

Middle-Mile Advisory Committee Meeting
 July 19, 2024
 Minutes and Transcript

The Middle-Mile Advisory Committee met on Friday, July 19, at 10:00am PST via virtual conference and in-person.

Agenda Item 1: Welcome

Deputy Director Jared Johnson welcomed everyone to the meeting.

Deputy Director Jared Johnson welcomed and thanked all MMAC members, designees, presenters and attendees.

A quorum for the meeting was established.

Member		Designee	Present	Absent
California Department of Technology	Deputy Director Jared Johnson		X	
California Public Utilities Commission	President Reynolds		X	
Department of Finance	Chief Deputy Director Perrault		X	
Government Operations Agency	Secretary Tong	Luis Larios	X	
Department of Transportation	Director Tavares	Designee was Chief Deputy Director Keever	X	
State Senate	Senator Gonzalez	(Ex-Officio Member)		X
State Senate	Senator McGuire	(Ex-Officio Member)		X
State Assembly	Assembly Member Tasha Boerner	(Ex-Officio Member)	X	
State Assembly	Assembly Member Wood	(Ex-Officio Member)		X
County of Monterey, District 1	Supervisor Alejo	Local Government Representatives	X	

County of Del Norte, District 2	Valerie Starkey	Local Government Representatives	X	
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Agenda Item 2: Executive Report Out

The Middle Mile Broadband Initiative (MMBI) network prioritizes unserved and underserved communities identified by the California Public Utilities Commission (CPUC), disadvantaged communities highlighted in CalEnviroScreen, federal National Telecommunications and Information Administration (NTIA) grant locations, and Request for Information (RFI2) Partnership Locations. In alignment with SB 156, the 2024 Budget Act requires the California Department of Technology (CDT) to prioritize connections to project locations funded by CPUC-administered grant programs, including the Federal Funding Account (FFA), Broadband Equity Access and Deployment (BEAD), and the California Advanced Services Fund (CASF). The current \$3.873 billion MMBI funding is anticipated to be sufficient to connect all 105 FFA grant locations to the MMBI network.

Agenda Item 3: Project Updates

- **Mark Monroe** provided the California Department of Technology's (CDT's) update on the original 10k mile network and the current 8k mile network; including validation criteria. The current Middle Mile Broadband Initiative (MMBI) funding is sufficient to connect all 105 Federal Funding Account (FFA) grant locations planning to link to the MMBI. This includes approximately 7,230 miles from RFI2 partnerships and about 770 miles constructed by Caltrans, totaling around 8,000 miles in the revised MMBI map. The initiative is consistent with SB 156 and SB 164. An interactive map on the MMBI website will be updated on July 22, 2024, providing more detailed information about the network segments
- **Shannon Martin-Guzman** provided an update on Installations Partners and the Government-to-Government engagements:
 - Installation Partners:
 - Arcadian
 - Zayo
 - TPN-299
 - Boldyn
 - Lumen
 - Hoopa Valley
 - Siskiyou Tel
 - Vero
 - Digital 395
 - CVIN
 - Government-to-Government
 - YTel
 - 5 Tribal Communities
 - Ventura County
 - City of LA Bureau of Street Lighting

- City of Fort Bragg

- **Monica Hernandez** gave an update on Stakeholder Communications. The first stakeholder engagement workshop was held on May 31, 2024 with a total of 60 attendees. The objective was to increase transparency and improve communication. Agenda items discussed were:
 - MMBI Development Summary
 - MMBI Interactive Map
 - MMBN Customer Engagement Update

A survey was conducted and showed that 75% of attendees felt they had an opportunity to share any interests or concerns and 50% felt they had a better understanding of the status of MMBI after attending the meeting (*results did not include neutral responses*).

A video presentation was shared – click [here](#).

- **Jeff Wiley** gave an update on Preconstruction & Project Momentum, including preconstruction delivery plan. Environmental, permitting and design process is at 62% completion as of July 2024 (*compared to 51% completion as of April 2024*). A chart was shared to specify the completion of preconstruction by each district. 770 miles of preconstruction progress was shared with more than half complete as of July 2024. Total network hubs are 135 of which 103 have completed foundations reports, 81 have preconstruction packages in quality review and 76 are in the design phase. A graph was shared showing the different regions and their numbers of completion of which a total of 500 miles should be complete by end of September (based on the 770 miles assigned to Caltrans).
- **Erik Hunsinger** gave an update on MMBN Services and Last-Mile Connections. The Middle Mile Broadband Initiative (MMBI) offers a comprehensive range of carrier-class infrastructure products. Customers, from complex tier 1 carriers to smaller clients with limited budgets, will have various options tailored to their business needs. These products are designed to be flexible, accommodating both technical requirements and contractual funding needs, ensuring that all customers can achieve their network goals with carrier-class solutions. The Middle Mile Broadband Initiative (MMBI) has designed a middle mile infrastructure to support various last mile designs. By using mid-span interconnections, the need for extensive middle mile construction is minimized, optimizing state investments and lowering interconnection costs for last mile connections. Carrier-grade fiber and wavelength products will link last mile networks to state, national, and global telecom infrastructure. Last mile solutions can include aerial, underground, or wireless implementations, depending on the available resources of communities and carriers.
- **Maria Ellis** gave an update on the Last Mile Programs. The Last Mile Programs and Investments Overview details several key broadband initiatives, including BEAD, CASF, Loan Loss Reserve, and the Federal Funding Account (FFA). The **BEAD** (Broadband, Equity, Access, and Deployment) program focuses on

expanding broadband access and promoting digital equity. Currently, it is in the challenge process, allowing organizations (but not individuals) to submit challenges within a structured 120-day period. The California Advanced Services Fund (**CASF**) has awarded nearly \$450 million since 2008 to support broadband deployment and recently closed its latest application deadline on July 1st, with a new cycle to be announced soon.

The **Loan Loss Reserve**, which has a \$50 million budget, aims to support broadband projects by covering loan losses. Applications have been received in the first window this year, and awards are targeted for later in the year. The Federal Funding Account (**FFA**) supports last-mile infrastructure projects with a \$2 billion fund. To date, it has awarded \$105.3 million to benefit 193,000 Californians across Alameda, Imperial, Lassen, Plumas, San Francisco, and Sierra counties. Proposed awards total an additional \$95.4 million, making the combined proposed and awarded funds \$200.7 million, benefiting 440,000 Californians. The significance of the Middle Mile Broadband Infrastructure (MMBI) is highlighted, noting its benefits to CASF, BEAD, and other broadband investment programs. The FFA also ensures public availability of applicant and application information, enhancing transparency and stakeholder engagement.

Agenda Item 4: Public Comment

Public comments were made by:

- Patrick Messac, Oakland Undivided
- Ben Santos - Public Commenter
- Lindsey Skolnik – CA Alliance for Digital Equity
- Chris Smith – AGC of America

Members Final Comments

No comments.

Closing Remarks

Chief Deputy Director Johnson thanked everyone for their attendance and participation. The next meeting will be Friday, October 18th at 10am. The meeting adjourned at 12:20pm

Transcript

The Chair: Good morning and welcome. My name is Jared Johnson. I am the Chief Deputy Director of CDT and Deputy State CIO. I will be acting as chairperson today on behalf of Director Bailey Crimmins. We will call the July 19th, 2024, Middle Mile Advisory Committee meeting to order. We'll wait just a brief moment for those joining virtually.

Okay, our next order of business is roll call, Miss Alvarado, will you please call roll and review the meeting housekeeping items.

Alicia Alvarado: Thank you. I will now read the housekeeping statement. Attendees, please note there is a time allocated at the end of the meeting for public comments either in person, via zoom, phone or email. Presenters, please queue Sam to advance your slides. Committee members, please raise your hands to speak and ex officio please use the raise hand feature on zoom to queue Deputy Director Johnson to call you to speak. Now committee member roll call. Chief Deputy Director Johnson.

The Chair: Present.

Alicia Alvarado: President Reynolds.

President Reynolds: Present.

Alicia Alvarado: Chief Deputy Director Perrault.

Director Perrault: Present.

Alicia Alvarado: Director Tavares.

Mike Kever: Deputy Director Mike Kever for Director Tavares, Caltrans.

Alicia Alvarado: Secretary Tong.

Luis Larios: Deputy Secretary Luis Larios for Secretary Tong, GovOps.

Alicia Alvarado: Senator Gonzales. Senator Maguire. Assembly Member Boerner. Assembly Member Wood. Supervisor Alejo.

Supervisor Alejo: Present.

Alicia Alvarado: Supervisor Starkey.

Supervisor Starkey: Here.

Alicia Alvarado: Chief Deputy Director Johnson. We have a quorum.

The Chair: Thank you, Miss Alvarado. I know we have a packed agenda today, but I want to take a few moments before we dive in to set some context. Today you will hear from the California Department of Technology, Caltrans, Golden State Net, and the CPUC on their progress towards the Governor and Legislature's goal of Broadband for All, and the Middle Mile Broadband Initiative's commitment toward improved communications. California is currently building the nation's largest open access, middle broadband network. This has been a learning and collaborative journey for everyone involved. As the nation's technology leader, California has developed an ambitious plan to close the digital divide. Today we'll hear about the exciting progress

on that plan in the context of our currently available funding. I'd like to invite any of our other Middle Mile Advisory Committee Members for any opening remarks. Hearing no others have remarks. So today, we're going to touch on our first agenda item, the executive report out from Deputy Director Mark Monroe, of the Middle Mile Broadband Initiative.

Mark Monroe: Good morning, Chair and Members. Mark Monroe, deputy director for the Middle Mile Broadband Initiative. We appreciate the opportunity to provide what will be important updates on the MMBI project. This morning in the executive report out, I want to start by highlighting the way in which the recently signed 2024 Budget Act is expected to affect the MMBI Project as we've all been tracking. In addition to the current base funding level of the 3.87 billion dollars, the Administration had been hoping to be able to provide an additional 1.5 billion dollars for CDT to build out more than 10,000 miles of the MMBI network. However, as most of us are tracking, due to the significant shortfall in the budget this year, the Administration and Legislature had to reduce funding across a broad range of state programs. However, while the budget ultimately did not include the additional 1.5 billion dollars augmentation that many of us were hoping for. The 24 Budget Act did preserve the full 3.87 billion dollars in funding previously allocated to the program. As we will see shortly during our project, this preservation of funding is expected to help the State achieved most of the middle mile broadband connectivity goals. The budget package also includes SB. 164, which specifies that CDT must prioritize construction of MMBI segments that connect to locations with last mile grant funding from the CPUC's Federal Funding Account or FFA, The Federal Broadband Equity Access and Deployment or BEAD, and the California Advanced Services Fund or CASF programs. And the CPUC will be providing updates on these programs a little later on. The statutory prioritization is consistent with the CDT's overall strategy as we've looked forward to developing the MMBI network. And CDT believes that this can be achieved within the MMBI's current funding level. We'd also note that the budget includes additional reporting requirements and permits the Department of Finance to augment the MMBI Budget by up to 250 million dollars should additional funding become available. In terms of the budgetary impact on the MMBI, given the new budgetary and the statutory authority in the budget, this morning CDT will be showing how existing resources are anticipated to be sufficient to develop the MMBI network to reach the FFA Grant locations that plan to use the MMBI network. CDT continues to work closely with the public utilities commission to align the MMBI network with these FFA grant locations to support last mile connectivity. And lastly, CDT, Caltrans and Golden State Net will be providing updates regarding progress in moving to installation along MMBI network segments. As we move to provide middle mile connectivity to these FFA Grant locations as well as the other communities along the MMBI route. And that ends my executive report out.

The Chair: Thank you, Mr. Monroe. Do any committee members have questions about Mr. Monroe's report?

