

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

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17349  
December 1, 2011**

**R E S O L U T I O N**

**Resolution T-17349. Approval of Seven (7) Consortia Grants Under the California Advanced Services Fund's Rural and Urban Regional Broadband Consortia Grant Account Totaling \$1.349 Million for Calendar Year 2012**

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**Summary**

This resolution approves seven California Advanced Services Fund Rural and Urban Broadband Consortia grants. Specifically, we approve Year 1 budgets amounting to \$1,348,738 for the seven consortia applicants shown below as well as a three-year budget allowance subject to conditions as specified in this resolution. The Commission awards these grants pursuant to California Public Utilities Code section 281 and Decision (D.) 11-06-038, which approved the implementation of the Rural and Urban Regional Broadband Consortia grant program and the funding of activities promoting broadband deployment, access, and adoption.

The seven consortia grants approved are:

<b>APPLICANT</b>		<b>YEAR 1 BUDGET</b>	<b>TOTAL BUDGET</b>
Central Coast Broadband Consortium	(CCBC)	\$150,000	\$450,000
East Bay Broadband Consortium	(EBBC)	\$150,000	\$450,000
Los Angeles County Regional Broadband Consortium	(LACRBC)	\$448,843	\$1,346,927
Northeastern California Connect Consortium	(NECCC)	\$149,997	\$449,991
Redwood Coast Connect	(RCC)	\$150,000	\$520,000
San Joaquin Valley Regional Broadband Consortium	(SJVRCB)	\$150,000	\$480,000
Upstate California Connect Consortium	(UCCC)	\$149,898	\$448,184
<b>TOTAL GRANT AWARDS</b>		<b>\$1,348,738</b>	

## Background

The California Advanced Services Fund (CASF), established in D. 07-12-054 promotes the deployment of broadband infrastructure in unserved and underserved areas by providing grants representing 40% of the total construction costs to eligible broadband projects. Senate Bill (SB) 1040 (Stats. 2010, c. 317, codified at California Public Utilities (P.U.) Code § 281) extended CASF indefinitely and expanded it to include three accounts: (1) Broadband Infrastructure Grant Account<sup>1</sup>, (2) Rural and Urban Regional Broadband Consortia Account, and (3) Broadband Infrastructure Revolving Loan Account. The latter two accounts are intended to address the needs that are unmet under the current CASF program. In particular, the purpose of the Rural and Urban Regional Broadband Consortia Account (Consortia Grant Account) is “to fund the cost of broadband deployment activities other than the capital cost of facilities, as specified by the Commission.” P.U. Code § 281(d). SB 1040 also increased the CASF fund from \$100 million to \$225 million as follows: funding for the Broadband Infrastructure Grant Account was increased by \$100 million while funding for the Consortia Grant Account and the Broadband Infrastructure Revolving Loan Account was set at \$10 million and \$15 million, respectively. P.U. Code § 281(b)(1).

In D. 11-06-038 (June 23, 2011), the Commission adopted procedures and guidelines for administering the Consortia Grant Program which included the application, evaluation, and the selection process. Applicants must submit membership information, background, and technical experience; governing board structure; identification and description of the geographical regions, population, and communities to be covered; and, description of existing and past projects, among others. In addition, the consortia applicants must submit detailed Action Plans and Work Plans that describe goals, tasks/activities, measurable deliverables, expected outcomes, and specific timeline milestones as they relate to the needs of the region for broadband deployment, access, and adoption. The applicants were to include detailed budgets for three years that cross-reference the activities listed in the Work Plans.

D. 11-06-038 limited consortia grants to only one regional consortium per geographic region to avoid duplication and capped grant funding at \$150,000 per year for each consortium for the first year and a maximum cap of \$450,000 total for three years. In D. 11-07-034 (July 18, 2011), the Commission further clarified that in the Los Angeles region, the adopted annual and three-year funding caps apply to each separate larger umbrella consortium within the Los Angeles region. Thus, in the Los Angeles region, each eligible umbrella consortium may seek funding up to the adopted \$150,000 per year and \$450,000 three-year funding caps.

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<sup>1</sup> Senate Bill 1193 (Stats. 2008, c.393) established the CASF as a new universal service program geared towards the deployment of broadband infrastructure in unserved and underserved areas in California. The Commission implemented the CASF program in D.07-12-054. The CASF funds 40% of a broadband infrastructure total project costs and 10% of the broadband infrastructure total project costs in the case of projects funded by CASF and the American Recovery and Reinvestment Act.

## **Notice**

Fifteen applications were filed on August 22, 2011. In compliance with D.11-06-038, Communications Division (CD) posted the following information regarding the consortia applications on the CPUC's Consortia Grant Account webpage on September 6, 2011: the consortium's name, contact information, and coverage area by county.

