



February 21, 2023

The Honorable Nancy Skinner
 Chair
 Senate Standing Committee on
 Budget and Fiscal Review
 1020 N Street, Room 502
 Sacramento, CA 95814

The Honorable Roger Niello
 Vice-Chair
 Senate Standing Committee on
 Budget and Fiscal Review
 1020 N Street, Room 502
 Sacramento, CA 95814

The Honorable Phil Ting
 Chair
 Assembly Committee on Budget
 1021 O Street, Suite 8230
 Sacramento, CA 95814

The Honorable Vince Fong
 Vice-Chair
 Assembly Committee on Budget
 1021 O Street, Suite 8230
 Sacramento, CA 95814

Dear Chair Skinner, Vice-Chair Niello, Chair Ting, and Vice-Chair Fong:

We write to you as members of California’s industry, local government, non-profit, union, education, and media sectors to express our support of the state’s broadband infrastructure fund that was created by SB 156 in 2021. The infrastructure law created several critical programs to finally deliver 21st century broadband access to every single Californian in response to the systemic inequalities that were exacerbated during the COVID-19 pandemic. As you contemplate how to tackle the upcoming fiscal challenges our state faces, we ask that you ensure every project that is ready to begin construction this year is funded to launch.

California’s broadband infrastructure law consists of four components that each carry a critical purpose to solve the digital divide. Those programs are the last mile grant program, the loan-loss reserve fund, the state middle mile open access network, and technical assistance by the California Public Utilities Commission (CPUC). Each program was designed to work together with the other to fully empower local communities to solve their problems. These provisions were unanimously approved by the legislature in 2021 and have charted a path towards every Californian receiving future proof access to the Internet. Extensive cost model data was utilized by the state to establish the fund with \$3.25 billion needed to construct 1000s of miles of fiber optic middle mile infrastructure, \$3.5 billion divided between unserved rural and urban areas for last mile grants, and \$750 million in the long-term financing loan loss reserve fund that will unlock billions in investment dollars for rural Californians.

Efforts to address the deficit must be carefully calibrated with existing demand for funding construction. Projects forced to wait an additional year due to budget shortfalls from the state can very quickly increase costs on applicants and potentially shutdown efforts with cost overruns. In addition, under no circumstances should the overall funding amount planned be reduced. Doing so would prevent the long-term solutions dependent on deploying future proof fiber infrastructure into unserved areas. As the Biden Administration noted as part of its own broadband infrastructure program, “only end-to-end fiber¹” can meet long-term connectivity needs of communities while enabling next generation wireless access. Reducing the total amount of the overall infrastructure fund will have the perverse effect of forcing applicants to adopt lower cost short term solutions that will ultimately cost more money in the end to replace and shortchange the promise of SB 156.

We recognize the legislature has many tough decisions ahead to navigate the deficit. However, we believe both the economic development opportunities the state can enable as well as the systemic inequality that can be addressed with the state’s historic broadband infrastructure program warrants unique consideration. We ask you to ensure that every project receives sufficient funding year over year to avoid undermining the overall statewide effort to end the digital divide.

Sincerely,

Access Humboldt
Alliance for a Better Community
California Community Foundation, Digital Equity Initiative
Canal Alliance
Center for Powerful Public Schools, Educational Non-profit
City of Placerville
Common Sense Media
Communications Workers of America - District 9
Communities In Schools of Los Angeles (CISLA)
Digital Marin
Educators for Excellence, Los Angeles
Electronic Frontier Foundation
EveryoneOn
Fight for the Future
GPSN

¹ National Telecommunications Information Administration Notice of Funding Opportunity, Broadband Equity, Access, and Deployment Program, available at <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, page 42

InnovateEDU
Kid City Hope Place
Los Angeles Urban League
Luis Alejo, Chair, Monterey County Board of Supervisors
MakeKnowledge
Media Alliance
MediaJustice
Michelson Center for Public Policy
mohuman
Next Century Cities
Open Door Community Health Centers
Our Voice: Communities for Quality Education
Para Los Ninos
Partnership for Los Angeles Schools
Reddit
San Francisco Tech Council
Schools, Health & Libraries Broadband (SHLB) Coalition
The Children's Movement of Fresno County
The Children's Partnership
The Utility Reform Network
United Parents and Students
UNITE-LA

CC: The Honorable Anthony Rendon, Speaker of the Assembly
The Honorable Toni Atkins, Senate President Pro tempore
The Honorable Steve Padilla, Chair Senate Subcommittee #4
The Honorable Wendy Carrillo, Chair Assembly Subcommittee #4