Luis Larios: Yeah, just very quickly. So, thank you for the presentation, Mr. Monroe. And I just want to emphasize a few things and make sure we're all clear on what you just presented. The State did envision a 10,000 mile plan and we are now at a point where we have near a certain budget to complete the network. So, my understanding is that

the path forward that you've presented would reach all State and Federal guidelines, built a resilient network, and more importantly reach any FFA last mile applications that indicated they would leverage the middle mile network. Is that all, correct?

Mark Monroe: Yes, exactly.

Mike Keever: Yeah, thank you, Mr. Monroe. So, with regard to the budget that's available, and continuing to build the network, perhaps, as we go into the presentation, if you could point out the steps that have been taken to try to stretch the dollars with through the procurements, the partnerships and things. In order to best utilize the funds that you've been provided to maximize the build for this network.

Mark Monroe: Absolutely, and I can provide a little bit of an update, or a little bit of a review on that. As I think most of us are tracking, this was originally and still is primarily funded with Federal ARPA funds, which had to be under contract by the end of this calendar year, and the project supposed to be done by the end of 2026. So, I think as the country's largest open access, middle mile network that's a very tight time frame. And so, some of the steps we initially took were to go out and start purchasing the materials we knew we'd need, such as conduit, fiber vault, huts, electronics. We did a lot of things at the same time. And at the same time, we worked with Caltrans and a lot of both the State and Federal permitting agencies to make them aware of this project. This is such a large project, and it took a lot of reframing of everybody's way of thinking about it in terms of these are not just small segments in my district or yours that it's a statewide project. And so, there's a lot of effort put in and at the same time to streamline those processes and bring forward when we could start construction until a lot sooner. And then, similarly, we went out to bid in 2022 and were able to get bids by early 2023 regarding construction of the network that really helped inform us how much the different segments would potentially cost. At the same time, we went out to bid for using the RFI squared process, this request for innovative ideas. It's a different approach rather than going out and saying we need a very specific thing and how much is it. We really went out to the industry looking for different solutions. And saying, look, here's the overall network that we want to build and what opportunities are out there to partner for that? And so that is what has yielded in what we generally refer to as RFI squared partnerships. But there are a range of lease and joint builds, and in some cases purchase agreements, where we were able to share a lot of those costs with other partners that were going to do similar work or had already done similar work. Now we're able to share those costs which really drove down the per mile cost of a lot of those agreements, and therefore allow the network to put us in the position we're in right now, where with the current budgetary constraints are able to reach those FFA Grant locations.

The Chair: Ms. Alvarado, I see we have hands. Should I just take them in order that I see them on the screen? Okay, we'll start with Supervisor Alejo.

Supervisor Alejo: Thank you very much everyone. On this topic, which is a very important one, I reached out to Mark Monroe and Director Bailey Crimmins before this came for a budget vote. Obviously, it's an important one because the money originally allocated for the middle mile only had us reach to complete 7,800 miles, leaving 2,200

miles of fiber infrastructure not able to be funded. And last August we addressed this issue, the staff had put out that those projects not funded would be put in a phase 2. And we obviously, through public comment and stakeholder meetings heard a lot of concerns about that, because it was going to leave a lot of communities in South LA or in Oakland and the Central Valley, Coachella Valley, even in Monterey County, without adequate funding, despite the promise that we made to extend broadband for all. Now I obviously went in with an Op-ed on this topic before the vote happened. I just misunderstood it. Mr. Monroe, of the language that was included at least an executive committee. You stated something different here today, but in the executive summary the description said that the budget would preserve. Well, let me take a step back. To address the concerns from last August and last fall. The Governor then promised to include the 1.5 billion in his January budget proposal, which he did. And then, in the main revise, it was completely removed. Which raised concerns from a lot of digital equity members and certainly, I weighed in. But then when the budget was voting on it stated, it is preserving 250 million for the Middle Mile Broadband Initiative for the next fiscal year 2024-2025 and allows the Director of Finance to augment the budget for an additional 250, with the concurrence from the legislature. So that seems something different to me. It says that the 250 which was in the Governor's January proposal, seems like that was included, after all. The January budget proposal then had another 1.25 to be included next year in the 2025-26 fiscal year. But instead, this would only allow 250 more from the concurrence of the legislature, which we know doesn't just happen automatically. That would have to be a vote taken in next year's budget. So I'm just confused of that language that was stated in the executive summary. And then what you said, to the latter, which is 250 with concurrence of the legislature. So if you could just write some more clarity to that because I think that would be completely different than from what many of us thought was actually a small victory, for at least for the coming fiscal year.

Mark Monroe: Absolutely and I appreciate that question. You know, in my past life I worked at the Department of Finance, and sometimes it's unfortunate when two different dollar amounts are the same or appear to be the same, because it causes confusion, and so I apologize if I wasn't as clear on that. To start with when I talk about preserving the 3.87 billion dollars in funding, that total dollar amount included 250 million dollars that was to be included in the 2024-25 budget and the Budget Act, which is signed. So we call that the 250 million in base funding. It's really that final instalment of those 3.8 billion dollars that were included. So when we talk about the preservation, I think that's one point of clarification that's really important to make is that that 250 million in the base funding from the general fund, even with all the other cuts that had to happen in the budget, that was preserved, and that allows us to stay at that 3.8-9 billion dollars level and to be able to reach those 8,000 miles. So I think that's an important distinction. And then when we came out with as noted, it was a high priority, this has always been a high priority project for the Governor and the administration. And the intent of the January budget we included another 1.5 billion dollars. It was intended to close that gap between the 8,000 and the 10,000 miles. And then as the budget developed and the Department of Finance and Administration saw where the revenues were, they knew that this was just not something that could be afforded at this time. So when we put that 1.5 billion dollars in that was split out over 2 years. And so, if it was funded, we would have received 250 million dollars in the 2024 Budget Act, and

then the remaining 1.25 would have been in the 2025 Budget Act. So I think that's kind of the further confusion of the split that the way the numbers worked out. But we always saw it as the 1.5 billion dollars augmentation over 2 years. And that full augmentation was not funded through the Budget Act. And so in terms of your reference to the 250 million that I talked about in the executive summary that is as I think you're familiar with, a provisional language. And so it doesn't have to go through the normal budget process, the Department of Finance if revenues are sufficient. And the Administration looks at a lot of the cuts and all of the budget decisions it has to make, but if funding is sufficient, sometime during this next fiscal year then with notification to the joint Legislative Budget Committee, the Administration could augment CDT's budget by an additional 250 million dollars on top of the 3.87 billion that's already been provided. Does that kind of answer your question or make it a little clearer.

Supervisor Alejo: Yes, it did provide clarity, because there's I think the two different amounts of 250 million dollars that created the confusion. So, in other words, just for the public, it didn't seem like any additional money was provided to address the concerns that the public raise with us about completing the full 10,000 miles cause that's what the 1.5 billion required for us to complete the remaining 2,200 miles of infrastructure. So that's unfortunate. I thought there was at least a partial victory in this budget. It seems like there wasn't. I just haven't seen in my experience in the Legislature that monies an amount of 250 million is allocated without some action from the legislature. Maybe it just hasn't been my experience, but I just haven't seen it happen during my term there. So Mark, then what does that mean for our timeline. I know we had a goal to complete our original plans by the end of the 2026 calendar year. What does this mean now for those communities. That will now be delayed by not being able to complete the remaining 2,200 miles. What do we tell them? They're going to be further delayed. They're going to be put on the back burner. We had made a commitment that it was going to be addressed in the budget. It obviously didn't happen at the end of the day. What do we tell those communities now about how much longer they're going to have to wait to have the middle mile be completed in their communities.

Mark Monroe: Yes, and I appreciate that. And that's certainly been a challenge and frustration for us, at CDT it's always been our intent to reach as many of the communities identified by the Public Utilities Commission per SB 156 as possible. And at this point I don't know that I have a good answer for kind of what it looks like going forward. What I will say is that we're trying to develop a network here that's not going anywhere. It's going to be a long lasting network, and so we'll have to consider future budgets and as we move forward, we'll have to consider what possibilities there are for reaching a lot of those communities. But I do think that within the existing funding level, there's certainly a lot of wisdom in really targeting the funding we do have, to those locations that have those last mile projects. But in terms of those that didn't have those last mile projects yet, yeah, that is something that we'll have to continue working on in the future.

Supervisor Alejo: Yeah, I know it's a tough question for you, as Staff, Mr. Monroe. But we know that for the last mile funding they had way more applications than the money available. So it doesn't seem like that's a real solution to addressing those needs. And last point is that at some point we're going to have to adjust our timeline and provide some clarity and a roadmap for those communities to understand. When are we

actually going to be able to address and complete the work there, rather than giving up in the air, and without any answers for them. I think, we had a clear map to finish all the work earlier on, but in light of this shortness of funding. I think we're going to have to adjust that. But we have to be truthful. We have to be transparent. We have to be clear with those communities. When are we going to be able to complete the work that they've been waiting for. I think that's a valid question that this committee, and the Legislature and the Governor have to address at some near point in future. That's all. I'll pass it to my colleagues, thank you.

The Chair: Thank you. Supervisor. Assembly Member Boerner.

Assembly Member Boerner: Yes, thank you. And I want to build on some of the questions and concerns Supervisor Alejo has brought up. I know we have considered in light of the structural budget shortfall, so even though we're saying 250 million is in there and 1.25 billion could be allocated next year. The likelihood that we will have a good budget year next year is probably low. And so one of the things that I think I've said repeatedly and I will continue to say is, it's really important that every time we talk about the 8,000 miles versus 10,000 miles I cringe a little bit. Because it's not about the number of miles of fiber laid. The Middle Mile network is only as powerful as the number of last mile connections it serves. Right. And so we keep focusing on the 8,000 miles and 10,000 miles. And that's where we're getting this whole problem that Supervisor Alejo is bringing up is we're like, well, that 1.5 was to close the 8,000 to 10,000. But we're now seeing in the report that there's 105 applications for last mile, which we don't know if they're going to be granted, because CPUC hasn't sent out any of those grants, or very few of those grants have gone out. So I think it behooves this committee to really think about, how do we right size the middle mile. And when I say right size the middle mile, our goal should be how our metric of success, the number of last mile connections served by the middle mile. And there you can break it out into an equity component where you're looking at how many have historically unconnected communities, urban and rural, are served by the middle mile. And that's kind of a mindset shift. And so I always have a conflict when I hear these reports. I ultimately understand our budget shortfall. I don't think that 1.25 billion is going to appear out of nowhere next year. So I think it would behoove this committee to kind of look and say, let's make sure we're actually serving the people who need to be served rather than building a middle mile. And to be fair, I do not think this is a problem with CDT. CDT has done an excellent job moving forward along timelines. But we're only as good as those last miles with the CPUC serving us, and they are very far behind. You know, when I did my last budget oversight here in a CPUC they said something like 91, I want to say it was 91, applications were proposing to connect to the middle mile. Now it's a 105 with some vague number of other applications that could apply for the middle mile. I mean the applications have been submitted, and they should be getting the dollars out the door. So I'm not sure about this. That makes me also very concerned. And so I don't know how we initiate that process of saying, how do we reprioritize the middle mile network, so we base it on the last mile served. Because I don't want to see the number of miles of fiber laid as our metric in California. I want to see the number of Californians, the under and unserved Californians served by the middle mile. So if we could add that report to like every other quarterly meeting we have, I think that would be really helpful, and that would help the public understand how this backbone is really going, and this historic

investment in the middle mile is going to serve California's. That was more of a statement than concerns, and if it's not the appropriate time to bring this up, you know future presenters can also bring this up today in our conversation. But that's my main concern, is that we're overbuilding the middle mile in places we don't really have demand. And we're not going to serve a lot of people. And we're going to leave out the places like Oakland like LA, who really need it. And that's not the correct trade off we should be making.