## **Discussion**

CD reviewed the 15 applications according to the guidelines, requirements, and evaluation criteria adopted in D. 11-06-038<sup>2</sup>, as follows:

1. Regional Consortium Representation and Endorsements;
2. Regional Consortium / Members' Experience;
3. Action Plan;
4. Work Plan; and
5. Budget

CD rated and ranked the applications to determine eligibility for consortia grants. Seven consortia applicants met the qualifications and earned high scores; however, a number of these applicants still need further clarification and/or development. Another seven consortia also met the qualifications, but CD determined that the submissions need further information and/or clarification from the applicants before Commission consideration. One application rated below the minimum score of 70 points and should not be considered for funding.

### **A. Consortia Applications Recommended for Funding**

The seven approved consortia, their first year awards, and their three-year budget allowances are:

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<sup>2</sup> D.11-06-038, Ordering Paragraph 16, adopted a minimum threshold score of 70 points to be considered for funding.

These seven applicants scored well above the minimum threshold score of 70 points and submitted satisfactory work plans. As such, CD recommends that these consortia applicants receive grants covering first year operations and be allowed to continue for the three-year period subject to satisfactory performance and submission of annual work plans as discussed later in this resolution.

In general, these seven consortia demonstrated in their applications that they have broad representation and support from a diverse group of organizations including local and regional governments; educational, health care, public safety, and other community-based organizations; as well as individual businesses and residents in the area. They have demonstrated experience collaborating with diverse community groups in building regional support, commitments, and/or partnerships geared towards achieving broadband deployment, access, and adoption in their regions. They include members with wide experience and skills in designing technical networks, creating and maintaining broadband data maps, and have prior success working on broadband deployment projects and/or provision of broadband services.

The Corporation for Education Network Initiatives in California (CENIC) submitted applications on behalf of the Northeastern California Connect Consortium and Upstate California Connect Consortium. These submissions present similar purpose, activities, and approaches in their respective geographic regions.

While the Action Plans and Work Plans submitted by the seven applicants are generally satisfactory, CD believes that several of these proposed Work Plans require further clarification and/or development in conjunction with consultation with CD staff.<sup>3</sup> Most of the successful consortia applicants presented specific plans to deliver reports on the

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<sup>3</sup> CD finds that the Action Plans and Work Plans proposed by the Upstate California Connect Consortium (UCCC) and the Northeastern California Connect Consortium (NECCC) are exemplary since they presented well-defined tasks and activities with detailed timelines and deliverables that achieve actual deployments of last-mile and middle-mile infrastructure projects and implementation of full-scale training/adoption programs in the region within three years. These two consortia applicants also explicitly included in their plans an independent evaluation as to the overall effectiveness of the consortia in fulfilling their missions. Nevertheless, these two consortia applicants also need to work with CD to further refine their Work Plans and clarify some of their proposed deliverables.

status of broadband infrastructure deployment, access, adoption, and training programs as a part of their first year activities. However, CD finds that most of the Work Plans require further clarification and quantification of expected deliverables and the acceleration of timelines for certain deliverables. Thus, we direct successful applicants to contact CD to discuss modifications to their Work Plans. Following consultation with CD, applicants must submit final modifications to their Work Plans along with the Consent Form <sup>4</sup> within 15 days of the approval of this resolution. Once CD approves the modifications, then the start date can commence in January.

Details of each successful consortia application are discussed below:

### **Central Coast Broadband Consortium**

The Central Coast Broadband Consortium (CCBC) is a 10-year old ad-hoc group of local governments and agencies, economic development, education and health organizations, community groups and private business dedicated to improving broadband availability, access, and adoption in Monterey, Santa Cruz, and San Benito Counties, a region lacking robust and redundant connections to broadband infrastructure. The CCBC three-year plan specifically addresses activities to develop broadband infrastructure in the tri-county region's culturally, linguistically, and economically diverse communities. The CCBC's primary goals overall are to:

- Document the region's current telecommunications assets, requirements, and opportunities and to compile these into an accessible database;
- Generate model policies and ordinances (e.g. on broadband infrastructure trenching, conduit management, and wireless sites) that support the region's ability to finance, deploy, and provide high-speed, affordable, and equitable broadband access; and
- Promote and increase access to broadband among underrepresented and low-income communities (e.g., implementation of broadband adoption programs within Santa Cruz and San Benito counties).

The CCBC is a successful Broadband Technology and Opportunities Program<sup>5</sup> recipient under the public computing center category for a \$3.6 million federal grant. The CCBC Public Computing Center Alliance project, initiated in October 2010, is due to be completed in September 2012 and will have established and expanded public computing centers in rural and urban communities serving under-represented and low-income populations in Monterey County.

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<sup>4</sup> Attachment H of D.11-06-038.

