

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider
Rulemaking 12-10-012 Modifications to
the California Advanced Services Fund

R12-10-012

**COMMENTS OF THE NORTH BAY NORTH COAST BROADBAND
CONSORTIUM (NBNCBC) ON ASSIGNED COMMISSIONER'S
AMENDED SCOPING MEMO AND RULING**

Dan Hamburg
Mendocino County 5th District Supervisor
NBNCBC Oversight Committee Chair
North Bay North Coast Broadband Consortium
501 Low Gap Road, Ukiah CA 95482
hamburgd@mendocinocounty.org

March 16th, 2018

I. INTRODUCTION

Pursuant to this Commission's Rule 1.4(a)(2)(ii) "Comments in response to a Rule-making," the North Bay North Coast Broadband Consortium (NBNCBC) Oversight Committee (Composed of Supervisors Hamburg (Mendocino), Rodoni (Marin), Dillon (Napa), and Hopkins (Sonoma) and non-voting consortium manager Tom West) submits these comments to the questions posed in the Assigned Commissioner's February 14th, 2018 Amended Scoping Memo on phase 1 for modifications to the California Advanced Service Fund. By submitting comments these NBNCBC also seeks party status for participation in the above referenced proceeding.

The mission of NBNCBC is to ensure the needs for broadband access and adoption are met in every corner of all four counties. With 8 past CASF grants awarded in our consortia region (Mendocino 6, Sonoma 1, and Marin 1) we have a strong interest in the CASF program. We have also participated in legislation related to prior modifications of the program. We now welcome this opportunity to participate in the development of the new Adoption Program.

II. COMMENTS ON STAFF PROPOSALS REGARDING THE BROADBAND ADOPTION ACCOUNT

A) **Staff requests comments on how to prioritize funding for projects in the adoption account.** On Page 2 staff proposes that staff review projects submitted in communities with demonstrated low broadband access, but invites parties to comment on how best to further prioritize projects for funding pursuant to AB 1665.

NBNCBC would like to open these comments with county perspective on the CPUC grant process. We recognize that the PUC is tasked with the serious job of administering public monies and so must maintain accountability; at the same time we ask the

Commission and staff to recognize that currently opportunities in the infrastructure account are lost with smaller ISPs who need subsidies to expand their broadband deployments in a timely manner, but cannot use the program because their limited resources and capacity do not allow them to navigate the application/reporting process. We would like to recommend that the Adoption and Public Housing Program avoid this pitfall, and provide for *reasonable* application/reporting requirements that smaller-capacity applicants such as non-profits and Community-based organizations could navigate but that are not overly bureaucratic and onerous.

NBNCBC notes that staff review of projects (versus Commission resolution) only makes the review process expedited, but does not necessarily *prioritize* low broadband access communities. As CETF has noted, broadband adoption is closely linked to income and so the funding of grants in these areas should be prioritized. One possible solution would be to require a certain percentage of the adoption money to be used only for projects in low-adoption communities. Another possible method to prioritize projects in low-adoption communities would be to provide extra scoring points in the evaluation criteria (see other NBNCBC comments under that section).

B) Staff requests comments from parties on this proposed limit and subsidy level.

NBNCBC finds that overall the staff recommendations in this area reasonable and is in agreement with staff proposals.

We recommend that low-income communities have the option to provide the 15% match in either cash or in-kind services. This option is provided for in the BPHA Adoption projects and should also be an option for projects located in identified low-income communities as well.

In addition, if computing devices are to be distributed to participants in a program which then becomes their personal property, it should be allowed for the organization to have the discretion to require the participants to personally provide the 15% match for each device (or some in-kind contribution) so that participants have made a personal investment in the device and the project.

An important subsidy need where a publicly available broadband access or digital literacy project is proposed (due of the lack of residential broadband) is for the applicant organization to have sufficient broadband connectivity themselves to host such programs. In rural areas lack of sufficient broadband connectivity affects not just households but also businesses and organizations. Although explicitly stated that funds cannot not be used to subsidize the costs of providing broadband service to *households*, funds *should* be available to purchase additional service for the applicant organization so that hosting such programs is feasible.

The Commission may also want to consider including an administrative fee of up to 5% as an allowable expense.

C) Comments on the digital literacy/broadband access project requirements:

Staff has proposed that as part of their project requirements, applicants provide a projected number of new residential broadband subscriptions resulting from the digital literacy or broadband access project. *We find this requirement unreasonable and recommend that it be removed.*

In rural areas the whole reason public access broadband projects are needed is because residential broadband access is often unavailable. Ideally broadband infrastructure and adoption go forward hand-in-hand, but until the infrastructure is in place *and* other elements of the digital divide¹ are addressed (such as affordability) it is unreasonable and too simplistic a view to require “projected subscriptions.” Many rural residents live miles away from population centers and will travel to attend digital literacy trainings or to access the internet. An program applicant would literally have to know where each potential participant lived and investigate whether there were services available to make such projections, before the program was even funded or advertised.

