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**

REPLY COMMENTS OF THE NORTH BAY NORTH COAST BROAD-BAND   CONSORTIUM (NBNCBC) ON ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING

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March 29th, 2018
 The North Bay North Coast Broadband Consortium (NBNCBC) Oversight Committee (Com-

posed of Supervisors Hamburg (Mendocino), Rodoni (Marin), Dillon (Napa), and Hopkins

(Sonoma) and non-voting consortium manager Tom West submits our Reply to Comments filed in the Assigned Commissioner's February 14th, 2018 Amended Scoping Memo on phase 1 for modifications to the California Advanced Service Fund.

I.   DISCUSSION OF COMMENTS

PRIORITIZING OF PROJECTS

Because of the well-established rural/urban digital divide and the close link between income and broadband adoption as documented by CETF, the NBNCBC suggested that funding of grants in low-adoption areas be prioritized and suggested as a possible solution to require a certain percentage of the adoption money to be used only for projects in low-adoption communities.   This recommendation was also supported by Chico State in their suggestion to set aside a portion of funds for rural areas.

• CCTA recommended that wired solutions be prioritized over wireless (because wireless routers have shorter lifespan). We do not agree; to solve the digital divide a variety of solutions will be necessary, and in certain circumstances wireless may be the most economical and reasonable solution.

APPLICATION PROCESS

In our opening comments the NBNCBC offered a suggestion that the new adoption program have a reasonable application/reporting process that smaller capacity ISPs can navigate and thereby participate in the program, and to allow for innovative and "out-of-the-box" ideas. The NBNCBC would like to reply to the following comments:

- NBNCBC agrees with TURN's recommendation for a broadened application and evaluation process to give staff more discretion and flexibility in determining eligibility. A narrow application and evaluation process should be avoided, as this would limit the number and types of applicants that may use a different approach. This recommendation in no way removes accountability from the applicant who would still be required to justify how their project proposal is designed to meet the needs of the community in a cost effective and tailored manner. We also agree with TURN's recommendation to clarify whether one organization can apply for both digital literacy and broadband access grants, and whether this is encouraged or discouraged.

- NBNCBC also agrees with Frontier when they recommended that adoption program rules should not be so burdensome the they deter eligible organizations from applying.

- NBNCBC does not agree with ORA for the need for more stringent eligibility requirements to ensure the target audience reached. While in agreement that it's important to reach the low-adoption target audience, the use of more stringent eligibility requirements would limit the field of applicants and therefore eliminate potentially very good projects; instead the Commission should allow more flexible eligibility requirements and staff to have discrimination to evaluate innovative projects on their own merit to reach desired outcomes.

- Project proposals from "Start-up" organizations should be evaluated based on their own merit and should cause automatic concern as CETF has expressed. While start-ups have unique challenges such as sustainability, if the applicant can make a strong case for themselves they should be evaluated fairly. Many times a community organization sees a need and finds a creative way to solve the problem.

- The NBNCBC also opposes the recommendation of CCTA that a service list be created for applications. This is un-neccessary as all applications are posted online and can be easily accessed. Creating a service list creates an additional burden on applicants.

PROJECT REQUIREMENTS

Staff has proposed that as part of a project requirement, the applicant provide a projected number of subscriptions resulting from the project. The NBNCBC suggested elimination of this requirement due to the onerous and impractical nature and the discrimination it puts upon rural areas in particular where broadband access is limited.

- TURN recommended that PUC should *not* seek to require applicants to make a guarantee of result of increased adoption rates, and CCSF recommended that the Commission delete the requirement for projected subscriptions. We strongly agree with both of these recommendations as it is unreasonable *especially* if the definition of adoption rates is based upon the number of subscriptions.

SCORING CRITERIA

Currently staff proposed criteria for scoring rely heavily on projected numbers of subscriptions which are difficult for applicants to supply. The NBNCBC overall believes that the scoring criteria should be revised and expanded instead of narrowly basing criteria on subscriptions. We suggested that another possible method to prioritize projects in low-adoption communities would be to provide extra scoring points in the evaluation criteria.

- Frontier suggested prioritizing projects that promote increased access to online government services, and the NBNCBC agrees this is a worthy goal and should potentially could score extra points for such programs that specifically train participants to access such services.

- ORA recommended scoring criteria should include additional info such as project necessity, applicant's ability, community support/collaboration, and financial feasibility. We agree with these recommendations in general, and in particular with community support and collaboration. Projects with strong community support should receive additional scoring points.

- ORA also recommended prioritizing funding to regions not yet at 98%, and the NBNCBC does not agree with this. Projects should be scored based on the need for that particular project in that area, not the region's overall broadband rate which can be misleading. Our consortium is a case in point - the county of Mendocino has a much lower income, population density, and broadband adoption rate than the county of Marin which is in the same consortium. Projects in Mendocino should be evaluated on their own merit and not based on larger regional trends.

- Chico State recommended the elimination of adoption targets from scoring criteria for digital literacy projects, and the NBNCBC agrees for the reasons stated above.

SUBSIDY LEVELS AND ALLOWABLE SERVICES

Overall the NBNCBC found staff recommendations in this area reasonable and is in agreement with staff proposals. We suggested that for low-income communities, an applicant should be able to provide their 15% match in either cash or in-kind services so that the match requirement does not act as a barrier to participation. Other comments submitted agreed as well.

- Tech Exchange and Tenderloin both supported the 15% match from personnel.

