



June 8, 2021

President pro Tem Toni Atkins
 California State Senate
 Sacramento, CA 95814

Speaker Anthony Rendon
 California State Assembly
 Sacramento, CA 95814

Re: Ufarging Immediate Action on Broadband Funding

The organizations above strongly support the Governor’s proposal for a \$7 billion investment to help close the Digital Divide. With these funds and the additional financing sources they would leverage, California can once again be a leader in digital access.

But time is of the essence. We must begin the work this summer to connect the 2.3 million Californians with no meaningful access to the internet, while at the same time laying the groundwork for affordability and choice for the 15.4 million more who live in broadband monopolies.

More than 15 million Californians live in a broadband monopoly in addition to the 2.3 million who have no access to broadband at modern speeds. Monopolies lead directly to unaffordable prices and lower speeds. The only long-term answer to both universal access and affordability is a statewide open access middle mile network—public infrastructure for the public good.

Broadband providers in areas without competition enjoy many of the benefits other utilities like electricity do, but without the regulations or the responsibilities for universal service that go with it, allowing them to maximize profits without regard to the needs of the community.

We appreciate the \$7 billion in the legislative version of the budget, but the Governor's plan proposes to build the infrastructure more quickly—using more federal funds and fewer state General Fund dollars and using them to leverage funds from other sources—and also deploys a multi-pronged approach appropriate to addressing the multiple aspects of the Digital Divide.

The Legislature's plan to allocate \$1 billion serially over seven years would miss the opportunity to build all of these projects in parallel. The slower allocation also seems to preclude some parts of the Governor's plan, most notably the loan loss reserve account, which would leverage significant funding from non-state sources.

The Governor's proposed trailer bill language provides for immediate short-term relief for those with the most acute need and also, if approved with the budget in June, allows for work to begin immediately to plan, finalize maps, staff up, and begin drafting guidance for programs and grants that will transform our state's broadband infrastructure.

The sooner the plan passes, the sooner construction can begin. These months matter to the families, school children, and small businesses without service and those who suffer under the unaffordable rates and inadequate service typical of monopolies everywhere.

Importantly, beginning that work and allocating that funding prepares the state to compete for additional federal funds. California's track record of pulling down federal funds for broadband is poor, but passing this package early will help change that. Delay would also make it more expensive to build because, with many states investing big dollars in broadband, the costs of labor and material will undoubtedly rise in the near future.

Each piece of an open access middle mile network is beneficial as it is built and will provide savings to state agencies for broadband services, including UC and CSU, as has happened with the South Bay Fiber Network and other public middle mile networks throughout the country.

Committing \$7 billion to the broadband programs the Governor proposes will be by far the state's most serious effort yet to help close the Digital Divide. We urge your support and immediate adoption of these critical investments in Californians and our collective future.