



statewide open access middle mile

Don't Wait, Connect All 58!

myth

Creating a statewide middle mile network is “overbuilding.”

facts

1

- “Overbuilding” is merely code for competition. **Existing providers oppose a statewide, open-access, middle mile network because it would challenge the de facto monopolies that exist in nearly half the state by making it cheaper to build last-mile networks.**
- Providers won't tell the state where their networks exist, much less what condition they're in, what speeds they provide, or which homes and businesses they serve. But we do know that **about half of Californians have no choice for their broadband.**
- This patchwork of unregulated, proprietary infrastructure networks would be unacceptable from any other utility or critical infrastructure.
- **Open access means faster speeds, lower costs, and better customer service.**
- An open access middle mile network, like the Governor proposes and like many states have already successfully implemented, is the **only long-term solution** to universal broadband service and affordability.

myth

The telecom industry is all for competition, they're just not for “government subsidized competition.”

facts

2

- Telecom companies currently enjoy **government subsidized monopolies** throughout much of California, built in part with untold billions of dollars of federal, state, and local government subsidies.
- CCTA denounces the Governor's proposal, **but in the same breath asks for billions of dollars of government subsidies to prop up their unaffordable rates** as a “solution” to the Digital Divide, but which wouldn't last more than a few months. There's a place for rate assistance, but it isn't a long-term solution.
- An “open access” network means that everyone, including the telecom companies themselves, could lease bandwidth on nondiscriminatory terms.
- **They aren't against government subsidies, they just want to be the only ones that benefit from them.** Absent real regulation, an open access middle mile network is the only way to promote competition.
- Public infrastructure for a public good, paid for with public funds, providing a necessary utility, available to everyone on equal terms—what many would argue is the **most fundamental role of government.**



myths & facts continued

myth

We don't have an access problem, we have an adoption/affordability problem.

facts

3

- **The companies arguing rates are unaffordable are the ones setting those rates!** A government rate subsidy will provide service temporarily, but competition lowers prices permanently.
- Ask the millions of Californians—urban and rural— without broadband or broadband at speeds unfit for school, work, or entrepreneurship and **they'll tell you what the problem truly is. And a statewide open access middle mile network, paired with billions more for last-mile subsidies, is the solution.**
- The incumbent providers have all but stopped building to new communities, instead focusing on deploying new technology in profitable areas.
- At the same time, **they're using their proprietary networks, often build with government subsidies, as an excuse to block others from accessing funding for last-mile projects to unserved and underserved communities** that they themselves refuse to build.
- So, when industry representatives say there's an affordability/adoption problem, what they really mean is that the state shouldn't use its one-time surplus to build permanent public infrastructure that benefits everyone, it should instead fork over billions of dollars to highly profitable companies to temporarily subsidize the unaffordable rates they charge low-income Californians who just want to attend school and find jobs.

myth

There's no hurry, we might get federal money for this later.

facts

4

- **A statewide open access middle mile broadband network is the perfect use of one-time dollars available right now** that will better leverage future dollars that may become available for last-mile development.
- The Federal dollars earmarked for broadband now have to be encumbered, or committed to projects, by the end of 2024. **Waiting until even later this year will delay plans enough to push us into the next construction season nearly a year away.** And we might not get more federal money later.
- Even if the federal government does provide additional infrastructure funding at some point in the future, and if broadband is an allowed use, the current proposals in D.C. would parcel out funding over the course of eight years.
- **Eight years from now, the kids finishing 2nd grade next month will be graduating high school and we will have failed another generation of school children.**
- The need for a statewide open access middle mile network is urgent. **Don't delay.** Connect California and close the digital divide today.

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