This may be a reasonable requirement *if and only if* an affordable broadband service option is *universally* available within a specific community (such as a public housing community) from which participants are drawn. Because of this difficulty, we recommend that other metrics be used for project development and assessment.

D) Comments on the Project Scoring Criteria -

NBNCBC believes that the scoring criteria needs revision for both the digital literacy and broadband access projects. The projects should be scored on whether there is a documented project need and whether the project fulfills that need. Both criteria rely heavily on projected numbers which are difficult for applicants to supply; we would recommend that there be scoring criteria for creative and innovative programs that involve community partnerships and collaboration and “out of the box” thinking, and

¹ The Broadband Alliance of Mendocino County has identified 11 components - <http://www.mendocinobroadband.org/the-digital-divide/>

how well the applicant makes the case for the “need” of the project (special circumstances, special barriers, etc) and then how well project meets this overall need. Applicant scores should reflect a proven track record of providing services and dependability. Substantial Letters of Support submitted with an application should garner additional points.

For the same reasons that were outlined in project requirements, “subscriptions” (“actual adoption numbers/targets”) should *not* be part of the scoring criteria as it will automatically disadvantage rural areas. A low adoption rate can establish a project need, but a project may not be able to deliver “subscriptions” due to lack of affordable infrastructure. This hurts the very communities which the program wants to target especially for publicly available broadband. A better criterion would be the number of projected participants in a project.

The 2nd criteria for both (20% and 25% respectively) is the projected number of participants to be provided training or broadband access. This criterion is fine as long as low-population areas are not at a disadvantage and the total number is not taken out of context. For example, a program that serves 10 participants in a community of 300 serves a higher percentage of residents than 30 participants in a community of 20,000. The 10-participant project should not be at a funding disadvantage simply because of a lower number of overall participants.

The 4th and 3rd criteria (20% and 25%) is the projected number of participants who receive tutoring or other digital literacy instruction outside the minimum 8-hour training. More advanced tutoring and on-going instruction is valuable, but the scoring

should reflect on how well the program *provides* for that on-going training in conjunction with the projected participant number, and not solely on the participant number. In addition the previous comments also apply here - lower population rural areas should not at a disadvantage for funding due to lower overall participant numbers taken out of context.

The last criteria needs further clarification. What is the funding request per participant that the PUC is looking for? Will projects that buy computers and have an over-all higher cost/participant be at a disadvantage? It is not clear how organizations can utilize this criteria to develop their project. For example, the PUC may want to establish a recommended number of teachers/participants for digital literacy training.

For many of the reasons outlined above, the PUC may want to consider different scoring criteria for rural areas and/or low income areas. The assumption of connectivity simply cannot be made for many of the rural areas of the state.

E) Comments on Submission and timelines - should July 1st be listed as a submission deadline?

NBNCBC suggests that the 1st submission deadline be January 1st. If the first submission deadline is July 1st that means that there is only one day (July 1st) for applications to be received.

F) Comments on Expedited Review for Digital Literacy and Broadband Access projects

NBNCBC is in support of the expedited review for Adoption programs as suggested by Commission staff.

G) Comment on Other Issues requested by staff

(1) How can the Commission gather metrics on the program's results?

The NBNCBC believes that there are various methods to gather metrics on the programs results. Some of these methods include:

- Self-reporting from the grant recipient with documentation such as sign-in sheets/sign-up rates, completion rates; rates of participation beyond the minimum 8 hours, advertising flyers, articles, public broadband access hours of operation, etc
- Documentation via surveys before, after, and possibly mid-way through the program from participants to grant recipient
- Program evaluation from participants directly to the PUC; the PUC could develop a simple standard evaluation survey which participants would complete online and is submitted directly to the CPUC.

(2) How should the Commission quantify or report on the actual broadband adoption levels from funds expended from the CASF in the prior year?

The staff should report the total number of participants who completed programs, the total number who received training beyond the basic 8 hours, and calculate grant cost per adoptee. The PUC should NOT equate subscriptions with adoption levels. Participants may have successfully completed training, vastly improved their digital skills and would subscribe to broadband were it to be available/affordable, but not have a broadband subscription at their home.

(3) How should the Commission gather and report the number of subscriptions resulting from the Broadband Adoption Account? How can grantees help track performance metrics for the program?