The Chair: Thank you, Assembly Member Boerner. We'll take that back and agree that that remains a main goal of this project is to serve those communities. Next, if I may, I will call Supervisor Starkey.

Assembly Member Boerner: I'm sorry. I don't want it as a goal. I don't want it as a goal of this project. I want it as a metric we report on. That's what I'd like.

The Chair: Thank you.

Supervisor Starkey: Can I speak now? Is that fine?

The Chair: Yeah. Supervisor Starkey, please.

Supervisor Starkey: Okay. And I'm not going to say anything that hasn't already been presented by my colleagues here. My big concern is that we haven't seen the map of where the 2,000 miles have been shaved off. I do appreciate all the work that you've done in identifying those communities that have already have funding for the last mile. But my concern is the same as Assembly Member Boerner, that a lot of the times what I believe will happen, and I haven't seen the maps, is that the underserved in rural communities are the ones that are going to be not afforded the 8,000 miles. And so until I see the map, I'm trying to hold out hope that these rural small communities who need this service the most are going to be the ones that are affected by the change. My question is that I believe, Mr. Monroe, you said at the beginning of this, that you already had purchased all the supplies needed for the full 10,000 miles. Is that still correct?

Mark Monroe: What I'll say is as we approach this, we went out and procured approximately enough to build about 3,000 miles. And all of our contracts have room in it to expand those if we need it. So we were trying to get a jump on any supply chain concerns we have that might be raised. Remember, we're coming out of Covid, and there were also supply chain issues and that was a new reality for everyone. So yeah, we have now contracts for purchasing most or all of the materials that we're going to need. And now we're just adjusting those.

Supervisor Starkey: For the 8,000 or the 10,000?

Mark Monroe: Yes.

Supervisor Starkey: For the 8,000?

Mark Monroe: Well, yes exactly, for the 8,000 and for the architecture of it. In terms of how much is constructed and using the various partnerships.

Supervisor Starkey: Okay. So if we can re-look at the metrics of it, and I agree that it shouldn't be a goal, it should be an overall we have to rethink this. We have to recalibrate so to speak and look at that. And obviously this is a tough position that you're in and I am hoping that we don't just go for the easy cuts right? We look at how does this benefit rural and underserved communities first. Thank you.

The Chair: Thank you, Supervisor Starkey. I'm seeing Supervisor Alejo, your hand is up.

Supervisor Alejo: Yes, just a question for Mr. Monroe. Because in the fall, staff had called those communities to say that we're not going to get the work completed there, as phase 2. Could you provide us with an updated map of those areas that are unfunded at this point in time. I would just like to see that updated because at one point it was 1,700. The last time we spoke it wasn't 2,000, you told me it was 2,200 miles that would not be completed if you could give us just the latest, accurate numbers. What are those areas that will not have funding for the work to be done there. And the last point I would say is, I think this body has an obligation to be a voice to make sure that all 10,000 miles are completed. Not to just say well, the funding dried up, and therefore we have to readjust and accept the lesser amount. We made a promise to the people of California that we would complete all 10,000 miles. We created a map distinguishing that. And that just leaves me to say that we have to explore other possibilities. In 2026 the elections coming up, if a bond is needed to be able to complete the work and complete the promise we made, I think we have to provide suggestions of how we are going to complete this work. Not 4, 5, 10 years from now. But look at the next possible opportunity to ask the legislative to consider bond that it doesn't have to be in the billions of some of their bonds that are currently set for the November ballot, but a lesser amount to at least complete the work for the promise that we made on the 10,000 miles. I think we have to just be constructive with ideas of what's a realistic way that we can complete all 10,000 miles and not accept less and communities having to wait longer. I think there's some ways to continue the dialogue and some realistic ideas to be able to fund the unfinished work. But for Mr. Monroe, if that's possible, just send us those maps that will not be funded. I'd appreciate it. Thank you.

Mark Monroe: Yes, thank you. And what I'll note is as we get into the project update this morning, we'll be providing initial look at the at the map of the miles that do connect to those FFA Grant locations and the team's been working since the budget was passed to be able to get to that level of detail. And then we'll be updating our interactive map on Monday. A week early, so people can kind of get a closer view of it.

The Chair: Assembly Member Boerner.

Assembly Member Boerner: Yeah, I just want to circle back on what was just talked about. We're again talking about last mile projects that have been submitted to the CPUC and have not yet been granted. We're talking about proposals, and we have no idea if they're going to be granted or not. So we have to be careful just because they've put an application. Doesn't mean they're going to get part of that last mile

grant. And so I'm really concerned, we need to see where it is and I think we need to look at where the network is. We have no last mile grants. I think you could use that as a proxy. But we need to be really careful that just because there has been an application that proposes to connect the middle mile it does not guarantee the CPUC will grant that first of all. Second of all, we should be looking really carefully at what parts of the middle mile have had, to date, no proposed talk about having last mile connections. Because what you could do, which seems like the smart thing to do, would be to minimize investments in places where you don't have a last mile application, or we don't know of anybody trying to propose to it. And then reinvest in the places where we do know we have last mile. Now it would have been helpful that had the CPUC been on track we would have already known this, and we could have right sized it from the beginning. But again, this is not a CDT problem. So just want to flag that there have been very, very, very few last mile grants actually allocated by the CPUC and we're talking about proposed applications. So I don't want the public to then look back at this recording, or look back at a map and say, oh look, that was guaranteed to me. Because I think that's an easy misunderstanding. People who are not deeply involved in this.

The Chair: Thank you for that. Our next agenda item is the Department of Technology's project from Mr. Monroe and Mr. Martin-Guzman.

Mark Monroe: All right. Thank you. So just to kind of cover some points, I think we've tried to make at the last committee meetings in developing the MMBI network. CDT has broadly used several key factors as decision criteria. From the beginning CDT has targeted and underserved locations throughout the State as identified by the public Utilities Commission per SB. 156. CDT has what was able to identify segments that could be developed faster and at a lower cost than standalone construction through the RFI squared partnerships we referenced. Contracts were signed to lease, joint, build, and purchase. These segments for more than 6,500 miles of the network. Similarly, CDT also applied for additional Federal funding from the National Telecommunications and Information Administration or NTIA for specific segments of that network. And last year CDT was awarded 73 million dollars in NTIA Grant funding for those segments. So the MMBI network includes all of these segments, as well. And, as noted most recently, SB. 164 restated the broad goals of SB. 156, by specifying that CDT prioritize the segments necessary for connection to last mile projects with Grant awards from the PUC, including the Federal Funding Account or FFA program. Based on these decision criteria, CDT believes it will be able to achieve most of the State's goals by using the existing funding to build out what we estimate to be approximately 8,000 miles of MMBI Network. Sufficient to reach all 105 FFA Grant locations that plan to connect to the MMBI. And then, before we present the map, we also want to note that CDT has also validated the MMBI network by considering other important criteria, this includes the geographic split between urban and rural and tribal areas. With 27% of the network serving communities and in urban areas and 73% serving communities in rural areas. Both the 10,000 mile map and the 8,000 mile map maintained this geographic distribution. CDT also reviewed the MMBI segments to verify that even at the 8,000 mile level the network connects to almost all of these disadvantaged communities identified in the SB. 535. So with that we can move to the revised map. There we go! The map here reflects the revised MMBI map with the approximately 8,000 miles needed to

reach FFA grant locations. To review, regarding PUCs FFA last mile grant program, almost 500 grant applications for last mile project funding were submitted to PUC this past year. Of these, 105 applications indicated the intent to connect to the MMBI network. So as discussed, the 2024 budget package requires CDT to prioritize construction of network segments necessary to connect to last mile projects with Grant awards from the FFA, BEAD, and CASF programs. So of these, the FFA grant program is the one Grant program for which CPUC has open rounds. FFA grant applications are currently being evaluated by CPUC and one or more rounds of approval recommendations have already gone to the Commission for votes, and the PUC will be providing an update on the status of this program in a few minutes. The map here reflects how CDT expects to be able to reach these FFA grant locations within its existing 3.873 billion dollars in funding. And here you can see the resulting MMBI route and how it connects to the FFA Grant locations identified. I think that's a blue. It's intended to be a blue. So if we go to the next slide. For reference, this is the same map that we just looked at. But CDT's approach will utilize both Caltrans construction and RFI squared partnerships, the State has negotiated. This resulting in MMBI network is expected to be approximately 8,000 miles. It will reach all of the FFA Grant locations planning to connect to the MMBI networks per SB. 164 and will provide connectivity to other communities along the route, as well as most of the unserved and underserved communities, originally identified by PUC. We understand that a lot of people will want to be able to zoom into their respective regions to get a better view of how the revised map looks, especially relative to FFA Grant locations. So CDT will be, as I noted, updating its online interactive map on Monday. A week earlier than normally scheduled, so that the public and stakeholders can get a clear view of how the MMBI Network will support last mile projects in their respective regions. Then, if we can jump to the next slide. Moving forward here, as I think we all understand, Caltrans has been a really key partner in the MMBI project from the beginning. As CDT explored other industry alternatives, it was able to achieve cost efficiencies largely by sharing construction costs with a number of private sector partners. These cost savings will not only result in some segments being ready to provide service as much as a year earlier in some locations but will also allow CDT to reach all of the FFA Grant locations within its existing funding levels. As such, CDT anticipates a significantly revised need for Caltrans construction, and as such Caltrans preconstruction work will be revised to the 770 miles that are currently funded, as well as approximately 100 high priority miles that will serve SB. 156 and SB. 164 priorities, should savings be achieved, or additional funding become available. Go to the next slide. Here on the first line, we can see how CDT had originally hoped to develop the larger network. We can also see here how more than 700 miles of additional leases and joint bill partnership opportunities have been identified this year. We can see how these partnerships will be vital for CDT to construct the revised 8,000 Mile Network and needed to reach the FFA grant locations that will depend on the MMBI within the existing funding level. And while most of these RFI Square partnerships are still being finalized, we anticipate signing final contracts over the next couple of weeks for most of them. If we can jump to the next slide here. Committee members may remember that at the April MMAC, we presented a version of this table reflecting the breakout of the various cost components for the project. At the April meeting, Dr. Wood, I believe had asked us to provide this detail for the July MMAC meeting regarding this with more detail, regarding the three types of RFI squared partnerships. So here we've broken out, cost by type. We've also added to the new RFI

square partnerships; we anticipate finalizing in a couple of weeks. We can see that the average cost per mile for IRU's is approximately 280,000 per mile. 367,000 per mile on average for joint builds. And we're able to purchase that portion of the network for 73,000 per mile, for an average of 305,000 per mile for the RFI squared partnerships. We can also see the updated cost of 880,000 per mile for Caltrans Construction here highlighting the benefit of being able to share the construction costs. And Caltrans will be providing more detail on this a bit later. With that I want to turn it over to Shannon Martin-Guzman, our project delivery manager, to talk through the status of our RFI squared partnerships projects, Shannon.

