

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider
Modifications to the California Advanced
Services Fund

Rulemaking 12-10-012

**COMMENTS OF THE CALIFORNIA EMERGING TECHNOLOGY FUND
ON PROPOSED DECISION ADOPTING CALIFORNIA ADVANCED SERVICES FUND
BROADBAND PUBLIC HOUSING ACCOUNT APPLICATION
REQUIREMENTS AND GUIDELINES**

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Date: December 2, 2014

The California Emerging Technology Fund (CETF) once again applauds the work of the California Public Utilities Commission (CPUC) Communications Division (CD) staff for its Proposed Decision to implement AB 1299. CETF respectfully submits the following comments with the goal of supporting the California Advanced Services (CASF) staff implement AB 1299 with the most cost-effective impact in the shortest period of time.

- Service Speed: The CASF Broadband Public Housing Account Proposed Guidelines for Infrastructure Projects states, “Applicant commits to provide residents with minimum download speeds 1.5 mbps during average peak utilization periods subject to reasonable network management practices.” CETF recommends using more specific language to avoid misinterpretations and suggests the following: “Applicant commits to provide minimum service speeds 1.5 Mbps both ways per household during average peak utilization periods subject to reasonable network management practices.”
- Allowable Infrastructure Expenses: CETF agrees infrastructure funds should cover all aspects of a unit connectivity project. CETF insists on adding one more item to the list of approved installation cost expenses, which is the electrical installation and labor required to power the eligible hardware for the project. This electrical work is critical to power the equipment required for the network, which would include the installation of conduit, panels, cabling, transformers, electrical sockets, and outlets.
- Connectivity Service Fee: The Proposed Guidelines suggest in cases where the applicant decides not to offer free Internet service, the Commission require applicants commit to

charging residents less than \$20 per month. CETF agrees with the majority of the housing agencies that participated in the CPUC Housing Workshops earlier this year and suggests that service fees of up to \$10 a month is more in line with the economic realities and affordability limits of the residents. CETF participated in all workshops diligently conducted by CD staff across the state. When participants were asked for a reasonable affordable rate for residents of publicly-subsidized housing, there was general agreement that low-income residents would be able to afford a high-speed Internet service at home of up to \$10 a month. That is also the current monthly cost of Comcast Essentials and Mobile Citizen services.

- Computing Devices: Given the limited amount of funding available for adoption projects, CETF suggests the Commission only allow the purchase of computing devices for the community training center and not for individual households. By doing this, the Commission can leverage the applicants' potential resources that could include the purchase of computing devices for residents. If the Commission decides not to take that route, CETF suggests the Commission only cover a portion of the computing devices and let the applicant or its residents contribute the rest of the amount needed to purchase them. In other words, CETF thinks this component of the program might allow the Commission to leverage resources applicants and/or residents might already have and be able to contribute.

Should the Commission decide to cover a portion or the full cost of computing devices, CETF suggests the Commission consider setting: (1) Minimum specifications requirements regarding hardware and software; (2) Maximum allowable cost per computing device; and

(3) Maximum amount allowed to charge residents per computing device. Based on research among refurbishing partner organizations, the experience CETF acquired through the Smart Housing Pilot Project in Los Angeles, and the limited funding available for adoption projects, CETF recommends setting a maximum allowable expense of \$250 per computing device (refurbished or new), a maximum charge or donation requested from residents of \$25 per computing device, and the following minimum hardware and software specifications:

A. Hardware:

- Processor: Celeron-A 1.2 GHz or better
- RAM: 2 GB or higher (minimum DDR2)
- Graphics Card: 64MB of cache or better (on system board)
- HDD: 80GB SATA or better
- DVD/CD RW: 24x or better
- Wi-Fi capability
- Monitor: 19 inch or larger

- Mouse

- Keyboard

B. Software:

- Operating System: Windows 7, 32-bit or better

- Acrobat Reader

- Anti-Virus Software (viruses, malware, spam, etc)

- Microsoft Office

- Internet Explorer 9 or better

C. Optional Components: Hidden drive containing initial image.

Based on the experience acquired through the Smart Housing Pilot Project, CETF suggests the Commission allow the purchase of desktop refurbished computers (as opposed to mobile devices such as laptops, netbooks, or tablets) to ensure the devices stay at home for the use of every member of the family.

- Allowable Adoption Expenses: In order to avoid misinterpretations, CETF suggests the Guidelines specify the reimbursable items that are approved for household use and items that are specifically approved for the community training center use. For instance, currently the Proposed Decision allows the purchase of computing devices for both household and community training center use but printers do not seem to be approved for household use.
- Digital Literacy Training: The Proposed Guidelines state that applicants should submit a project completion report once 75% of the residents have been trained or after the project has been training residents for 12 months. CETF and its partner organizations have recently experienced the value of allowing adult residents to test out instead of requiring them to complete the Digital Literacy Training. Thus, a portion of the residents become eligible to take a computer home once they have successfully demonstrated that they have mastered the basics of Digital Literacy. CETF suggests the Commission allow an established portion of the adult residents to test out. CETF also suggests the Commission specify that: (1) Only adult residents are eligible to the Digital Literacy training; and (2) Only adult residents that have completed the Digital Literacy training- or tested out successfully- are eligible to take a computing device home. The latter is a standard for the majority-if not all- CETF partner organizations, including the recently funded project conducted by the City of Los Angeles, to ensure every participant that is taking a computing device knows how to use it and adopts technology at home.

- Network Uptime Reporting: CETF agrees with CD staff Recommendation 47 to require a network uptime of 98%. CETF highly recommends the Commission include this requirement in the Quarterly Progress Report Guidelines. As noted by Novarum and the Los Angeles County Broadband Regional Consortium, among other CPUC Housing Workshop attendees, this is an industry standard that will ensure the CPUC networks are performing as expected and residents receive the service they need.
- Program Goal: CD staff recommends the Commission adopt a goal of connecting 40,000 units with the \$20M, based on the premise that 75% of applications will be for projects proposing to connect 100 units or less at an average of \$500 cost per unit.

CETF notes that the allowed connectivity costs for small and medium properties (\$600 and \$500 maximum per unit respectively) is higher than needed and insists that based on the research submitted with its February 2014 comments, a more realistic cost range per unit depending on the size of the property is approximately \$300-\$400. CETF recommends that the CPUC set a performance standard of achieving broadband connectivity in at least 40,000 units and a goal of reaching up to 50,000 units with an average cost of \$400 per unit.

- Establishment of a Learning Community: CETF highly recommends the Commission establish a Learning Community and require quarterly in-person one-day meetings with grantees to share progress reports, lessons learned, best practices and public policy conclusions to inform policymakers, stakeholders and partners.

Dated: December 2, 2014

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Raquel Cinat", enclosed in a light blue rectangular box.

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