistant Secretary of Commerce for Communications and Information Administrator
National Telecommunications and Information Administration (NTIA)
401 Constitution Ave., NW
Washington, DC 20230

Re: California Public Utilities Commission BEAD Program Notice of Award

Dear Assistant Secretary Roth,

The California Public Utilities Commission (CPUC) has received the Notice of Award (NOA) issued to CPUC under the Broadband Equity Access and Deployment (BEAD) Program. The CPUC submits this letter regarding its participation in the BEAD Program.

The CPUC looks forward to working with NTIA and NIST to implement this important program. The CPUC writes here to confirm its understanding of its obligations in connection with the amended NOA, Federal Award Identification Number 05-20-B278-5.

1. Section 50

Section 50 of the November 2025 Updated General Terms and Conditions, which is titled "Ensuring Timely and Effective Deployment of BEAD Projects," is vague and ambiguous as to its scope and its relationship to Section 47 U.S.C. § 1702(g)(2)(A)(i) of the BEAD statute.

The CPUC's acceptance of the Notice of Award is therefore based on the CPUC's best understanding of the effect of Section 50. Section 50 states that "the Grantee shall commit that it will not enforce any law, regulation, order, contracting requirement, or other enforceable obligation that directly or indirectly regulates the rates, terms, and conditions of broadband internet service, whether on a retail, wholesale,

or network basis, or imposes net neutrality rules, open access, or other utility-style rules on broadband internet service, against a Subgrantee or its affiliates anywhere it provides service within the State (i.e., both BEAD and non-BEAD locations), while that Subgrantee has any subgrant that is still within its period of performance, extended period of performance, or federal interest period." We also note that Section 3 states, "The Grantee shall comply, and must require each Subgrantee or contractor, including lower tier Subgrantees or subcontractors, to comply with all applicable Federal, State, and local laws…"

The CPUC does not interpret Section 50 to require the CPUC to waive, release, or otherwise forfeit any rights, claims, arguments, or defenses concerning potential implications of Section 50 that may violate applicable laws. Further, the CPUC's acceptance of funds under this award should not be understood as agreement either to refrain from compliance with mandatory legal duties or obligations, or to constrain other State of California entities in the exercise of their authorities to enforce state law, which is outside the scope of the CPUC's authority. Moreover, California's net neutrality law expressly provides that "any waiver of the provisions of this title is contrary to public policy and shall be unenforceable and void." Cal. Civ. Code § 3104. Likewise, many of the CPUC's own programs that touch on broadband internet access service are mandated by the California Public Utilities Code, and are neither discretionary nor waivable.

The CPUC cannot be bound by any terms or conditions that are unconstitutional or not authorized by law and it expressly does not waive or concede any arguments or challenges concerning the legality, interpretation, or applicability of any term or condition. Any assurance provided by the CPUC in conjunction with the acceptance of the Notice of Award is intended to be understood with the context provided in this letter.

2. Other Terms and Conditions

We write as well to express our understanding of several other terms and conditions.

First, Section 13.D of the November 2025 Updated General Terms and Conditions requires the CPUC to "establish procedures to ensure that broadband-related permit applications are promptly accepted, and requests are approved or denied within 90 days…." We will make every effort to encourage other federal, state and local authorities to streamline their permitting processes and to approve or deny requests within 90 days, however, we cannot compel those authorities to adopt a 90-day timeline or control their processes.

Next, Specific Award Condition 32.A, "Compliance with Executive Orders," provides that the recipient "agrees to comply with the policies and to further the objectives set forth in all Executive Orders currently in legal effect . . . as well as Executive Orders that may be issued after the effective date of this award." Additionally, Special Award Condition 32.C requires that the recipient monitor for and report inconsistencies related to policies in applicable Executive Orders. The CPUC understands the language in Special Award Conditions 32.A and 32.C to refer to lawful Executive Orders related to grants that lawfully apply to States as grant recipients. By signing the Notice of Award, the CPUC does not waive any rights, arguments, or defenses concerning current or future Executive Orders that a court may determine to be unlawful or Executive Orders that are subject to legal challenges.

Finally, on December 16, 2025, the U.S. Government Accountability Office issued a decision regarding "U.S. Department of Commerce, National Telecommunications and Information Administration—Applicability of the Congressional Review Act to Broadband Equity, Access, and Deployment Program Restructuring Policy Notice" (File No. B-337604). The CPUC does not know how the NTIA intends to implement the GAO's decision. By signing the NOA, the CPUC does not waive any rights, arguments, or defenses concerning the matters addressed by the GAO's decision, including potential congressional review or NTIA action.

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To the extent that NTIA and the CPUC disagree about the CPUC's obligations under Section 50 and other terms and conditions, the CPUC will execute any subgrant agreements if and when the CPUC and NTIA are able to resolve such disagreements and any other applicable conditions are met. To that end, we will direct our staff to work diligently and cooperatively with NTIA staff to find such a solution. We remain ready and able to implement the requirements of the program.

Sincerely,



John Reynolds
President
California Public Utilities Commission