



OFFICERS

President

Chuck Washington
Riverside County

1st Vice President

Bruce Gibson
San Luis Obispo County

2nd Vice President

Jeff Griffiths
Inyo County

Past President

Ed Valenzuela
Siskiyou County



CEO

Graham Knaus

May 9, 2023

The Honorable Patty Murray
Chair, U.S. Senate
Appropriations Committee
Washington, DC 20510

The Honorable Chris Van Hollen
Chair, Subcommittee on Financial
Services and General Government
U.S. Senate
Washington, DC 20510

The Honorable Kay Granger
Chair, House Committee on
Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Womack
Chair, Subcommittee on Financial
Services and General Government
U.S. House of Representatives
Washington, DC 20515

RE: Extending the Affordable Connectivity Program - SUPPORT

Dear Chair Murray, Chair Van Hollen, Chair Granger, and Chair Womack:

The California State Association of Counties (CSAC), representing all 58 counties in California, writes to request that Congress provide continuing funding for the Affordable Connectivity Program (ACP).

Today, the ACP’s current rate of expenditure is roughly \$500 million per month. Based on this and projected growth, funding for the ACP could be exhausted by Q2 of next year, if not sooner.¹ Without adequate and sustained funding, millions of vulnerable Americans currently relying on the program would see their internet bill increase or be disconnected entirely. As a result, Congress’ bipartisan \$42 billion investment in broadband deployment will not meet the goal of universal broadband deployment and adoption.

Broadband access at home is universally recognized as a necessity. It is the essential infrastructure of the 21st century, and we are committed to ensuring that all communities, particularly those who are underserved, gain and continue to have access to affordable, reliable, and high-quality advanced communications services. Lack of high-speed internet access among low-income people, communities of color, and other underserved communities is of particular concern to CSAC, and the ACP has proven critical in getting households in these communities online.

The last three years demonstrate that broadband internet service is indispensable for employment, education, health care, commerce, community building, civic engagement,

¹ “ACP Enrollment and Claims Tracker,” Universal Service Administrative Company (last accessed Apr. 14, 2023), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/#total-enrolled>.

and government services. The high cost of service, however, prevents access for countless households across California and the United States.²

Thanks to Congress' action, the ACP now helps more than 17 million households in America afford broadband internet, with enrollment continuing to increase steadily.³ These households collectively save more than \$500 million per month on internet expenses,⁴ while the program drives economic growth, higher incomes, and lower unemployment.⁵ The ACP is currently improving telehealth access for more than 3 million low-income seniors and 400,000 veterans, expanding access to education for more than 3 million students, and providing more economic opportunities to more than 1 million federal housing residents.⁶ Broadband strengthens communities by creating immediate and long-lasting economic benefits and provides economic improvements for everyone — from rural areas that then become more attractive to businesses and workers, to counties facing aging and inadequate broadband infrastructure. For example, one study demonstrated the employment effects of subsidized broadband resulted in \$2,200 of benefits through increased labor force participation.⁷

Failure to extend the ACP with new funding could result in the single biggest loss of internet connectivity. Without action from Congress this year, millions of households could immediately lose service.⁸ In addition, the loss of ACP would reduce the efficacy of Congress' groundbreaking \$42 billion investment in the Broadband Equity, Access, and Deployment (BEAD) Program. A recent study concluded that the ACP reduces the size of the subsidy needed to incentivize broadband deployment in rural areas by 25 percent.⁹

² Anna Read, "How Can the United States Address Broadband Affordability," Pew (Apr. 29, 2022), <https://www.pewtrusts.org/en/research-and-analysis/articles/2022/04/29/how-can-the-united-states-address-broadband-affordability>; Dr. Hernan Galperin, Annual Survey on Broadband Adoption 2021, California Emerging Technology Fund and University of Southern California (Mar. 2021), https://www.cetfund.org/wp-content/uploads/2021/03/Annual_Survey_2021_CETF_USC_Final_Summary_Report_CETF_A.pdf; "No Home Left Offline: Bridging the Broadband Affordability Gap," Education SuperHighway (2022), https://www.educationsuperhighway.org/wp-content/uploads/No-Home-Left-Offline-Report_EducationSuperHighway2021.pdf.

³ "ACP Enrollment and Claims Tracker," Universal Service Administrative Company (last accessed Apr. 14, 2023), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/#total-enrolled>.

⁴ "Fact Sheet: Biden-Harris Administration Announces New Actions to Lower High-Speed Internet Costs," The White House (Mar. 15, 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/15/fact-sheet-biden-harris-administration-announces-new-actions-to-lower-high-speed-internet-costs/>.

⁵ Adie Tomer, Lara Fishbane, Angela Siefer, and Bill Callahan, "Digital Prosperity: How Broadband Can Deliver Health and Equity to All Communities," Brookings (Feb 27, 2020), <https://www.brookings.edu/research/digital-prosperity-how-broadband-can-deliver-health-and-equity-to-all-communities/>.

⁶ "ACP Enrollment and Claims Tracker," Universal Service Administrative Company (last accessed Apr. 14, 2023), <https://www.usac.org/about/affordable-connectivity-program/acp-enrollment-and-claims-tracker/#total-enrolled>.

⁷ Zuo, George W.. 2021. "Wired and Hired: Employment Effects of Subsidized Broadband Internet for Low-Income Americans." *American Economic Journal: Economic Policy*, 13 (3):447-82.

⁸ <https://www.brookings.edu/blog/the-avenue/2023/03/13/washington-may-be-about-to-take-a-giant-step-backward-in-closing-the-digital-divide/>.

⁹ Kelsey Clark, et al., Closing the Digital Divide Benefits Everyone, Not Just the Disconnected: An Analysis of How Universal Connectivity Benefits Education, Health Care, Government Services, and Employment," *Common Sense*

ACP makes BEAD program dollars go farther. Sustained funding is critical as broadband companies and others consider the level of public and private investment needed to fulfill Congress' goal of universal affordable broadband deployment and adoption.

Thank you for the work you have done already to make high-speed internet affordable and accessible across the country, and for your attention to the critical concerns we have raised. If you have any questions, please feel free to contact me at gknaus@counties.org.

Sincerely,



Graham Knaus
CEO
California State Association of Counties

cc: Senator Dianne Feinstein
Senator Alex Padilla
California House Delegation