Shannon Martin-Guzman: Thank you, Mark. My name is Shannon Martin-Guzman. I'm the Project Delivery Manager for the Middle Mile Broadband Initiative with the California Department of Technology. Since the April Middle Mile Advisory Committee the program continues to leverage the RFI squared process to maximize available funds and provide the necessary infrastructure to get connectivity to as many communities in need as possible. As displayed in the table on the prior slide. An increase in both IRU leases and joint build agreements has enabled us to sometimes double the amount of miles by leveraging existing broadband projects, existing infrastructure, or by cost sharing with private entities. On the MMBI website, you will notice that we use specific terminology which outlines various stages of the project. This is intended to give the public a sense of when specific spans are ready for service. Preconstruction consists of the activities to clear the way for construction. While the installation phase represents the construction and the various activities needed to enable services. I would like to highlight that they're ready to connect as a nation is what would be of interest to most, as this is defined as vaults, conduit, fiber, hubs and associated electronics are installed and ready for last mile service connectivity. Next slide, please. I would like to kick off our project updates with highlighting our joint build partner Arcadian. Preconstruction has progressed from 20 to 30% since April of this year. With spans covering 3 large stretches across the State, Arcadian will be installing a little over 1,000 miles of infrastructure with construction formally kicking off in the first quarter of 2025. Recently we celebrated our second groundbreaking gathering in San Jose. We've got an opportunity to view the live demonstration of horizontal directional drilling and installation and conduit, while also commemorating our partnership. Next slide, please. Right, the next partner we would like to highlight is Zayo. And Zayo's project is in the northeast corner of the State and is a joint bill partner within the program. Zayo continues with installation of infrastructure and production has increased from one to seven miles since April of this year. This span is a hundred 93 miles in total and is on track to be completed in the 4th quarter of this year. Next slide, please. TPN is a lease partner within the program. TPN is also Transpacific Network, and they are nearing completion on 172 mile stretch along highway 299 in Northern California, traversing through Trinity and Humboldt counties. TPN has approximately 134 miles of infrastructure installed, which is an increase of 31 miles since April of this year and is also projected to complete all miles by the 4th quarter of this year, as well. Make it amazing progress. Next slide, please. Boldyn is a lease partner within a program and has increased production from 27 to 45 miles since April of this year. And also closed out installation on 2 of their 6 contracting spans in San Francisco. One is on Spear Street, and the other runs from the city to San Bruno. Boldyn is currently installing additional infrastructure on 2 spans in Oakland, one running to Walnut Creek, and the other terminating in Fremont. All installation for Boldyn is

projected to close out in the second quarter of 2025. Next slide, please. Lumen is one of our second largest partners within the program. And has both at least and joint build component totaling almost 1,900 miles of infrastructure. The Lumen agreements were a great opportunity for the program, as it allowed us to leverage existing conduit already in the ground for all miles. Today Lumen has started pulling fiber on 6 of their 20 segments. And those fiber pools are taking place in Monterey, Los Angeles, Yellow, San Francisco, Shasta, Tehama and San Diego County. Lumen anticipates completing all fiber pools within their infrastructure by the 4th quarter of 2026. Next slide, please. And next, I'd like to highlight some of the progress we're making with one of our tribal partners, the Hoopa Valley Public Utility District. Hoopa Valley is a joint build, partner and tribal entity that we are collaborating with to complete a 23 mile segment in the northwest portion of the State. Since April they have increased preconstruction from 25 to 60%. And anticipates kicking off installation of infrastructure in the 1st quarter of 2025. Next slide, please. Next partner is Siskiyou Tel. Siskiyou Tel is our lease partner, that has 165 mile span, also in the northwest corner of the State. Since April they have advanced preconstruction from 33 to 52% complete and anticipate starting installation in the 4th quarter of this year. Next slide, please. Vero is a joint build partner that is responsible for installing 24 miles of infrastructure through Humboldt County. Vero's build is split between 2 segments with insulation of infrastructure on the southern span that you see on the screen. Completing earlier this year in the northern span, nearing completion of preconstruction activities. Insulation of the remaining miles will be starting in quarter 3 of this year with all installation anticipated to be completed in quarter 3 of 2025. Next slide, please. Digital 395, as previously reported at prior MMAC meetings, the Digital 395 span was purchased with existing infrastructure that includes vaults, conduit, fiber and existing hubs. Currently CDT is in the process of finalizing transfer of the assets, while ensuring that all agreements and permits are executed in accordance with applicable statutes. Over the coming months, efforts will be dedicated to remediating compliance observation on all existing hubs. In addition to deploying and testing electronics that are essential to operationalize the network. Next slide, please. And last but not least, I would like to provide some updates with our largest partner within the program, CVIN. And since April of this year CVIN has advanced preconstruction activities from 15 to 65% complete for new construction spans. In addition to kicking off installation, pulling fiber through existing conduit on 7 of the 88 contracted segments. Which includes fiber pools in Lost Hills, Moss Landing, Watsonville, Morgan, two spans in San Francisco and San Jose. Next slide, please. And lastly, I'd like to highlight some of the government-to-government partnerships that we have executed contracts, and also where we are currently negotiating. Government to government partnerships continue to be a focus of the program as it allows us to leverage existing broadband projects with local municipalities, tribal nations and partner with local governments that have last mile components in alignment with middle mile infrastructure. In recent weeks the program executed a new contract with YTel for an IRU lease of a 48 mile span on the northern coast, along Highway 101. This is another span that will be essential in getting connectivity to multiple tribes in the area. In addition, the State is in active negotiations with 5 additional tribal communities; the city of Ventura, city of Los Angeles Bureau Street Lighting and the city of Fort Bragg with the anticipation of executing an agreement in the coming months. And that concludes our project updates, and I would like to introduce Ms. Monica Hernandez to go over some of our engagements with project stakeholders.

The Chair: Okay. Before we proceed, I want to say thank you, Mr. Monroe. Thank you, Mr. Martin-Guzman. I'm excited to see the progress being made on the project, and I know others probably share in that excitement. Knowing that our partners are making progress and helping us get this network in the ground and available to the communities that need it the most. With that I'd like to open it up any comments from members, and I see a hand up with Assembly Member Boerner.

Assembly Member Boerner: Yes, thank you. I was just wondering if you could go back to the first slide in your presentation where you had the cost per lease, joint build or I don't know, purchase. I assume there's a construction cost. Is operation and maintenance included in those costs and if so what are the different operation and maintenance costs going forward of those different options.

Mark Monroe: Yeah. I appreciate that. So when we talk about the project and the development of it, and the fact that we have the 3.87 billion in current funding, that's all for development. That's all for one way or the other, one time construction, or lease cost of the network. Even the leases are considered one time capitalized lease purchases. This does not include any operations. And so as we move forward and we had started earlier this year, we had gone out with a solicitation for an operator that we're going to provide a little bit of an update on that's still in the process. And that's where we will start to pivot to kind of what that looks like. But the anticipation is that we're developing a network that should not require a subsidy and should be able to pay for itself. So none of the funding we currently have is expected to go towards operations.

The Chair: And, if I may, I believe the Assembly Member is asking about the next slide. This is the miles breakdown and there's a slide with costs on slide 12.

Assembly Member Boerner: Exactly what I was asking. So we see the total cost, and you see that purchase is by far more cost effective, which means more bang for the buck than some of the other things. Now that's purchases we know is not available everywhere, and it's clear that operation maintenance wouldn't be accounted for in current funding. But when we look at the ongoing cost of the network that I believe in previous Middle Mile Advisory Councils, we've been told, will be passed on to the last mile customers. What are the what are the different O and M kind of costs associated with the IRU lease, joint build, or purchase, so that we can see which ones will have the greater cost over time. I know they're not going to be covered as the current funding won't cover the O and M on it, but what does that mean going forward?

Mark Monroe: Yeah, I'm sorry I don't have that number here, but we can provide an update on that in the future in terms of what we estimate those costs will be. I will note that part of the 2024 Budget Act reporting requirements is that the CDT takes a look at those expenditures and model that out in business plan that is due in January of 2025.

Assembly Member Boerner: Okay, thank you. I appreciate the update.

The Chair: I am sorry, Supervisor Alejo.

Supervisor Alejo: Yes. Going back to Mr. Monroe. Thank you for that slide, the summary of the MMBI program because that provides some clarity of what are the total miles that has changed from the original 10,559 miles to what is currently funded. The difference, as the chart points out, is 2,542 miles that will not be completed or unfunded. So is the 1.5 billion estimates used to complete those 2,542 miles? And if so, do you expect that that estimate to increase a year to three years from now. Cause it seems like these days' construction for any type of infrastructure is only skyrocketing, not getting any cheaper.

Mark Monroe: Yes, yes. Now, that's an important point. The 1.5 billion that was requested was intended to complete the rest of that network, as you noted. And yes, it's not unreasonable for us to assume that there will be inflationary costs over time as we move forward.

Supervisor Alejo: Exactly. Thank you.

The Chair: Do we have any other member.

Luis Larios: Just thank you for the presentation again. That was a significant amount of progress you just shared updates on. Is this available? Could you just remind me if this is available online, or where folks might be able to access it a little bit more easily.

Shannon Martin-Guzman: Yes, on our Middle Mile Broadband Initiative website, within that interactive map, you'll be able to see all projects that are currently in the installation stage, and that covers some of the updates that I went over today.

Luis Larios: Thank you.

The Chair: Okay, thank you. The next agenda item will be a communications and stakeholder engagement update from Ms. Monica Hernandez, followed by a short video presentation, Ms. Hernandez.

Monica Hernandez: Thank you. Good morning, everyone. I just want to go backwards, next slide, please. With a quick reminder of the origination of the stakeholder engagement meetings, as all of you have seen and participated in, we wanted to increase our transparency. We had a number of stakeholders, folks who are coming to MMAC meetings with public comments and questions, and unfortunately that felt and was really the only avenue for communication. And you know that's a one way communication. So with your counsel, and discussing with a few stakeholders, we initiated a quarterly cadence of stakeholder meetings. And while, we certainly encourage anyone at any time to come to these meetings and make public comment, we wanted to have a place for known stakeholders, folks who've been engaged in the process to be able to ask more specific questions and frankly get an answer in real time, or if it was a very complex issue, we also have additional meetings following the MMAC for our intended audience. And when I say intended audience, want to make it really clear that when we initiated this stakeholder meeting approach, we really focused on folks who were already engaged in the process, but challenged with the lack of information that they were getting and the lack of consistent updates

on our website, and so on. So you can think of this as stakeholders, advocates, not so much a community resident type of outreach. So these were folks who were already engaged but expressing frustration. And so, in addition to the stakeholder meetings, we have increased and made significant improvements to our online communications as well as you heard earlier, we have our regular cadence of updates. Typically, it's the last Monday of the month. But given all of the news and information we are advancing that so we will be updating the website this Monday. And to put a really fine point on it, stakeholder engagement meetings and our increased transparency through the website is not in any way intended to distract or discourage anyone from making public comment here. Our most recent stakeholder meeting was on May 31st, and if I can have the next slide, please. The agenda is really closely mirroring the MMAC meeting, because, as you know, that is the critical information that stakeholders are asking. We sent our agendas in advance and stakeholder recommendation started accepting questions ahead of the meeting. So people sometimes ask very detailed questions that take more than a few minutes to respond to. So we have initiated that as well. In addition to live questions. So here's a quick breakdown of our participation. Our lists are growing, which is great. But we really want to make sure we have the right folks in the room. This wouldn't be a great place for somebody who is brand new to Broadband, the Middle Mile Project. We'd want to have a specialized opportunity to bring folks up to speed. In our last meeting it was very interesting that we had a number of local staff participating and asking questions about progress in their community. And so what that just really highlighted is how big this project is, how many folks are interested in and while we might be working programmatically with the right folks to deliver the system, there are other stakeholders locally in different departments, who are just as interested and vested in the outcomes as well. So again, we continue to listen, make improvements where we can when we get suggestions that are something we can implement, we certainly act on that. Some key points that were raised in this meeting was again actually back to the other slide please, thank you. Some key points raised from the meeting, stakeholders were very interested in wanting some certainty and specificity on progress. And as you know, that is quite challenging, because this is a fluid and dynamic system of development. But we do continue to post monthly on the website everything that we can. And then we do have some challenges where folks felt that they were being brought together to influence a decision rather than be informed. So we're trying to be very consistent and clear with our communications that this isn't a traditional type of engagement where you are going to make a decision. We certainly want to listen to all the recommendations and feedback, and we bring that back into our programmatic team as well, who is also in these meetings. So stakeholders were also interested in some of the details that we were not at liberty to say regarding the request for innovative idea proposals. When we are in an active contract in negotiations, we can't share those details. But we do plan to update, as you know, monthly on our website and then anytime, we do have something to share we also want to share it and scream it from the mountaintops, next slide please. So I want to caveat about our response that we had an exceptionally low response rate of just four people despite our reminders. So 4 out of 60 is very low. And personally, I don't take that as anything other than people not wanting to complete a survey. It's evident that these meetings are necessary. So while we ask specific questions, this does not reduce us from any of our commitments to continue these meetings. And there was some challenging feedback, and I think the survey was so varied from appreciation and

affirmation of valuable information being shared. And then, when asked if folks had a better understanding of the status of the project, we had both strongly agreed and strongly disagreed. So we still continue to make every effort possible to be transparent and clear, move away from jargon, and when we have accurate factual information, push that out. Again with 4 responses it isn't representative, but we do take all of that seriously, because we want every person to stay engaged. Stakeholders did suggest more frequent meetings. At this time, we are committed to our quarterly cadence. And then, of course, we have meetings when we have major updates and an example of that, we've already scheduled another engagement meeting for next Friday, July 26th. We've put those invitations out a few weeks ago because we have a lot to share. And then, if we can have the next slide, please. To close out my prepared remarks, I thought, how better to hear from, not me, and to hear from some of our partners across the State. So we have a very short video to share.

