



# How we can close the digital divide in California



By Michael Kleeman, Special to CalMatters

*Michael Kleeman is a senior fellow at UC San Diego who has built broadband internet networks in rural and urban California and around the world, [mkleeman@ucsd.edu](mailto:mkleeman@ucsd.edu).*

Nearly \$2 trillion in federal funding is flowing to state and local governments as part of the American Rescue Plan, which is more than what President Franklin Roosevelt spent on the New Deal, even after accounting for inflation. With billions of these dollars being funneled to broadband infrastructure, we should have high expectations for how that money is spent. In California, we must amend the broadband legislation passed and signed into law in July to put unserved communities first.

We know the importance of broadband for telecommuting, distance learning and access to emergency updates. This, then, raises the question: Why are there 463,000, largely rural, unserved households that remain without access to broadband internet?

Californians in households unserved by broadband internet, and those who cannot afford services where available, are the ones who most need the help. Past state efforts, with all of the right intentions, failed to address this gap. The newly passed legislation risks a similar fate.

Assembly Bill 156 invests \$6 billion toward solving the problem, the lion's share of which is for a statewide "middle mile" network — that is, the internet highway between the "core" internet and the "last mile" networks which, like surface streets, connect homes and businesses. Getting "middle mile" network connectivity to these places is critical because you can't build internet surface streets until the internet highway is in place.

We should commit to not saddling these communities with insurmountable, ongoing "middle mile" deployment costs and unnecessary deployment delays.

As part of the pandemic recovery effort, Gov. Gavin Newsom is leading the charge to expand broadband infrastructure to help California communities that need it most. Even with this funding in hand, however, we need to do three things:

**Stimulate rural network deployment** — We can do that by prioritizing “middle mile” and “last mile” internet service to rural communities. These communities need the most help, because building rural internet infrastructure can cost upward of \$16,000 per household, compared to an average cost of \$3,000 per household statewide. Simply put, we must solve the technical and financial challenges faced by rural “last mile” internet providers or we will not close the digital divide.

**Use partnerships to leverage existing networks** — The legislation contemplates building a new network from the ground up, which would take five or more years to complete. That’s not fast enough for people who need broadband now, and it could mean California misses the funding deadlines under the American Rescue Plan. Instead of going it alone, the state could use partnerships to leverage existing networks and create scalable and economic “middle mile” services. Using existing networks will jump-start the process, potentially saving billions of dollars in costs and two years in time, because more than 60% of the facilities needed are already installed. Plus, as most of the personnel to operate and maintain this network are already in place, operating costs could be much lower.

Creating a statewide network is an enormous undertaking that requires skilled labor (in short supply), access to fiber and materials (also in short supply), real estate acquisition and construction of what could amount to thousands of facilities. Such a network would need to be operated and maintained. Also, because it likely will have a relatively small number of customers, all the operations and maintenance costs will have to be carried by a small user base. This means the monthly operation costs will be significant, even if the government provides capital to build the network. Too high a “middle mile” cost will severely limit the ability of rural “last mile” operators to offer affordable services.

**Double down on affordability programs** — Saving those billions of dollars in capital expenditures would free up funds for affordability programs (subsidies for broadband internet service subscribers) and “last mile” connections to California’s unserved households. This is critical, because no amount of “middle mile” funding will close the digital divide unless people have affordable internet access in their home.

A successful partnership that puts unserved communities first could virtually eliminate the technical and financial barriers to closing the digital divide in rural California. Tell your legislators to amend AB 156 to put unserved communities first.

What a shame it would be to spend these billions of dollars only to leave hundreds of thousands of Californians with the same old unfair deal of being disconnected — and left behind.