



June 23, 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: Restore Last-mile Broadband Funding**

Dear Legislative and Budget Committee Leadership:

On behalf of the Rural County Representatives of California (RCRC), the California State Association of Counties (CSAC), and the League of California Cities (Cal Cities), we write to respectfully express our opposition to previous last-mile broadband infrastructure funding cuts included in Senate Bill 161, and request that further budget action restore fully all previously committed state and federal funding for broadband implementation. Although we appreciate that the Legislature and the Administration must be cautious in uncertain fiscal times, deferring this investment in broadband infrastructure will directly harm the most disenfranchise communities in California for decades to come.

Universal access to high-speed internet is critical to the state's economy, education, health, and well-being. Investment in broadband connectivity is one of the essential ingredients in continuing to ensure California's vitality and dynamism. The pandemic significantly underscored the importance of making broadband accessible and affordable to all Americans, which prompted the federal government to pass a series of funding acts to spur broadband deployment across the country. Likewise, in 2021, the state Legislature and Governor made an unprecedented \$6 billion investment in expanding internet connectivity to all Californians. This investment in infrastructure included a state-owned middle mile, last mile infrastructure funding programs (Federal Funding Account and Loan Loss Reserve Fund), and a technical assistance program to support local agencies and tribal governments in planning for and deploying reliable broadband in their communities. All technical Assistance funding administered through the CPUC is currently oversubscribed.

In a 2020 report, the CPUC estimated that more than \$8 billion would be needed to connect all Californians. It is imperative that state investments continue as budgeted in 2021, as costs of

materials and labor will increase, prolonging the digital divide at a time when we should be working to quickly bridge this gap. Further, the Loan Loss Reserve Fund is intended to provide municipalities and non-profits finance securitization for private investments to construct and operate new public fiber networks. At a time of interest rate pressure, the Loan Loss Reserve Fund is invaluable in helping local governments obtain better borrowing rates and terms for bonds issued to deploy broadband infrastructure.

As the state faces a budget shortfall, we recognize the difficult decisions that must be made. We respectfully request that the Legislature continue the investments made in California's future by restoring original funding to the middle mile program, the Federal Funding Account and the Loan Loss Reserve fund. These delays directly impact families, schools, and small businesses without service or with inadequate service, or who live in a connectivity monopoly.

We look forward to collaborating with you to ensure affordable internet access for all. Should you have any questions about our position, please contact Tracy Rhine (RCRC) at [trhine@rcrcnet.org](mailto:trhine@rcrcnet.org), Kalyn Dean (CSAC) at [kdean@counties.org](mailto:kdean@counties.org), or Damon Conklin (Cal Cities) at [dconklin@calcities.org](mailto:dconklin@calcities.org).

Sincerely,



Tracy Rhine  
Senior Policy Advocate  
RCRC



Kalyn Dean  
Legislative Advocate  
CSAC



Damon Conklin  
Legislative Representative  
Cal Cities

cc: Joe Stephenshaw, Director, Department of Finance  
Christy Bouma, Legislative Affairs Secretary, Office of Governor Gavin Newsom

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<sup>1</sup> SEC. 60102.(l) (47 USC 1702)