MMAC Video: Middle Mile coming to our community really opens the world to us. We're a place that often feels very small where opportunity seems at a distance. But as the middle mile arrives here, we know that that distance will close. The Middle Mile is an important element for building out the last mile which will bring service to rural Californians. The Middle Mile will have great effects on the Hoopa Valley Indian Reservation. There's been a longstanding lack of investment in rural areas for high speed Internet. So this will allow us connectivity to the larger world. The end goal is to have broadband to each of our households in tribal operations. Access to communication is key for education, health, and jobs for our people, and we are determined to provide these services to our community. We've been basically a single point of failure up here when we have the unfortunate incident of accidents or other life threatening issues that happen in these areas. When something goes down, it potentially is network wide, because there is a single point of failure. With the middle mile coming in from the west, going out through the east, it will bring multiple resilient pathways in and out. Bringing a lot more reliability and resiliency to our network. We're a small community over 7,000, and we struggle with good, reliable Internet. This project would put the city in a competitive space to be able to attract businesses, support our existing businesses and move the city in a positive direction. Some of this is speculative. It's a need we have right now to make it as affordable as possible, as accessible as possible. And it's also a thing that we're thinking about in terms of 20, 30, 50 years from now, what will the needs be down the line. That's what we're trying to do is get out in front of that. So as technology advances, interconnection becomes very important, and what that means within our county is we'll be able to take advantage of smart county and smart city technology to allow all of our constituents to have a better experience, a safer place to live, a healthier environment to assist you. Partnering with the State has been everything to our broadband programs. Without the middle mile we couldn't have a last mile project when there was some budgetary issues with the State, and there was the potential for the middle mile to not make its way all the way through Fort Bragg. We approached the State, they came back to us and said, will you please partner with us, and let's make this happen. Our entire network is a mountain. And so we have limited access to get off the mountain with fiber, and the middle mile is going to give us resiliency that we currently don't have that will keep us online during emergencies. Additionally, we feel that if the project is going to perform as advertised upfront, we should see some significant cost reduction back home. Reliable high speed

Internet will bring opportunity, especially for the children who grow up in rural California. Can't overstate the importance of having broadband in your community. So we appreciate the work the State has done to bring the middle mile together. It's a heavy initiative that we take very strongly. I know that we are responsible for spending taxpayer dollars in the State's funding, and we look forward to a successful project over the next several years.

Monica Hernandez: Thank you, and I'm happy to take any questions.

The Chair: Thank you, Ms. Hernandez, and thank you for the continued to information sharing transparency and engagement with our stakeholders. We have a question.

Luis Larios: Yeah, thank you for the presentation. I believe you mentioned community outreach. So can you just share what community outreach you may have done to increase just participation in stakeholders.

Monica Hernandez: Sure, yes. And again, just to reinforce. We did not want to launch some sort of new, broad outreach for this program, because I think it would be a little misleading. Challenging to bring folks generally in who had not been part of the process. So our effort was really one, identifying the folks who had been coming to the Middle Mile Advisory Committee and making public comments. Other stakeholders similar to the advocacy groups that we've heard from associations that represent, for example, the rural counties, city associations, county associations, municipalities, so folks who have had some awareness of this initiative. Whether it was positive feedback they'd given us, or negative feedback, bringing those folks in, so that there was really a known stakeholder engaged stakeholder approach to that. I think, had we done general outreach, try to go into the communities that we are ultimately hoping and planning to reach, our lower income communities of color, our rural communities of color who are marginalized. If we did a general approach, I think it would be very misleading, and we could unintentionally create beliefs and promises, for changes in the next 5 or 6 months while we're building that backbone. We still have to work on that last mile as well. So it was intentional, so that small number of 90, while we continue to hope to find other folks who are interested, it's not a broad outreach approach.

Luis Larios: Alright. Thank you.

The Chair: Any other comments or questions from our members. I am not seeing any at this time. So thank you, Ms. Hernandez. We're going to go now back to Mr. Mark Monroe for a quick update on the last mile stakeholder engagement.

Mark Monroe: Yes. So actually, we wanted to provide just a little update on the market research we're continuing to do. As a reminder, in addition to the market sounding that CDT did earlier this year, which led to the solicitation, the current solicitation for an operations TPA, that is underway. CDT is also continuing its market research efforts to talk to any potential last mile entities which anticipate using the MMBI network. CDT is conducting this customer outreach to better understand how stakeholders want to use the MMBI network to confirm and solicit feedback on the range of services. That would be of interest and best meet the needs of the communities, and to establish a

communications channel to ensure feedback loops are in place. Central to this effort has been a customer survey that has gone out to potential last mile users, such as local governments, ISPs, and anchor institutions. And so, while initial survey results were pulled, I think, on July 10th and are currently being reviewed, the survey remains open. And we encourage any potential users and the users of the MMBI network to scan the QR code and provide their input. All this engagement will be memorialized in a public customer or sounding report that will be presented at the October MMAC. And that ends CDT's project report for this morning.

The Chair: Thank you, Mr. Monroe. Do any members have questions. I do not see any hands or any comments in the rooms, so we are going to go to our next agenda item, and it will be an update from Mr. Jeff Wiley, Assistant Deputy Director at the Department of transportation, Mr. Wiley.

Jeff Wiley: Thank you. And good morning committee members and others from the public. My name is Jeff Wiley. I am the Assistant Deputy Director of the Middle Mile Broadband Initiative here at Caltrans. And I will be providing an update on the progress being made except for the Caltrans projects in support of the Middle Mile Broadband Network. Next slide, please. My update will focus on 3 main aspects of the Caltrans, build projects, the progress, the delivery plan and the current successes. To begin the update, I want to address the cost refinement, for the Caltrans build miles as shared by Mr. Monroe. But executed last year the job order contracting master agreements locked in a menu of prices for the various scenarios to connect projects across the diverse geography of the State. When Caltrans was responsible for building a greater portion of that network, there was more diversity across the projects. And that provided a broad mix of simple, straightforward locations along with the greater geographic and geological complexity, projects. This allowed the locations that could be constructed using the lower cost items to balance out the locations, requiring more expensive methods. It also allowed for longer projects which increased economies to scale and production levels of the cruise. The amount of variability was reduced, as the number of miles covered by joint build and lease agreements increased. And the remaining mix of projects became the more difficult builds. The result of these changes is an average cost of approximately 880,000 dollars per route mile. Rather than the 641,000 dollars per route mile, CDT reported in April. It is worth noting that when looking at the costs the Caltrans build and the joint build products are on par with each other. The difference is the cost, for the Caltrans build are being born entirely by the State. While the cost for the joint builds are being shared by two parties. By CDT strategically leveraging the use of joint build agreements and the cost sharing opportunities they provide, CDT is maximizing the amount of network being built with the available funds. Next slide, please. With today's Caltrans update, you'll note that the progress reflects the revised mileage assigned to Caltrans I shared a previous MMAC's. This slide shows the progress we are making on the preconstruction task for the Caltrans builds. Preconstruction relates to the work needed to complete the design and secure the necessary environmental and right of way permits and approvals. You may recall from the April MMAC meeting, we reported that for the task associated with the preconstruction on the 4,000 mile Caltrans build, 51% of the work had been completed. What you see on this slide is that at the end of June, regardless of the number of miles in the Caltrans build we continue to make progress on our portfolio of projects. Since we continue to

work on the 4,000 mile portfolio through the last quarter, I want to acknowledge that Caltrans completed 62% of those tasks on those miles. And for the revised 770 Mile build, we are 65% complete with the preconstruction tasks. Please note that even with the reduction in the number of miles, there's been no loss of progress, which reflects Caltrans's continued to work on all of the assigned miles. Next slide please. This slide breaks down the information from the previous slide and shows the progress by the Caltrans districts on the tasks associated with the preconstruction work to install the fiber and conduit. Again, this is based on the 770 mile portfolio. We continue to see progress being made month over month and can continue to see the amount of green or the completed tasks increasing. Again, even with the shift in assigned miles. Next slide, please. What's not reflected in the previous charts, is the progress Caltrans is making on the shelter network hubs. There will now be 135 hubs for the operation of the network. And a 112 of those Caltrans is responsible for the preconstruction work. Which includes elements such as foundation reports and site plans. From the slide you can see out of 112 hubs, 103 have completed their foundation reports. Which is the 1st key milestone in getting them into design. Of those 81 have undergone the quality review to ensure all site specific information required to base the design on has been gathered. And of that subset 76 of the hubs have completed that quality step and have entered the design process. One of the aspects of the process for completing the hubs is requiring the State Fire Marshal approval. As Caltrans has done quite often in the program, we sought opportunities to leverage our relationships and experience to streamline processes including programmatic approaches for permits and approvals. At the start of July, we received approval from the State Fire Marshal for a master set of hub designs which will reduce the time and effort to secure individual Hub plan approvals. Next slide, please. The table on this slide provides the plan, quarter by quarter to meet our commitment, to have the 770 miles ready to construct by December of 2024, which is the end of the calendar year. With the adjusted Caltrans build miles, Caltrans teams across the State have reviewed and revised their work plans to deliver the entirety of the Caltrans build. This includes adjusting some of the past deliveries that are not part of the current Caltrans build miles. Again, Caltrans teams have been working hard to achieve the 4,000 miles delivery plan. And I would be remiss if I didn't recognize their dedication and hard work put forward on those miles. In the second quarter, by the end of June, approximately 400 of the previous Caltrans build, were ready to construct and submitted to CDT for authorization. 90 of those miles were still viable on the latest map. Wrap up the reporting on the 4,000 miles. Caltrans team delivered approximately 575 of those miles by June 30th of 2024. Based on the new portfolio of 770 miles Caltrans has 105 miles of those ready to construct. Caltrans will continue to work closely with CDT and pivot is needed to ensure alignment as CDT makes decisions regarding any future map refinements and hub locations. Next slide, please. As I conclude my update, I want to share our latest success. The completion of the installation on the approximate 11 mile segment on State Route 20 in Mendocino County. The project in Mendocino County recently underwent final inspection and is just awaiting final testing. But to mark this accomplishment, these photos along State Route 20 show the completed work. During previous MMAC meetings we've shared photos reflecting the activity and the work happening to install fiber, conduit, and vaults. Today's photo shows the results of that work. Well, there is almost no difference, if I were to share a before photo of this location, the invaluable benefits of this work will be felt by the countless Californians

who will access the high speed Internet when the middle mile network comes online. Thank you for your time. This concludes the Caltrans update.

