

OFFICE OF THE GOVERNOR

June 3, 2019

Secretary Sonny Perdue United States Department of Agriculture Office of the Secretary 1400 Independence Avenue, S.W. Washington, DC 20250

RE: State of California Certification Regarding State Compliance with Rural Utilities Service (USDA-RUS) ReConnect Program Requirements

Dear Secretary Perdue:

Thank you for your focus on connecting rural Americans to reliable and high-speed internet through the United States Department of Agriculture's Rural Utilities Service ReConnect Program. I could not agree more that fast, affordable access to the internet is a necessity for all Californians, and for our state's economy.

This letter addresses your request for assistance and information regarding prospective applicants in California. Based on the guidelines for the ReConnect Program, this letter serves as a statement of compliance and allows California applicants the full 20 points possible in the following categories.

The following are applicable in California:

1. The State's Broadband Plan is up-to-date and published on the internet.

Since 2007, the state Legislature has adopted and kept up to date a state plan for broadband infrastructure deployment in the state. This plan established the California Advanced Services Fund (CASF) Program, implemented by the California Public Utilities Commission (CPUC). The program's goal is to make broadband available to 98% of households in California and to bridge the Digital Divide. To date the CASF program has provided California over \$266 million in awards and benefits, but there is more work to be done. Given the enormous size and complex geography of California's rural area, even the substantial amount of money the State has committed to subsidize broadband deployment will not connect all Californians alone.

As requested, you can find the link to California's Broadband Plan here: <u>https://bit.ly/2ExDFFI.</u>

1. There are no restrictions on non-broadband utilities from providing broadband service in rural areas – utilities in California are able to construct, own and operate telecommunications networks.

There are no entry restrictions on utilities seeking to provide broadband service in California. Additionally, recent legislation signed into law (AB 1999, Chau, Chapter 963, Statutes of 2018) specifically authorizes identified public sector entities, including county service areas, "to acquire, construct, improve, maintain, and operate broadband Internet services".

2. Procedures are in place to expedite administrative activities if necessary, for completing rights-of-way and environmental permitting requirements.

The CPUC maintains a section within its staff dedicated to environmental permitting of telecommunications network developmental projects, and other projects in the investor-owned energy and water sectors. This includes expedited treatment of the environmental permitting required for broadband facility investment in rural areas. More recent California Legislature and CPUC decisions have allowed for a consistent body of law and regulation that seeks to support broadband infrastructure investments in California.

Moving forward, I am tasking the CPUC to respond to inquiries and certify application eligibility regarding applications within California and to make this letter available as necessary. California is composed of third largest rural land area in the nation and has a rural area population in excess of 1.935 million. The division between the connected and the underserved breaks down along traditional race and class lines, exacerbating the cost crisis for minority, rural and low-income Californians. In a time where we rely so heavily on the ability to connect, it is important for us to close the digital divide and provide ubiquitous broadband by leveraging the rich data that exists and a strategy mix of both state and federal funding opportunities. With this focus, I am confident we will ultimately catalyze market-driven solutions that provide Broadband for All.

Sincerely

Gavin Newsom Governor of California