The Commission should disconnect the success of the funded projects to number of subscriptions. By its nature this metric will be inaccurate due to lack of infrastructure in rural areas and the complexity of the digital divide. Instead, the Commission should use final grantee reports and collate other metrics such as the number of overall participants in programs, number of training hours, number of hours/participant, the number of public access computers purchased, the number of public access broadband spaces, the number of residents using these spaces/day, etc.

In addition to the physical components of broadband adoption (computing device and affordable service), broadband adoption also has to do with a perceptual shift for people from one of unfamiliarity, unease and lack of perceived value of broadband to an attitude of comfort and an understanding of the potential. The PUC could develop a standard simple survey for ALL participants to complete at the end of this project which can capture this perceptual shift (or complete at the beginning and then again at the end).

(4) There is no way to guarantee that education and outreach will effect adoption levels. How can applicants guarantee that their program will result in increased adoption rates among their community?

We agree that there is no way to guarantee that education and outreach will effect adoption levels, and therefore applicants cannot be expected to guarantee as much. Applicants should guarantee that grant funds will be used to implement a solid program of digital training. Nor are the grant amounts sufficient to have the grantees spending time measuring extensive performance metrics or attempting to

gather information that will be inaccurate. The Commission should instead attempt to fund well-thought out collaborative projects from organizations with a proven track record of success submitted with strong Letters of Support, and use a standard PUC-developed participant evaluation survey to capture the shift in cultural attitudes. Adoption rates will increase hand-in-hand with education and the deployment of infrastructure.

(5) How best can we measure the need of a particular community in comparison to any other community with barriers to digital access? How can we compare the different barriers of different socioeconomic groups?

The need for public access broadband can be determined by the current PUC data on service availability. Those communities that are un- and under-served will have a higher need for broadband access projects and also digital literacy projects since broadband has not been available to them. Documented low-adoption groups (seniors, non-english speakers, low-education, low-income) can also be measured as high-need. The applicant themselves will make the case for the special circumstances of their community in their project description.

(6) How can the Commission determine the socioeconomic benefits of the program to the low-income community?

This will be challenging and may not be possible in the short term. A question on the final grantee report could ask for anecdotal evidence of such benefits; if the Commission really wanted to determine this linkage we would suggest that a few larger funded projects in low-income communities were selected for long-term follow-up *by the commission* with willing participants.

III. COMMENTS ON STAFF PROPOSALS REGRADING THE PUBLIC HOUSING ACCOUNT

The NBNCBC has several comments in regards to the Public Housing Account and special situations we would like for the PUC to consider.

Agricultural counties such as Napa, Sonoma and Mendocino have farm worker housing. These workers are often low-wage, low-educational attainment and non-English speaking - the types of communities that would greatly benefit from broadband access and training programs. We would like to recommend that such unique high-need communities to be eligible applicants for public housing grants.

We also feel that there is a need for funding for the costs of ongoing operations in these high-need communities. The lack of operational funding is literally a barrier that sometimes cannot be overcome and has resulted in a loss of a potential project.² Operational costs can be slowly phased out in subsequent years after the project is established and becomes self-sustaining. An example would be 100% funding for year one, 80% for year 2, 60% for year three, etc.

A final consideration for funding loops back to the idea of funding “out-of-the-box” and innovative ideas. This idea encompasses after-school broadband access and helping to close the “homework gap” that many students in rural areas face. Every day many of these students get on their school bus and spend minutes to hours traveling long distances to go to school. We ask the Commission to consider funding Wi-Fi on school buses as part of this program so that students could make use of their time on the bus to access the

²Napa County applied to fund a project to install wireless access into Napa County’s three Farm Worker housing locations. This included year 1 implementation of fixed wireless equipment at each location and the first year of internet services through a local WISP. The application was denied due ongoing internet service charges in year 2 and beyond.

Internet. For many of these students, it may be the only broadband access outside of the classroom that they have.

IV. CONCLUSION

Thank you for this opportunity to provide comments in this proceeding on behalf of the four counties in the NBNCBC. We feel that the Adoption Account has the potential to reduce the Digital Divide by providing the needed resources in our counties.

Respectfully submitted,

Dated: March 16th, 2018

Dan Hamburg, Supervisor
NBNCBC Oversight Committee Chair
North Bay North Coast Broadband Consortium
501 Low Gap Road, Ukiah CA 95482
hamburgd@mendocinocounty.org

CC:

Supervisor Diane Dillon, Napa Oversight Committee member
Supervisor Dennis Rodini, Marin Oversight Committee member
Supervisor Linda Hopkins, Sonoma Oversight Committee member
Marin County Board of Supervisors
Sonoma County Board of Supervisors
Napa County Board of Supervisors
Mendocino County Board of Supervisors