The Chair: Thank you, Mr. Wiley, and thank you for Caltrans continued commitment to this important project. Now open it up to questions from our members, and I see a hand up from Supervisor Starkey.

Supervisor Starkey: Alright. Thank you so much. I'm just curious about the hub locations. The 135 hub locations. Are the construction costs for those rolled into the funding levels that were shown in a previous slide, with Caltrans coming in at 880,000 per mile? Do those hub locations get rolled into that as well? Or is that a separate cost?

Jeff Wiley: I'm going to let Mr. Monroe handle that.

Mark Monroe: Yes. So with regards to the huts, I think the installation costs are part. I'm sorry let me step back on that. So when we look at the Caltrans and the per mile cost that includes the digging the trench, putting in the conduit vaults and fiber, but I believe the huts are included down below as part of the other materials. So there's another cost section there that is an RFI squared or Caltrans, and I believe all of the cost of the huts, the electronics, the power all of that are lumped in there.

Supervisor Starkey: Okay. Thank you.

The Chair: Thank you. Other questions?

Luis Larios: Yeah, just representing Gov Ops here today and given where we are in the process, I would just certainly be remiss if I didn't sincerely thank Caltrans and CalSTA for just a wonderful partnership that we've had. I know there's a tremendous amount of complexity here, and a lot of innovative methods that were employed to get as far as we've come. So I just wanted to take a moment to really thank all of you for the great partnership.

The Chair: We have other comments from members. Not hearing any and don't see hands online so we will move to our next update. And our next update will be today from Mr. Erik Hunsinger with Golden State Net, our 3rd party administrator.

Erik Hunsinger: Thank you Chief Deputy Director Johnson. Good morning, committee members. Next slide. So last MMAC we were asked to talk about recommended connectivity and potential benefits to last mile infrastructure. So one of the elements of the network, of course, is lighting it. Fiber in itself isn't really useful until you put electronics on it and turn it up. So working with CDT we've developed a suite of products that allows last mile community members and infrastructure providers, carriers to select and build product sets according to their business models. So, if dark fiber is something that a community can afford and use either on long distance or short distance runs that's available to them as an open access network. But in addition to that, we'll be offering lit services to reduce those costs for backhaul. In the video that was played earlier by Ms. Hernandez, the some of the communities mentioned backhaul, connects Siskiyou Tel and Hoopa Valley tribal members talked about

backhaul. One of those elements here is in the private transport so wavelengths and carrier class Ethernet are options that communities can connect to, to get to telecom centers where they can select products that they need from commercial providers. All of these are building blocks for those networks to select exactly what's important to them and their business models, and to create sustainability and success in the last mile infrastructure. Next slide, please. In addition, the Open access philosophy that CDT has developed on the Middle Mile infrastructure allows for a variety of last mile solution sets. So we don't want to dictate Last mile infrastructure solutions that would preclude any sort of creative development of broadband to households. So if it's possible, of course, fiber to the home is the best option, but often it does not support sustainable operations, models so maybe you need to do aerial, if there are hazardous concerns like fire, or you know any sort of natural disaster, you can bury that fiber. You can also use wireless; all of these are available to leverage the middle mile infrastructure. But probably one of the most important things, and I've said this numerous times, but I feel like I need to continue to say it is that we've developed a mid-span interconnect philosophy so that allows any last mile community when they are ready today or tomorrow, or 10 years from now to interconnect with this network. It doesn't have to be preplanned. They can do it when funding is available, or when they're plans become available, they are able to connect directly into the middle and not build to some location 30 miles away, so that will reduce the overall cost of the last mile infrastructure as this network gets built out and developed for communities. That concludes a very short, sweet presentation. Thank you.

The Chair: Thank you, Mr. Hunsinger. Do any of our members have any questions or comments?

Mike Keever: Do we have any sort of sense as the middle mile starts coming on board, and when we're going to start? Mr. Monroe, you talked about the business plan, and when will be making the middle mile available to last mile providers.

Mark Monroe: Yeah. Sure. So, broadly speaking, as you know, per the ARPA requirements, I mean your deadline, for that was the end of 2026, and that's where a lot of our, you know, that's an aggressive timeline. But what I'll say is that because we were able to, through RFI squared process, do a lot of leases that involves a lot of the time that it takes to actually put infrastructure on the ground, that's already there. And so we do expect by late 2025, early 2026, to be able to start providing service in some areas due to those leases and as well as some of the construction projects that come on early. So it's a network we have to make sure that all the pieces are together and functioning, but we do expect to start being able to provide some service late in 2025, or early in 2026.

Mike Keever: So Mr. Martin-Guzman talked about all of the different joint builds and leases that are coming on board, and the different providers, so might they also be doing last mile as part of that, and so that could ultimately lead to earlier last mile, connectivity or is that too much conjecture at this point?

Mark Monroe: I would probably put that into too much conjecture.

The Chair: Okay. Thank you. Any other questions. Not seeing any or hearing any, so we will move to our next presenter, Ms. Maria Ellis, with the California Public Utilities Commission.

Maria Ellis: Good morning! I'm glad to be providing you with an update on all the great work that's been happening on SB. 156 and our other related broadband programs. If we could move to the next slide. This is a familiar slide; we try to start with this to orient those listening at home to our programs. But just a quick synopsis of what we're working with right now is the broadband equity and access deployment program. And that is a federal program that's around 1.86 billion. This program has not entered solicitation yet, as we are still awaiting some federal approvals. But we are well in the process of that, and well, into our challenge process, which I'll talk about later. The California Advanced Services Fund, I want to note here, this is a suite of programs that has 6 different programs underneath. And what's notable is that in the budget recently this has increased. The spending authority for this program was increased. So now we will have a total of 136 million per year to spend across these programs that definitely do work on everything from infrastructure grant accounts to public housing, to adoption grants, to technical assistance. So really important work. Also is the Loan Loss Reserve program in the budget this was the allocation of total budget for this program was changed. And so I'll talk a little bit more about that and where we are with that program, and that is there to help to support the financing needs of communities particularly tribal nonprofits, public entities. I'll give an update on that more and dive into that a bit more in a second, and then I will start my deeper conversations with the last mile Federal funding account, one of the signature programs from SB 156, which is roughly 2 billion dollars. Next slide. So back to the Federal funding account, we've got some great updates today. But before I dive into the awards and recommendations to date, I want to just Orient us back to where we started with this program. And this program has 2 billion allocated across the State. And it ensures that each county has an allocation. Each county started with a 5 million dollars allocation, and then the remainder of the funds were split across the proportion number of unserved locations each county had. And that's one of the beauties of this program is applications that were coming into the CPUC were not competing against each other across the State. They were really local within each county, so to ensure that each county across the State would get some investment. And then under SB. 156, this program isn't a standalone, it's really living in a larger ecosystem of SB. 156 that started with the first middle mile which was important, and it lays the foundation for not just the work that's happening on the applications that are coming forward with the Federal funding account but as we'll talk about later at least a foundation for other work, as well. Next was the technical assistance and this was incredibly valuable for applicants in this process. And then, of course, the last mile Federal funding and the financing program under the Loan Loss Reserve. All of these together really serve to be one package that shows the leadership of the State in this space. So when we opened the Federal funding account for a window last year, which closed on September 29th last year, we received 484 applications and collectively total, they were requesting 4.6 billion dollars in funding across the State. These applications came from 63 distinct entities. That included a mix of traditional Internet service providers, public entities, nonprofits and then, of course, a sovereign tribal nation. That was quickly followed by the objection process, which closed on December 20th. And that was part of our requirements of this program to ensure that we are

deploying funds in an effective manner to areas that truly need them are unserved. And that close in December, and then the plan was that we would start issuing awards within 6 months of the close of that objection period which we have. Before I dive into the next slide, I think one thing that's really important is when SB. 156 was enacted, everyone was in a hurry to kind of get things up and running, and what we heard from applicants, or would be applicants and stakeholders is that we need that technical assistance, we need that technical assistance to help us develop our applications, especially for new entrants, which is very important, and that helped them do design work, and some of the environmental work that had to be done, the planning, the design. And we were asked not to open the Federal funding account window right away but allow that technical assistance to make its way through the communities where applications were delivered. And so just note that we awarded 100 and I believe it's 106 applications to communities across the State. And that included local governments, joint power authorities, tribes. One of the indicators that I think we've been looking at is that in the applications that we received, roughly, 75% of those that received an award, either submitted an application of their own or partnered with someone to submit an application, and that really just shows the success of that program and the importance of that technical assistance as the seeding for these applications. Next slide, please. So I'm going start off with what we've done and what's been awarded so far. We started issuing awards or recommendations, if you will in June. These awards represent a comprehensive one time investment implementing the vision of broadband for all in a multiyear kind of approach. This program includes both Federal and State dollars. And so we are very cognizant of the Federal dollar timelines for this program, and are very much on track to be able to deploy those funds on time. So recommended awards are rolled out by county approximately every 2 weeks. And most of them are coming out by a resolution and again, they're by county. To date the Federal funding has awarded 105 million to 14 projects in approximately 6 counties in the green. Those are the counties shown on the map here. You can't see them very well on the screen. But the counties are listed there. All 14 projects that have been awarded connect to some form of open access, middle mile. Of those 14, 9 of them connect specifically to the MMBI. And so the other ones are connected to projects, for instance, in Plumas where CPUC had previously invested in a project for parts of a middle mile, and that segment is required as requirement of the grant to be open access. And to show that these investments really catalyze each other and continue to build on each other, that Grant was able to use that open access middle mile. So the MMBI has been a crucial component in these projects to not just buy down the costs of the projects, but also to help us reach and serve low income, high cost and high cost communities. Next slide. So now this is for awards that are recommended currently and out on the street for comment. So awards to a further 10 projects in by 8 providers in 5 counties, totaling about 95 million dollars. These approximately 274,000 Californians could benefit from this investment. This recommendation is already out on the street in the earliest that the Commission can consider voting on this resolution is August 1st. And this builds on the previous grants as well with this recommended resolution plus the two previously approved resolutions combined, we have 24 projects in the 11 counties. Collectively, benefit nearly half a million, so 440,000 Californians. Notable as well, is just in the approach that CPUC has taken to review in these applications, and the process the CPUC put together, for how it would evaluate applications. There's been a focus in really trying to reach unserved locations that are either low income or meet other

