



If It's Not Fiber, It's Not Broadband

June 21, 2021

President pro Tem Toni Atkins
California State Senate
Sacramento, CA 95814

Speaker Anthony Rendon
California State Assembly
Sacramento, CA 95814

The Honorable Gavin Newsom, Governor
State of California
1303 10th Street, Suite 1172
Sacramento, CA 95814

Dear Governor Newsom, Assembly Budget Committee and Senate Budget Committee,

I write on behalf of the Fiber Broadband Association to provide an enthusiastic endorsement of the Administration's proposal to invest \$7 billion of state surplus funds and federal funds allocated to California for the state's broadband infrastructure. To maximize the state's investment in broadband infrastructure, the Fiber Broadband Association strongly encourages California to follow the Department of Treasury's Interim Final Rules for the State and Local Government American Rescue Plan Act, which require eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

This investment for the future of California's citizens could not be more critical or timely. As we emerge from the global pandemic, broadband has quickly evolved from a luxury to mission critical infrastructure for all communities and citizens across America. Time is of the essence. California cannot afford to be left behind on the wrong side of the digital divide. The market has spoken, and fiber broadband is clearly the critical infrastructure that will secure the future of all Californians. Fiber broadband brings jobs, economic development, economic diversity, smart grid modernization and it provides a path to future services, such as 5G.

This need for fiber is acknowledged by everyone as the nation emerges from the pandemic, and it is literally a race for deployment. With supply chain constraints, a limited labor pool of qualified fiber optic deployment specialists and an unsatiable global demand, the states and communities that move quickly will reap the economic and societal benefits that only fiber can deliver. The Administration's \$7 billion investment proposal will result in rural and tribal communities throughout California finally enjoying the reliable, lightning-fast fiber optic networks that are becoming common-place in urban and suburban areas.

We have seen firsthand the positive impact that fiber broadband has on communities. A recent study of Chattanooga TN found that the investment in fiber resulted in 9,516 jobs, \$2.69 billion in realized



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economic benefit with a 4.42x return on the investment. The realized benefits from their fiber deployment exceeded the projected net benefits, at a quicker pace. In addition, this fiber infrastructure realized smart grid modernization benefits as well. The community saw a 43% reduction in power outage minutes on average, nearly \$0.5 billion in benefits during major weather events and a reduction of 1,865 MW of demand and 10,331 HWh or electricity consumption.

FBA believes that the Governor's plan is well balanced with funding focused on building out a statewide middle-mile fiber network that will provide a much-needed backbone for anchor institutions and facilitates the building of last mile networks to the communities and tribal areas that need it most.

We applaud your vision and look forward to working with you and the communities across your state to accelerate the deployment of fiber broadband networks to ensure digital equity and enable every community to leverage the economic and societal benefits that only fiber can deliver.

Sincerely,

A handwritten signature in black ink that reads "Gary Bolton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary Bolton
President & CEO
Fiber Broadband Association
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