

With these funds and the additional financing sources they would leverage, California can once again be a leader in digital access. We would like to thank you for the extraordinary effort you put into working with Governor Newsom's administration to negotiate this result.

The broadband investment plan in AB/SB 156 will benefit residents across the state. Universal broadband access will transform the way schools, small businesses, healthcare organizations, and local governments can provide their services.

This legislation will connect millions of families and businesses by providing \$2 billion for last-mile network construction in both rural and urban centers of California. Last mile investment dollars will be even better leveraged by the \$3.25 billion earmarked to construct a statewide open-access middle mile network. An additional \$750 million will act as a loan loss reserve specifically designed to leverage even greater broadband infrastructure investments by local governments, tribal governments, and non-profits. And the plan includes necessary reforms to the California Advanced Services Fund (CASF) program that will get the last-mile investments out more quickly and effectively. This \$6 billion investment in broadband is the biggest investment in public broadband infrastructure in the country.

A statewide open-access middle-mile network is an essential first step towards increasing connectivity and affordability for all by making it easier for more internet providers to provide faster, cheaper service throughout the state. It will create opportunities for more entities to build last-mile infrastructure in more places, improving service, speeds, and network resilience.

Under the plan, California will wisely use \$5.25 billion in one-time federal funds to provide a permanent benefit by building broadband infrastructure throughout every region of the state.

The organizations above and the millions of Californians we represent are so thankful for this direct investment into our communities and the enormous progress it represents, but there is still work to be done. We look forward to working with you and the Governor's administration over the next few months to devise legislation that will ensure affordable access for all.

But the sooner the infrastructure pieces of the plan are passed, the sooner construction can begin. These months matter to the families, school children, and small businesses without service, with inadequate service, or who live in a broadband monopoly.

Importantly, beginning that work and allocating the funding—as this plan does—prepares the state to compete for additional federal funds. 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.

Committing this \$6 billion 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 AB/SB 156 and the critical investments they make in Californians and our collective future.

Cc: Honorable Members, California State Senate
Honorable Members, California State Assembly