

October 6, 2023

Grant Mack Office of Governor Gavin Newsom 1021 O Street, Suite 9000 Sacramento, CA 95814 James Hacker Office of Governor Gavin Newsom 1021 O Street, Suite 9000 Sacramento, CA 95814

Dear Grant and James,

The California Alliance for Digital Equity (CADE) thanks you for meeting with our partners about the recent changes to the Middle Mile Broadband Initiative (MMBI) infrastructure maps. Since the <u>Governor's announcement of the initial 18 MMBI projects</u> nearly two years ago, our alliance has worked with the state stakeholders to actualize the potentially transformative investment in California's least connected, highest poverty communities. Most recently, CADE mobilized following California Department of Technology's August 2nd MMBI funding announcement. In an effort to sum up CADE's latest outreach, we would like to outline our recent activities, along with a number of concerns and outstanding questions relating to the MMBI that remain deeply worrisome to our partners and the communities we serve.

Since the California Department of Technology announced major network changes to the MMBI, many of our partners have engaged various state stakeholders to express our collective distress and confusion. The updated maps completely restructure the network and deprioritize broadband infrastructure buildout in historically disenfranchised communities that lack affordable, reliable internet across the state. Further, the changes to the maps were decided without any public consultation; a shocking discovery considering the unprecedented level of taxpayer dollars and investment in the MMBI. Our partners understand that the project's stakes are incredibly high, as multi-billion dollar funding opportunities of this kind are rare. If the least connected, most disadvantaged communities are left behind in the current, secured funding for MMBI, they may be unable to recover from this disinvestment for many years to come. This is both alarming and confusing, given the Governor's specific promise and commitment to the very communities now left out of the equation.

Considering the severity of the issue, our partners have engaged in urgent outreach to state stakeholders listed below to raise our concerns about the process and resulting MMBI infrastructure maps that threaten to perpetuate disparate impact:

- Office of the Governor
- Government Operations Agency
- California Public Utilities Commission
- California State Legislature
- California Department of Technology & Middle Mile Advisory Committee Members

During this period of outreach, our partners coordinated with community-based organizations and local elected representatives from impacted communities to center their input and voices.



They raised concerns about the stripped funding from underserved and disconnected communities, the lack of transparency in the decision-making process, the demonstrably inaccurate and unvalidated broadband service data used to justify the decision, the vague plans for "Phase 2" of MMBI buildout and promise to secure unsecured funding, and, most urgently, the major impact these changes will have on qualifying Federal Funding Account projects. Disappointingly, a number of state stakeholders were unresponsive to our outreach, and many of the responses we did receive were unsatisfactory, providing indirect, unclear, or contradictory information while also passing the buck on accountability for the updated maps and their impact on funding opportunities.

Importantly, an insightful conversation did take place between our partners and the Government Operations Agency. Throughout the course of the meeting, we learned a key roadblock to funding the MMBI as originally intended was the pricey leasing proposals from large internet service providers like Charter Communications for access to dark fiber. Afterwards, and at the request of the agency, Los Angeles-based elected officials tried to facilitate a separate conversation with Charter to discuss the leasing proposals and their impact on the MMBI. Charter was unambiguous in their unwillingness to engage in conversations about the MMBI with local leaders and digital equity partners.

At this same meeting, Government Operations Agency staff also committed to fully funding "Phase 2" of the MMBI project next year and assured us it will be the top priority for the Governor's Office in 2024. However, our partners have a number of clarifying questions in regard to the approach and what this commitment entails:

- California Department of Technology prioritized MMBI routes based on a <u>State</u> <u>Broadband Map</u> that is not just flawed, but systematically benefits upper-income communities. Has the State finalized the phased approach or is CDT willing to reconsider which network segments are included in the \$3.87 billion investment?
- 2. Can you please elaborate on how the Governor will make MMBI Phase 2 funding a priority, beyond declaring it as a key 2024 budget item?
- 3. How can the Governor commit to completing the MMBI project by the end of 2026 if Phase 2 buildouts remain fully unfunded? What strategies are in place to ensure its completion?
- 4. Can the Governor commit to ensuring the middle mile funding next year will not merge or interfere with SB 156 last mile funding that was deferred this fiscal year?
- 5. Can you provide a line item budget breakdown for the \$3.87 billion investment that outlines how the encumbered funds will be spent, apart from construction and third party expenditures?



- 6. Can you confirm the Governor will make a public statement about prioritizing the MMBI Phase 2 funding in 2024? If so, when will this statement be released and on which platform (i.e. website)?
- 7. Can you confirm MMBI Phase 2 taxpayer dollars will fully invest in the historically disadvantaged and least connected communities left out of Phase 1, regardless of where they reside (ex/urban, rural, tribal, and historically redlined communities, etc.)?
- 8. Can your office provide a GIS map with feature layers which distinguishes the segments currently funded with the \$3.87 billion and which will need to secure more funding in next year's budget? This GIS map should include longitude and latitude for these two categories of line segments.
- 9. In the interest of transparency and community input, can the Governor publicly release a detailed statement outlining the methodology used to assess and determine the funding allocation between Phase 1 vs. Phase 2?

Should the State move forward with the deeply flawed updated MMBI maps, we worry a once-in-a-generation broadband infrastructure investment will effectively perpetuate the same divestment practices of industry stakeholders that have bypassed high poverty urban, rural and tribal communities for decades. This is one of the key reasons our partners are also requesting the Governor's veto on AB 41, as the legislation would make disparate impact even more entrenched in California.

CADE appreciates your consideration of our comments and questions. The MMBI is a critical broadband infrastructure project that has the potential to make a tremendous positive impact on underserved and disconnected communities in California. We look forward to continuing conversations and communications with you about the recent changes to the MMBI and hope we can find more common ground on this important digital equity issue soon.

Sincerely,

California Alliance for Digital Equity

Partners include: California Community Foundation, NextGen California, Common Sense, Rural County Representatives of California, #OaklandUndivided, The Greenlining Institute, and The Children's Partnership

CC: Amy Tong, Secretary of Government Operations Agency Liana Bailey-Crimmins, State CIO & Director, California Department of Technology Mark Monroe, Deputy Director, Middle-Mile Broadband Initiative, California Department of Technology