

# Last-Mile Broadband

## Fact Sheet

Governor Gavin Newsom signed Senate Bill 156 into law on July 20, 2021, investing \$6 billion for broadband infrastructure for middle-mile and last-mile projects. This investment is part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians.

Universal access to high-speed Internet is critical to the state's economy, education, and health and well-being. This investment is a key component of the state's long-term strategy for equitable recovery, vitality, and resilience. The pandemic has underscored the importance of making broadband accessible and affordable for education, employment, and health purposes.

The multi-year broadband infrastructure investment includes:

### Statewide Middle-Mile Network (\$3.25 billion)

To acquire, build, maintain, and operate a critical statewide open-access middle-mile fiber network. This project will be overseen by the California Department of Technology.

### Last-Mile Grant Program (\$2 billion)

To complement the middle-mile investment, the broadband investment includes funding for a comprehensive strategy to build last-mile infrastructure to provide Californians with access to high-speed broadband service in coordination with federal and state universal service programs, such as those to connect schools, disabled users, and low-income households.

The goal of the new last-mile grant funding is to expeditiously connect unserved and underserved communities to broadband service.

### Financial Backing for Public Networks (\$750 million)

The new Loan Loss Reserve Fund will assist local governments, tribes, and non-profits in securing enhanced private financing to construct and operate new public fiber networks. The Fund will provide collateral to local governments to enable better borrowing rates and terms for bonds issued to deploy broadband infrastructure. The benefits of the Fund include:

- Provides explicit authority to enable local governments to participate in the California Advanced Services Fund, issue bonds, and acquire, construct, improve, and maintain broadband infrastructure.
- These funds may leverage three to ten times the guaranteed amount in bond funds (e.g., a \$10 million guarantee could support a \$30 million–\$100 million bond issuance).
- Borrowed funding would be returned through the operating funds of a last-mile project upon maturity.
- Public broadband infrastructure can be a cost-effective and revenue-generating solution for providing high-speed broadband in communities with limited or no broadband access that improves access, lowers costs, and improves customer service.

### Technical Assistance Grants (\$50 million)

Local agencies are eligible for technical assistance grants for support of the formation of municipal entities and agreements for financing of broadband infrastructure. This funding can be used to create Joint Powers Authorities and other public organizations to deploy broadband infrastructure and for environmental permitting, engineering, and design activities.



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