disadvantaged indicators, including rural areas or a high cost. From recommended awards to the Fort Bidwell community in Modoc county, including approximately 8 million dollars in middle mile. That was a really important award, because it shows that while some communities, especially these high cost harder to reach areas, definitely need some additional component of middle mile to reach the MMBI, and that project did, imperial County in the South and the award to Golden State connect authority that will likely leverage additional funds through the Loan Loss Reserve program. And then, of course, there are several urban projects including in the city of Oakland and San Francisco, that are designed their applications to reach lots of multiple multifamily dwelling units, which are often overlooked in some of these programs, but this is really opportunity to connect them with that high, that reliable wireline technology. Again, the MMBI has been really transformative in this space, and we know that it's not just for the Federal funding account in this phase, as we're rolling out applications. But really that it will continue to be something that will be leveraged both by CSF, all of the CSF programs, those 6 suites of programs, which are on a rolling basis annually, and of course BEAD which we anticipate will come online next year. And then, lastly, like I said, we will be rolling out recommendations every 2 to 3 weeks. Likely more, 2 weeks, under the FFA program and if anybody's interested, we have a website where we list all of our recommendations and awards and some interesting news that was happening today. I think we can move to the next slide. That the Lone Loss Reserve program, the goal of the program is to support public entities, tribes and affiliates and nonprofits. And the issuing of bonds to support broadband infrastructure. Unlike our other broadband programs, the CPUC is not a grant program. This is a financing tool. And this is important, because we know that the cost of deployment is pretty high, especially for new entrants. This is meant to help underwrite some of that cost and allow to give communities a bit more room within that. The rules and guidelines for this program were adopted in November of last year. And the first application window closed on April 9th. We got nearly 40 applications, and they requested a total of around 430 million dollars' worth of financing support. As mentioned, the budget act this year has changed the total funding for this program to 50 million dollars. And we will be working to award that before the end of the year to the applicants that applied by the April deadline. Next slide. The California Advanced Services Fund. This slide represents actions that have been taken since the last MMAC meeting in April. And so what you'll see is that we've awarded another 40 million dollars' worth of projects in June for the infrastructure grant account. And then we also received some applications for tribal technical assistance, totaling a 750,000. And then a couple of things in that July 1st, 2024, cycle, which means applications we received, the CPUC received 36 applications, requesting over 2.7 million for the public housing account. And then we also received another 68 applications, or over 12 million, almost 13 million for the broadband adoption account. Next slide. I wanted to put in perspective some of the work and impact that these programs have had since the inception. So the California Advanced Services Fund programs really started in 2008, but they weren't all there at once. This program has changed and shifted over the years and grown based on the demand from stakeholders and public in the legislature. And so we see here, it's hard to tell on this screen, but that right-hand side reflects the total grants and investments that have been made in these programs since 2008. Next slide. So BEAD, the broadband equity access and deployment program, in June 2023, we were notified that the State of California was eligible to receive an allocation of 1.8 billion for implementation of this

federal program. We've submitted our 5 year plan. We've submitted our volumes one and two last year in December. And April of this year we received approval from Volume one which relates to the challenge process. Approval from NTIA for that. And then we are still awaiting approval for Volume 2, which outlines sub grantee selection, both of these again, have to be approved by NTIA and Commission must also take action to adopt them. Next slide. So this represents the 5 work streams that the CPUC is using for the federal BEAD program. So on the BEAD planning documents up top, you'll see the items that we are required to deliver. That includes the 5 Year Plan, which is done. The initial proposal, which was Volume one and Volume two, which were submitted. We are still in the process of waiting, like I said, of Volume two approval, which is a prerequisite. And then, once that is approved that starts the 365 day clock. Where we have to submit a final proposal to NTIA, and that final proposal will include the result of our solicitation process and a list of all proposed awardees that must be approved by the NTIA. And then, in addition, we've got the challenge process which we are in right now. That started in July 8th and eligible challengers can submit through August 6th, 2024. The subgrantee selection process again, still waiting for NTIA but upon approval by NTIA and the CPUC we'll start a pre-qualification process. Which we hope will commence later this year in Q4. We anticipate a grant application window and starting in around Q1, calendar year, next year. Deployment is expected to begin in 2025, probably towards the latter timeframe of that year, depending on the timeline by NTIA. And then one thing to note is that we've been doing a lot of outreaches recently, and you know we partnered a lot with CDT in our outreach last year. And this year we're really focusing in on the aspects of the program to get partners ready for to participate in the challenge process. And so specific to the challenge process, we've had 5 webinars and then we've been holding office hours. We've held 5 of those already where any eligible challengers can come and ask questions about the process and how to participate. And now, with the challenge process, open we're basically going to be starting to hold those on a weekly basis. Next slide. So why does the challenge process matter? For those listening at home. We are following what's been outlined by the NTIA's 120 day challenge process. This basically determines eligibility of locations that are eligible for funding. So one thing to note is that the eligibility for this program actually has to be approved by NTIA. We are setting up a process where we will allow eligible challengers to challenge the map in terms of whether a location is unserved, underserved, or served. But the NTIA really gets the last call on this, they make the final decision. And something that's really unique and different about this, versus our other programs, is that the NTIA set up a process where we're challenging the map up front. We're challenging all of the locations up front. And then after that, NTIA will give us the map that says, these are the eligible locations go forth, and applicants can submit applications based on those locations, and there will not be a challenge to those applications on the back end. So that's different from what happens in, say, the CSF programs or the Federal funding account programs. The permissible challengers are specifically government nonprofits, broadband service providers, tribes. And individuals seeking to submit challenges, those challenges must be picked up by one of those entities and submitted for consideration. Last slide, next one. We are almost on the home stretch here. So we are currently like, I said, in 30 day challenge process. Folks will be able to challenge the map locations again it's really whether they're served, unserved, underserved. We won't be able to add or delete locations in this time based on NTIA rules. But we're in that sage green box there at the challenge phase, and we'll

be moving into the evidentiary phase where those that service providers and others can provide evidence to rebut any challenges. The final determination of this all, is once we do our whole challenge process and have adjudicated all of these challenges, we then must submit our map and all of the evidence to the NTIA. NTIA will then verify all of the information down to a hundred percent accuracy. And then they will deliver back to us the final map which we anticipate, based on the timeline, that we know is around mid-December of this year. And so that's what would kick us into a solicitation period in the following year. That's it. I've tried to go very quickly, because I know everyone's probably tired, but I'm happy to take any questions.

The Chair: Thank you, Ms. Ellis, and thank you for highlighting the last mile programs, and how especially the middle mile and last mile are working together on these endeavors. So with that I would like to open up to any members for comment or questions. Are there any online Ms. Alvarado?

Alicia Alvarado: Assembly Member Boerner.

Assembly Member Boerner: Thank you. Thank you. I think this is really good information. Thank you for providing it. I think you know, considering that we're overtime, what would be helpful in the future is really specifically how the CPUCs last miles fit into the middle mile program. This isn't the program Council. So I think that's what I'm looking at and what I'm looking for here. And so I have a couple of questions related to that. You've talked about the few grants that have been awarded, and I'm very happy to see that they're finally awarding grants. I'm concerned that SB. 156 was signed in 2021, and I understand the need for technical assistance. But technical assistance doesn't account for a full 2 year delay and what we're seeing in grants. And that's causing us a problem with the middle mile. And I hope that's acknowledged by the CPUC. That the delays in the CPUC are causing us to not be able to right size our middle mile and use those dollars effectively for our constituents. So I hope, one, that's acknowledged So if you could walk through, and I think what would have been helpful for today is to see how many FFA applications are committed to connecting to the middle mile, versus how many might connect. And where those are located. That's the first part of the question. And the second part of the question is what guarantee do we have that even when we see that of who's proposed, how do we know if any of those will actually be awarded.

Maria Ellis: Sure. Currently so when applications initially came into the CPUC we had 97 that said, absolutely, we need to connect to MMBI, and we want to connect to the MMBI based on that map at that time. And we had another 250 applications from one service provider, who said they might connect to the MMBI depending on the conditions. As part of our due diligence, we did another information request. We're doing constant information requests of applicants, because we want to make sure that we have all of the documentation. We understand there's going to be a lot of scrutiny in this program. So we want to make sure that we have everything buttoned up. And as part of that, one of the information's requests that we did, think it was towards the end of May, or early May, we asked folks to verify their intent to use MMBI. And what resulted was in one applicant with 250 applications said, we're not using it because they in reality do have their own network. And it's a traditional ISP. And then we

received confirmation from 105 applicants that they intend and want or need to connect to the MMBI should they be awarded. And those are spread out across the State.

Assembly Member Boerner: Yeah. What would be helpful for us, because now we're talking very specifically. There are 105 applications that we know from this first round that want to connect to the MMBI. Right. Where are they located? Because CDT really needs to write that we don't have enough dollars for the 10,000 miles. Alright, and Supervisor Alejo, I'm sorry I know this impacts your area quite significantly. But we're not going to probably get that money. So we need to be using our federal dollars with the most bang for their buck. And so we're really struggling here. And I think CDT must be struggling to figure out how do they right size it because they've gone forward on time and the CPUC, even if you had a one year delay for the for the technical assistance, you didn't need a two year delay for technical assistance to be frank. And that's causing us all these problems. So when we look at it what we really need is this map of where those 105 applications are to connect to the middle mile, so CDT can do their job right. That's the first thing. And the second thing is, what guarantee do we have of those 105 that are proposing to connect to the middle mile, because not all of the awards have been made to date do propose to connect to the middle mile. Do we have any guarantee that those 105 will be awarded? And if not, what does that mean for the middle mile?

Maria Ellis: So CDT has already published a map that includes the 105 applications that indicated, if they were awarded, would connect the middle mile. So that's already public and I think it was part of your presentation today. As for the guarantee, the CPUC is working through all of the applications. Certainly, I don't speak on behalf of our Commission, the Commission will make awards. Staff will continue to recommend them and work our way through them. But more importantly, what we're trying to do is ensure that the applications that are awarded are meeting the standards of the program, are meeting the goals and the standards and requirements of not just SB. 156, but the Federal funding. And that we anticipate that there will be some Federal auditing of this program, and we want to ensure that the programs again are robust, feasible, and meet good standards. And so that's how we will be making a decision. Or at least our recommendation to the Commission.

Assembly Member Boerner: So you're going to make your recommendations. We're not guaranteed of the 105, and maybe somebody from CDT can bring up that map because I think we saw a map, but we saw several maps, so maybe I missed it. I know the FFA isn't the only program that's going to use the middle mile. But we're having to make really hard decisions about dollars right now. And FFA is the only one that's close, and we have some CASF, but we don't have a lot of those other programs visibility of where the applicants will be. Right. And so I think what we need to be doing is using our dollars correctly. So when will we know with this 105 projects, when will we know if they get funded or not? Do you have a timeline for that?

Maria Ellis: We are going to continue to roll out recommendations as mentioned, every 2 to 3 weeks. Until we run up against our appropriation.

Assembly Member Boerner: And so there was always talk with the FFA that'd be round one and round two. Is there no discussion anymore about around two? Are we just dealing with this one round of applications. Given, the appropriations.

Maria Ellis: So we're still considering that. I think the budget certainly changed that thinking a bit. There has been a delay in the remainder of the funding for FFA. So we currently have what's appropriated to the CPUC Program. And then the remainder has been delayed to 2027- 2028. So what the CPUC is doing is trying to award as many applications as possible using the allocation. Should we have a second? So we for sure will have a second round when we have access to additional funding in 2027. For sure we will continue to have rounds there. If we do have another round related to this current appropriation, it will be a much more surgical round, likely based on where there may be additional wherewithal in the county allocations. And so, for instance, if a county didn't use up all of their allocation, we may have some target in surgical, but we're considering that in light of the new budget.

Assembly Member Boerner: Okay, I'll just make the comment. Thank you for the folks who brought up the map. I do remember this. It's hard. This map is very, very hard to see if we're over building or under building the middle mile. Just to be clear, no one's going to look at this and be like, Oh, yeah, we've right sized the middle mile based on these applications. Right? Like, that's not what's happening. But when we look at SB. 164 and requiring CDT to prioritize last mile grants, what's the process in there. Because they have to go forward to expend their money on the middle mile. And you guys are like several years delayed on your last mile. So we're having this problem. And it's an interagency problem that the Legislature can't fix and people on this Advisory Council can't fix. It's for you guys to fix, to say, how do you prioritize, how do the CPUC prioritize those applications. This would be my recommendation for the middle mile so the CDT can do their job appropriately. Right. And the last question I have for you is why did it take 2 years to provide technical assistance? If CPUC started awarding these grants a year ago like we were originally, well the second time it was delayed, but we were promised we would be in a much better position right now, because CDT wanted to move forward with a lot of their things that they're doing, because we would have visibility over these grants now. So what took 2 years of technical assistance, versus what seems reasonable as a one year technical assistance delay.