- We also agree with CCSF's recommended allowable reimbursement for tech support services in digital literacy programs, and that the cost of connection be provided as part of projects as stated in our comments as well. We disagree with CCTA's suggestion that no funds be used

for inside network set-up; staff should have discretion on projects, and not allow very rigid criteria act as a barrier to proposals. Staff can always deny funding of such requests if they are deemed unreasonable or inappropriate in a particular proposal.

MEASURABLE OUTCOMES - DIGITAL LITERACY

Measuring outcomes based largely on the number of subscriptions is not only unreasonable, it is, frankly, non-creative.

The goal of the proposed Adoption Program Account IS NOT about the number of subscriptions that are generated as a direct result of a Literacy Project or a Public Access Project. Rather the goal of a Literacy Project is to **educate and train** as many individuals as possible to be able to effectively use the services provided by broadband access. The measure of success of a Literacy Project should be the percentage of participants in a project that successfully demonstrates they have acquired the knowledge and skills to be able to effectively use broadband services wherever they can gain access. *This can be done via a pre and post test of the individuals.* Other comments supported the survey idea as well.

- The CCSF also recommends that performance metrics be tracked by pre and post project surveys.

- The Central Coast Consortium recommended that results be measured based on performance and suggested as an example, a graduation test and minimum graduation rate requirement for a digital literacy project. Again, the applicant is in the best position to know their community needs and how to best measure success.

- Chico State noted that such pre and post surveys from participants can also help determine socio-economic benefits, another question posed by the Commission.

- TURN suggests that applicants should be required to explain how they will measure if the program is successful and anticipated benefits, and we agree. Again, the applicant is in the best position to know the unique needs of their community and how to best address them in their project proposal.

- The NBNCBC suggested in their comments that the PUC itself could develop a simple standard evaluation survey which participants would be required to complete online as to what they learned and is submitted directly to the CPUC.

- The CCSF also suggested the PUC conduct surveys to track performance metrics.

Again, the NBNCBC strongly opposes measuring outcomes based on "verified adoptions." This does not preclude accountability! It simply removes an inaccurate and sometimes unachievable outcome that creates an inequitable playing field for rural and low-income residents. For example, the CCTA states in their comments that "applicant measure outcomes via subscriptions; applicants must provide strategy for ensuring subscriptions" and goes on to mention low-cost programs such as Comcast's Internet Essentials. Unfortunately, Internet Essentials is not offered in many of the un-incorporated rural areas because they are outside of the Comcast service territory. If Comcast really wanted to increase low-income subscriptions, their Internet Essentials should be listed in their annual list of services from which it is conspicuously absent. SoHA also noted that ISP's are not actively marketing their affordable offer in public housing complexes and recommended that the state require ISPs to publicly report progress on low-income sign-ups, to which we also agree. Such public reports would provide needed transparency for these programs and the ability to gauge their success.

Several organizations (CETF, Tech Exchange, Tenderloin) recommended establishing a "Learning Community" to share best practices and guidance via forums and workshops. The NBNCBC is open to this idea and sees how it could potentially be very beneficial, and would suggest that it be available not only to grantees but to non-grantees as well.

MEASURABLE OUTCOMES - PUBLIC ACCESS TO BROADBAND

Adoption and Access are linked of course, but people can "adopt" broadband even though they do not have home access. As Chico State wrote, "Where access is not available, adoption through community centers should be considered. In our rural communities, adoption of broadband in the home may not be possible, as it is not available. Consider that adoption in a library, etc. has value for low-income citizens."

The measure of success of a Public Access Project should be the percentage of usage of the facility at various times in a day and week over the project life. An applicant for a project would lay out a weekly facility usage plan for the life of the project. For instance, the applicant may request a grant to provide five (5) workstations. The stations would be available to the public on a weekly scheduled basis. For example one project might schedule the facility 6AM to 10PM, M-Th; 6AM to 6 PM Fr, 9AM to 4 PM Sa/Sun. Each project would be custom to that project. The goals percentage of usage could vary by time of day, day of week and in different periods in the life of the project. For instance, usage might be low in the morning and heavy at night; weekends could be high or low. Usage should increase over the life of the project. Other comments recognized that home access is not always an option and that public access success/value should not be measured solely in the number of actual subscriptions.

Whether or not an individual ends up with purchasing a SUBSCRIPTION will depend on broadband access availability, relevance/ magnitude of personnel need and affordable cost. The PUC

should track such data, but this should *not* be the participants responsibility nor a *measure* of a broadband access project success which would unfairly discriminate against rural areas where access is limited. The PUC has other methods to track broadband adoption data and/or could develop such methods.

• ORA suggested that the PUC can get adoption data from form 477 and the broadband map, or that the PUC should use it's feedback form to determine subscriptions. Adoption program participants could be required to complete this form before and after training.

• ORA also correctly notes that Access and cost are primary factors affecting broadband subscription rates. Since the adoption program funds cannot be used for subsidies of home subscriptions, low-income residents may not be able to afford the cost of home broadband access. Learning to adopt broadband from a public facility has enormous value for such a resident. Imagine if such skills allowed a participant to expand a job search and submit a well-written resume. Therefore basing outcomes largely on home subscriptions is unfair and discriminatory.

APPLICATION CHALLENGES

The NBNCBC agrees with TURN that the challenge and appeals process for applicants needs clarification, for both the expedited and regular review. Challenged applications under expedited review should *not* automatically revert to Commission Resolution, as advocated by the CCTA. Clarification on these points will help applicants understand what to expect for the process and also hopefully to keep the "spirit" of the expedited review from being undermined by un-necessary challenges and ensuing delays.

Thank you for this opportunity to provide reply comments in this proceeding on behalf of the four counties in the NBNCBC.

Respectfully submitted,   Dated: March 29th, 2018

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