



October 29, 2024

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CALIFORNIA EMERGING TECHNOLOGY FUND  
[www.ceffund.org](http://www.ceffund.org)

Official Mailing Address  
P.O. Box 5897  
Concord, California 94524

2151 Salvio Street, Suite 252  
Concord, California 94520  
415-744-CETF (2383)

714 West Olympic Boulevard, Suite 924  
Los Angeles, California 90015-4133  
213-443-9952

The Honorable Governor Gavin Newsom  
State of California  
Governor's Office  
Sacramento, California 95814

Dear Governor Newsom:

We applaud your leadership to close the Digital Divide, promote Digital Inclusion and achieve Digital Equity. We commend you for advancing the concept of LifeLine Reform. However, we are alarmed that the last Legislative Session ended without finding a solution for affordable Internet service for low-income households (HHs). The purpose of this letter is to request that your FY25-26 Proposed Budget include affordability strategies related to: (a) procurement of non-emergency Internet services; and (b) infrastructure deployment grants.

There were 5.8M California HHs eligible for the Affordable Connectivity Program (ACP). Under the California Broadband Council pursuant to your Broadband For All Executive Order, we were able to enroll more than 50% or >2.9M HHs—a million more than any other state. However, those former ACP customers need permanent affordable Internet service. And, the 2.9M HHs not yet reached, who are the poorest, most economically-fragile, and most digitally-disadvantaged residents, need to be reached and connected with affordable Internet service. Further, according to the 2023 Statewide Digital Equity Survey, 35.6% of the Unconnected low-income HHs said the primary reason was cost, while only 2.7% (<3%) said it was because of the lack of broadband infrastructure.

We respectfully request that you include in your FY25-26 Proposed Budget the following provisions related to the use of taxpayer dollars and public funds:

1. Require all Internet Service Providers (ISPs) doing business with the State of California as a vendor to provide for non-emergency Internet service to:  
(a) provide an affordable Internet service offer that meets standardized eligibility criteria and quality performance standards with consistent ; and  
(b) actively promote it through community and ethnic media until at least 90% of all low-income households are connected to the Internet at home. This is consistent with your Executive Order N-16-22 to leverage the purchasing power of the State to advance public policy goals.
2. Expand the requirements on the California Advanced Served Fund (CASF) Infrastructure Grants Account so that any recipient of a deployment construction grant must provide an affordable Internet service offer (consistent with the above requirements) throughout all of their service areas in California. The California Public Utilities Commission (CPUC) already requires CASF deployment grant recipients to offer affordable Internet service in project areas and has all the internal procedures for implementing this strategy. This provision would simply expand the existing requirement.

The California Emerging Technology Fund (CETF) also will be sponsoring legislation to reform the LifeLine program as you introduced in the last Session and we look forward to working closely with the Governor's Office, CPUC, TURN, Internet Service Providers, and other stakeholders to secure success in 2025.

However, it is prudent to pursue multiple strategies to ensure that affordable Internet service is available to all Californians, especially our most vulnerable residents. We must collectively move forward with a sense of urgency because Digital Equity is a 21st Century Civil Right—and access delayed is access denied.

Thank you for your consideration of this request.

Sincerely,



Sunne Wright McPeak  
CETF President and CEO



Senator (Ret.) Richard Polanco  
Tres Es Inc.  
CETF Legislative Representative



Marvin Pineda  
California Advocacy LLC  
CETF Legislative Representative