



June 13, 2023

The Honorable Toni Atkins
 President pro Tempore of the State Senate
 1021 O Street, Room 8518
 Sacramento, CA 95814

The Honorable Anthony Rendon
 Speaker of the California State Assembly
 1021 O Street, Room 8330
 Sacramento, CA 95814

The Honorable Philip Ting, Chair
 Assembly Budget Committee
 1021 O Street, Room 8230
 Sacramento, CA 95814

The Honorable Nancy Skinner, Chair
 Senate Budget and Fiscal Review Committee
 1021 O Street, Room 8630
 Sacramento, CA 95814

Re: Reject Deferral and Supplantation of Broadband Infrastructure Funding

Dear Legislative and Budget Committee Leadership:

We write to you as members of California’s industry, local governments, non-profits, unions, education, and media sectors to express our opposition to the California State Assembly’s plan to cut \$625 million in last-mile broadband infrastructure funding, defer \$950 million over the next three fiscal years, and reduce state middle mile fiber funding by an additional \$125 million. Such a proposal would undermine the promise of S.B. 156 to deliver 21st century ready broadband access to virtually all Californians.

The way the Assembly is seeking to use federal Broadband Equity Access and Deployment (BEAD) dollars would undermine efforts to deliver fiber optic connectivity to low-income urban neighborhoods. The guidance from the National Telecommunications Information Administration (NTIA) expressly states that federal dollars cannot be used to

“supplant...amounts that the eligible entity would otherwise make available for purposes for which the grant funds may be used.”¹ This provision in the federal guidance was designed specifically to prevent what the Assembly is proposing: substituting state dollars that would have otherwise been spent on broadband infrastructure with federal dollars.

The existing state budget under S.B. 156 made available enough funding to deploy broadband to every “unserved” Californian with fiber optic infrastructure, which is useful for decades to come. This budget was established by utilizing detailed cost model data collected by the state government to project the total budget needed when accounting for the high one-time sunk cost of infrastructure. From this initial investment, California would be allowed to use its federal dollars to provide fiber optic connectivity to “underserved” Californians (residents lacking broadband access that deliver speeds up to 100/20 mbps). Typically, these residents are low-income and reside in our major urban markets such as Los Angeles, San Francisco, San Diego, and Oakland. If the state cuts down on its own investment and utilizes these federal dollars to primarily service the “unserved,” the state would be taking away grant funds from urban communities entitled to these funds under the federal law.

The state charted the right course to deliver 21st century broadband infrastructure to all when it planned to supplement S.B. 156 with the BEAD funds. Cutting down the total amount available only serves to limit the ability of public investment to deliver fiber infrastructure throughout the state. As the Biden Administration noted as part of its own broadband infrastructure guidance, “only end-to-end fiber²” can meet the long-term connectivity and economic needs of communities.

We recognize the legislature has many tough decisions ahead to navigate the deficit. However, the economic development opportunities the state can enable, as well as the systemic inequality that can be addressed by the combination of the state and federal programs, makes this program a critical once in a lifetime opportunity to create opportunities and address harms for generations.

Sincerely,

Alliance for a Better Community
California Community Foundation, Digital Equity Initiative
Center for Accessible Technology
City of Placerville
Common Sense Media
Communities in Schools of Los Angeles (CISLA)
CWA District 9
Electronic Frontier Foundation
MMKelly Consulting LLC
Monterey Bay Economic Partnership (MBEP)
Monterey County Supervisor Luis Alejo

¹ SEC. 60102.(1) (47 USC 1702)

² *Notice of Funding Opportunity, Broadband Equity, Access, and Deployment Program*, National Telecommunications Information Administration, available at <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, page 42

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Our Voice: Communities for Quality Education

Reddit

San Francisco Tech Council

Subconscious LLC

The Children's Movement of Fresno

UNITE-LA

United Parent and Students