

Date: June 25, 2013

Subject: The Persistent Digital Divide in Northern California -
Advertising Broadband Isn't Providing Broadband

Looking at the National and California Broadband Maps, one might assume that most residents, visitors, and businesses of rural Northern California are provided full broadband service. Based on incumbent service provider advertising, these maps show that broadband has already been fully deployed in rural California - claiming 100Mbps service delivered to 60.6% of households in Mendocino County and 92.1% in Sonoma County.¹

Living, visiting, and doing business in Northern California show such service to be unreasonably overstated.²

Northern California has a persistent digital divide, hidden by these maps, because the maps show service *advertised* by broadband service providers, rather than service *actually provided* to consumers, and aggregated at an inappropriate scale. Mapping advertised service isn't the same as showing that California consumers are actually provided with full service broadband in their homes, businesses, and public places.

Even though Federal and State governments have chosen to believe providers' advertised service, most Americans don't. The latest American Consumer Satisfaction Index (ACSI), from the University of Michigan, ranks broadband service providers the worst of all 43 industries in the index.³

ACSI claims that broadband service providers are "prone to frequent customer service problems", have "high monthly costs and problems with both reliability and speed", have little competition, and "have little incentive to improve service" – all completely contradictory to service provider advertising. The index also claims that the wireless telephone provider industry is "well below the national ACSI average" for similar reasons.

At the same time, Federal and State government evaluates grant applications for broadband infrastructure deployment based on the service advertised by providers, rather than the service actually provided to consumers. The grant funding that could eliminate the digital divide in rural Northern California may well be denied because grant evaluations are not based upon ground truth reality, but misleading advertising.

To truly eliminate the digital divide, it must be measured using meaningful metrics of the broadband service actually provided to the consumer, at a scale meaningful to the consumer, and broadband infrastructure grant funding must be based on these metrics.

The root problem is that the incumbent broadband service providers have abandoned many areas of Northern California, claiming their return on investment doesn't meet their standards for deployment. Unfortunately, they also actively oppose grant funding of broadband service to these same areas as supposedly competitive. They refuse to serve, and try to keep others from serving, these rural areas, while actually not competing at all.

Northern California needs broadband *service*, not broadband *promises*.

¹ <http://www.broadbandmap.gov/rank/all/county/california/percent-household-units/speed-download-greater-than-100mbps/demographics-household-units/demographics-household-units>

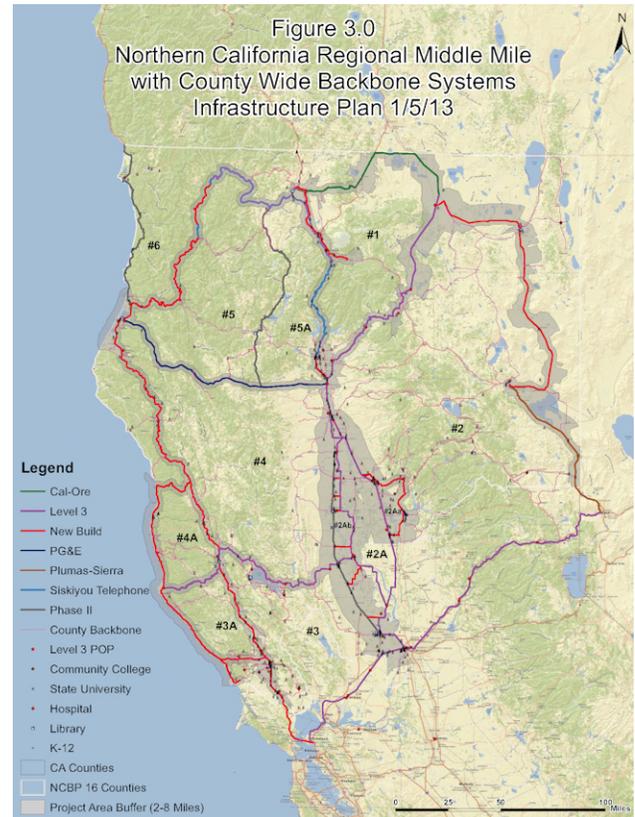
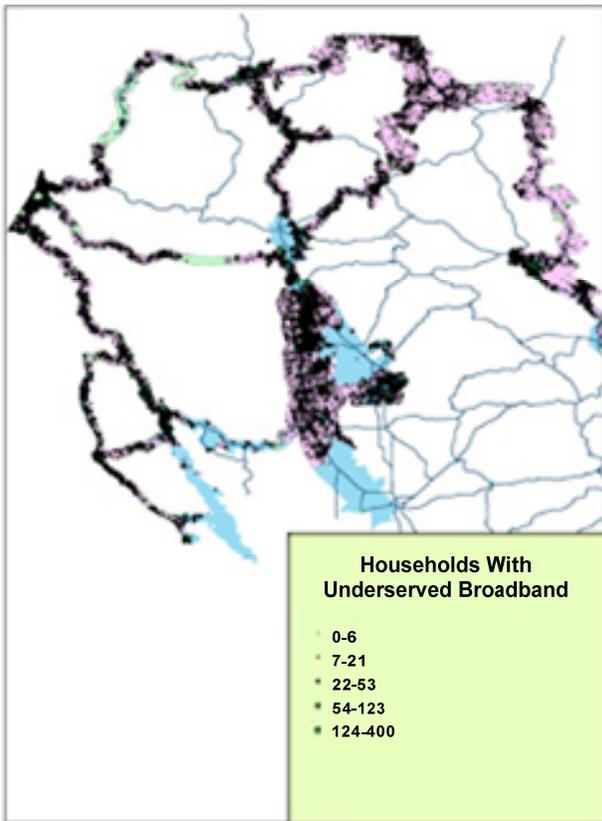
² *State of Broadband in Northern California*, June 2013, Broadband Alliance of Mendocino County and Access Sonoma Broadband. www.MendocinoBroadband.org/SBNC_2013

³ *Quarterly Update on U.S. Overall Customer Satisfaction*, May, 2013, <http://www.theacsi.org/>

The Northern California Regional Middle-Mile Infrastructure (NCRMMI)⁴ has been proposed by Golden Bear Broadband LLC (GBB) as a way to address rural Northern California's broadband infrastructure deficit, helping to eliminate the persistent digital divide. GBB would build a robust Northern California broadband network, providing affordable redundant service throughout the region, and affordable bandwidth for local last mile providers to serve those unserved and underserved communities refused service by the incumbent providers.

The incumbent broadband service providers have criticized the GBB proposal, claiming that GBB is doing a competitive overbuild, basing their claim on the misleading advertised service data. In fact, the providers have chosen *not* to compete in these unserved and underserved areas. GBB is not doing a competitive overbuild, but is providing service to those rejected by the incumbent providers.

Digital Divide in GBB Areas



Funding for GBB would be provided by the California Advanced Services Fund (CASF), established in 2007, "to bridge the digital divide in unserved and underserved areas in the state." This year's funding requests alone exceed the current account balance.

Proposed California Senate Bill 740 started out this year to increase funding for CASF broadband infrastructure deployment grants in both underserved and unserved areas of the state needed to eliminate the real consumer-level digital divide.

As approved by the California Senate, this funding has been stripped out, and funding for underserved areas deemphasized. Without this funding, it will be very difficult, if not impossible, to fund the broadband infrastructure projects so badly needed to eliminate the persistent digital divide in rural Northern California.

Broadband Alliance
of Mendocino County



⁴ <http://www.mendocinobroadband.org/ncrmmi/>