Maria Ellis: Certainly. Developing a network is not an easy thing if you are a new entrant. And what we're seeing in particular our awards to date have been some new entrants, a good portion of new entrants. And so the technical assistance, especially to do it well, does take time because if you need to do your master planning for your network, where do you want to go? What are your needs? You need to do a needs assessment for your community, then on top of that, trying to figure out what is your financial wherewithal to help support this network for your design opportunities, then you're having to do the consultant to help design your network. Then you're having to understand what your permitting requirements are. These are all things that take time. And so, in order to allow applicants to be as well prepared as possible, which they were, and we are really excited to see so many applicants from Tribes, nonprofits, and local governments. It was important, and as they requested, it was important to provide

them with that time to do that due diligence and work to be able to be best positioned for this program.

Assembly Member Boerner: Okay. We're going to have to coordinate more, or we're going to be wasting our dollars, and the people who will pay for it are constituents.

The Chair: Thank you for that. And I think we're going to move to Supervisor Alejo.

Supervisor Alejo: Yeah, thank you. And thank you Assembly Member Boerner for all those good questions. I had a concern on a different aspect of what was just presented on the Loan Loss Reserve Program. Another critical program to getting work done. But a lot has happened since July 2021 as well. On your slide list that there's 50 million dollars available but it doesn't tell the full story about the Loan Loss Reserve program, as I believe, when SB.1226 was signed the Loan Loss Reserve was allocated and correct me if I'm mistaken, but I think it was allocated 750 million dollars for that program. And now we're at 50. So a very small fraction of the original commitment. And this was another program that took over 2 years to get the applications and guidelines and Regs in place. It opened up. And I just looked at the CPUC website and it said actually it wasn't 430 million. It was 451 million. In request. Or received. For those credit enhancements. Only from the first cycle. Cause there should have been more than one cycle. But this first cycle from March 12th through April 2024, those 38 applications received and that's why I just want to confirm what that actual number was. But then, secondly, a lot of communities, including our CRC's the rural counties of California, representatives of California, sister affiliate, the Golden State Connect authority. Put a lot of time and planning into putting their applications forward. I think they alone, we're going to submit 37 applications for work in local communities. And then because it just took so long now that money is gutted. And also, not leaving them without recourse, despite all the planning and thought that went into their applications to serve those local communities now, there isn't sufficient funding to get that work done as well. So if you could just comment on the impacts of that significant decrease. Why the process took so long. And then just confirming whether the original allocation was 750 million from what was originally intended from the Legislature.

Maria Ellis: Yes, that is correct, Supervisor. It was intended to be originally 750 million. And I think part of the reason that this program is rolling out as one of the last ones is by the nature of the program. It's a finance. It's not a Grant program. It's a financing tool. Where you have to be able to go out to the markets and make a case for a business case that you have sufficient knowledge and expertise and design to have a viable business plan to take up bonds, revenue bonds. And so the technical assistance was the first phase to help folks design their networks. The FFA was important to allow applicants to those who are successful to be able to get funding that they could say they have on hand. For this project that they have used from the technical assistance to design and have been thoughtful about. And then this Loan Loss Reserve program had to come last, because it really is allowing local municipalities to go out to the market to do revenue bonds or tribes to do financing as well. And so that's part of why, the sequencing, that's why the SB. 156 programs that CPUC oversees were sequenced in the way they were. In terms of the impact, I can't say that there won't be an impact. Certainly, we saw there was a lot of demand for this program, and we understand that

this budget cycle called for some really tough calls by everyone, and I don't think anybody was pleased to see that. But we understand why it was. That said. We have been working with the applicants from the cycle to understand, like what their needs are. We know based on the budget, we know that we will, one, need to award all of that 50 million in financing support this year to the applicants that were in that first cycle. And so our CRC certainly is a big player in that pool. And we are working very closely with them. They're working, and they've also done, I think some internal thinking about how they can rejigger their thinking and strategy to help meet some of the needs of their projects as well as leverage this funding.

Supervisor Alejo: Thank you for that. It's frustrating. Obviously, we had a multibillion dollar surplus. And it just shows that doing this work. I get it. Sometimes it takes a long time for our agencies to get programs up and running. The time, effort, and thought that goes behind some of these applications, it becomes a vein when you can't put it into use for these communities, as you just rightly explained. It takes a long time to line things up before they can submit an application. And now the funding allocation changes dramatically on these communities, and they're left without much recourse. So I just wanted to highlight another aspect of the impacts now that this is having outside of the middle mile and all these other programs that we're significantly had funding, shortfalls. This is one of those other tools that really could have had a powerful impact on the goals that we have set out. But now, becoming very limited. Thank you.

The Chair: Thank you, Supervisor Alejo. Are there any other comments in the room or online. I'm not seeing or hearing anything, so we are going to move into the public comment portion of the meeting. Ms. Alvarado, please provide the public comment-guidelines and begin the public comment.

Alicia Alvarado: To ensure everyone who wishes to make a public comment has the opportunity to do so. We respectfully request one person per entity and 2 minutes per person. The order of public comment will be in person comments, Zoom and phone comments, and emailed comments submitted prior to the meeting. For in-person comments please form a line at the podium. For Zoom, please use the raise hand feature in the lower toolbar. For phone, please press Star 9 to raise your hand. Emailed comments received prior to the meeting will be read at the end. We will start with the first person in line at the podium.

Patrick Messac: Good afternoon Advisory committee members and state partners. My name is Patrick Messac and I'm the Director of Oakland undivided. On behalf of the city, Oakland's trusted community anchor institutions, community based orgs and our 37,000 disconnected households. I'd like to convey our deepest gratitude to CPUC President Reynolds, the CPUC Commissioners and Staff for unanimously approving Oakland connect, the city's FFA last mile grant. We know all too well the courage it requires to uphold the equity-based values embedded in SB.156. By funding community based projects in California's highest poverty communities. And we hope the CPUC continues to take this approach for FFA awards throughout the State. On the topic of courage, CDT is also called upon to show courage in this moment. As the Chief Deputy Director Johnson shared, this is one of the nation's most ambitious infrastructure projects a daunting task that's only compounded by the fierce opposition of monopolistic

Internet providers that, backed by one of the State's most powerful and pernicious lobbies, are committed to blocking public investment that serves public benefit, especially in any area where they're extracting maximum profit from Californians with no other provider options. Still. We are unafraid. In partnership with the State, the power is with the people. Today I bring the People's voice to Sacramento, to call on CDT To show courage and actualize the commitment to the 18 initial MMBI Projects promised to communities in 2021 in Oakland that's the I-5 80. Not the I-5 80 portion that extends through the wealthy communities of Livermore and Pleasanton that's already under contract, but the portion of I-5 80, that runs through East Oakland. Caltrans has completed preconstruction on the segment, and it's included in our FFA last mile project. We are here in partnership to make this investment a reality. Like so many historically marginalized communities, Oakland residents are weary of promises of future investment. Lord knows we've been burned before. We're heartened by Deputy Director Hernandez community outreach efforts and to hear that CDT plans to publish an Updated map on Monday, showing which segments are part of the 8,000 miles confirmed with existing funding, formerly known as phase one. We stand in solidarity with the California alliance with Digital Equity, and with poor black and brown folks across the State and hoping that the funded segments denoted in Monday's map, reflect the State's commitment to fulfilling the legislative intent by prioritizing the highest poverty, least connected urban, rural and tribal communities, that this funding is intended to serve. Thanks again. And we got this.

Alicia Alvarado: Next we will go to Zoom comments. Ben Santos. Please.

Ben Santos: Okay. Hi Good afternoon. I hope my sound is okay. So this perplexing, and I'm sorry I have not caught up. We worked with several West Fresno County communities to submit project 10, and it was approved. And now I see the 330 miles that was supposed to be dedicated to Fresno County, there's 0. I just see zeros. Which means it is probably one of those that was not funded, or will not be funded, but I don't know whether that's something that If we know that it's still in the process, then we can go out and advocate. But if we're hearing that based on the budget that you don't see that it's going to be able to make up the deficit in the 2024-25, or even maybe 2025-26 budget, timeframe, then we're looking at way off into the distant future. Which means that those several communities which are the poorest communities in California, if not the United States. And the ones with the most unserved and underserved communities that they're not going to see anything. So those several communities that signed on resolutions to their city councils, for example, Fireball, Mendota, San Joaquin and Huron. The Senator supported us, her staff submitted also a letter of support and we designed it, Communication workers of America. I designed that 53 mile egg. So I just like to know the status, and whether it's in or out, or we are like for lack of better term, SOL. And then what we can do to move forward, and we appreciate all the work that you've done, and I'm sure you're doing the best you can to really difficult circumstances. The second thing is related to this is, we'd like to also be Included in any emails or any communications regarding the stakeholder meetings. We weren't aware of that and I'm looking at that now, and I see that you held the last meeting in May. I would hope that there's more coming up, and then we can be included in that. So I hope those are two appropriate comments.

Alicia Alvarado: Thank you, Mr. Santos. The next stakeholder meeting is on July 26th next Friday. Next speaker will be Lindsey Skolnik.

Lindsey Skolnik: Hello, members of the committee. Can you hear me? Hello, My name is Lindsey. I'm here on behalf of the California Alliance for Digital Equity. First, like to briefly comment on the relationship between MMBI deployment and FFA Last Mile funding. Well, we appreciate the aim of connecting the MMBI to FFA projects. We feel this should not be the main focus of the network. The MMBI can and should be much more than merely backhaul for FFA projects, and we caution CDT against focusing too heavily on FFA connectivity as a way to best meet the needs of disconnected residents with the MMBI. As of now, less than 5% of FFA funding has been awarded, which means there's a lot of uncertainty in regard to project locations, and since the MMBI map has been a near constant flux for the duration of a FFA application and decision process to date. FFA applications cannot be reliable data for community needs. Nearly 2 billion dollars in BEAD funding will also soon be available, and there will be many more last mile projects to consider with respect to the MMBI. Recognizing the current plan to charge ahead and expand all remaining for MMBI. We urge CDT to primarily consider what residents will benefit most from having an open access middle mile network run through their communities, regardless of the status of FFA applications. Separately, I'd also like to share that CADE is pleased to see 250 million potential dollars included in this year's budget for the MMBI. Though we remain disappointed that the promised investment to fully complete the network did not materialize. Securing additional funding for this project is an important step toward reaching our collective goal of closing the digital divide. Equally important is prioritizing, spending first where it's needed most. We are eager to see CDT transparently rely upon criteria that ensure the funding's deployed in a way that prioritizes the needs of the most persistently disconnected residents in the State. CADE recommends using a criterion that considers recent surveys and census data showcasing where high poverty, non-white neighborhoods are, as we know, income and race are the top predictors of broadband access. We would also like to see the State honor, the planning time and resources by local communities, by including the governors 18 initial projects in the MMBI. Thank you for your time and consideration.

Alicia Alvarado: Thank you. Lindsey. There are no further Zoom comments. I will now read the emailed comment that was submitted prior to MMAC from Chris Smith, with AGC of America. For today's Middle Mile Advisory Committee meeting we wanted to check in on the status of the middle mile broadband CMGC Project mileage. For agenda item three, CDT project updates, will there be an update on the amount of miles being lit by the State, for already awarded contracts. Specifically, how many miles are remaining for the CMGC broadband middle mile projects from each CDT region? That concludes the email. Circle back any further comments in the room. Chief Deputy Director Johnson that ends our public comment session.

The Chair: Thank you, Ms. Alvarado, and thank you to members of the public with comments. Would any committee members like to comment before we close the meeting. There are no comments at this time, so I'd like to thank everybody for attending today's meeting. To the committee members, the presenters, and the public for their contributions. Our next meeting is scheduled for Friday, October 18th, 2024, from

10 to 1130 A. M. And with that we will adjourn today's meeting. We look forward to seeing everybody in October.