<sup>5</sup> The Broadband Technology and Opportunities Program (BTOP) is a grant program that funds comprehensive broadband infrastructure projects, public computers centers, and sustainable broadband adoption projects from the National Telecommunications and Information Administration. Through the American Recovery and Reinvestment Act, the BTOP provided an opportunity for California to partner with the federal government and other state agencies to advance the goal of bridging the digital divide.

The CCBC requests CASF consortia funding of \$150,000 in Year 1 with intention to renew Years 2 and 3 for \$150,000 each. In total, the CCBC requests the maximum funding of \$450,000 to develop broadband deployment, access, and adoption in its region.

### **East Bay Broadband Consortium**

The East Bay Broadband Consortium (EBBC) is an East Bay regional initiative organized to improve broadband deployment, access, and adoption in Alameda, Contra Costa, and Solano Counties. Organized by a partnership of non-profit public/private sector partnerships and led by a steering committee composed of a wide variety of economic development organizations and foundations, the EBBC focuses on filling digital gaps within the region that have not been addressed or served in the areas of broadband infrastructure, digital inclusion, economic development, E-education, Telehealth, human services, and E-government, public safety and emergency services in unserved/rural and underserved communities of the counties. The EBBC's primary goals are to:

- Formulate and implement a broadband infrastructure plan to make the East Bay a national and global broadband leader;
- Establish *Get Connected East Bay!* based on the *Get Connected Oakland!* model;
- Promote optimal broadband and utilization in the areas of economic development, E-education, E-health and telemedicine, human services and E-government, and public safety and emergency services;
- Organize EBBC broadband summits to address the seven key aspects of the Strategic Framework and mobilize the East Bay broadband constituency; and
- Provide project coordination and management support for the EBBC

The EBBC requests CASF consortia funding of \$150,000 in Year 1 with intention to renew Years 2 and 3 for \$150,000 each. In total, the EBBC requests the maximum \$450,000 to develop broadband deployment, access, and adoption in its region.

### **Los Angeles County Regional Broadband Consortium**

The Los Angeles County Regional Broadband Consortium (LACRBC) is organized to work collaboratively with five distinct sub-regions in the Los Angeles area and surrounding communities<sup>6</sup>. The sub-regional consortia under LACRBC are:

- In North Los Angeles -
  - San Fernando Valley
  - San Gabriel Valley
- In South Los Angeles -
  - South Bay

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<sup>6</sup> In the North Los Angeles sub-regional area, Antelope Valley and Santa Clarita will have representation in work activities planned. Likewise, the South Los Angeles sub-region consortia will include Catalina Island in its area representation.

- Gateway Cities
- Central/West Los Angeles

Each sub-region submitted work plans and Year 1 budgets for its unique projects. Major activities of all the sub-regions highlight their focus on: assessing broadband deployment needs; performing “*Get Connected*” outreach and awareness through community events; developing digital literacy programs (create and conduct training and workshops), work on broadband access, advocacy, and adoption (subscription, gaining support, coordinate CASF applications); and, establishing advanced application use (online E-health applications and workshops). Specific plans of each sub-regional consortium are as follows:

**1. San Fernando Valley Sub-Region:** The San Fernando Valley Sub-Regional Consortium will bring new educational classes and workshops to 14 public computer centers throughout the San Fernando Valley. The classes and workshops will teach youth and adults about the benefits of broadband and help to develop computer literacy, job, and life skills. The Consortium will train 300 residents through new workshops and 150 residents through new classes at public computer centers, subscribe a minimum of 50 new users to broadband within the region, and provide an estimated 2,700 hours of computer lab access to residents interested in attending broadband workshops and classes.

**2. Gateway Cities Sub-Region:** The Gateway Cities Sub-Regional Consortium will promote broadband deployment, access, and adoption within the Southeast area of Los Angeles County. The Consortium will provide an estimated 36 Internet literacy classes for youth and adults in English and Spanish, conduct 75 workshops, and utilize its Mobile Technology Center to participate in 18 community events to show community members onsite the value and benefit of subscribing to broadband in the home. The Consortium will also begin a two prong pilot TeleHealth program where once a month over the life of the grant, the Consortium will provide a Skyping for Health workshop. The workshop will allow residents to Skype with health care providers on chronic diseases that are prevalent within the region. In addition, Better Health Online workshops will be provided utilizing the HealthCare.gov website for residents to learn how to navigate the website and expand their knowledge on healthcare topics.

**3. Central/West Los Angeles Sub-Region:** The Central/West Los Angeles Sub-Regional Consortium will strive to deploy, provide access and adoption of broadband technology to every corner of the Central/West Los Angeles region. The Consortium’s key programs include: (a) high school seniors to senior citizens intergenerational technology exchange to provide basic how-to training in Internet use and its applications; (b) young adult and veterans training in computer repair and refurbishing where refurbished computers will be made available to community residents and non-profit or faith-based organizations at a greatly reduced price; and, (c) technical training

on broadband that includes “hands-on” training to repair, replace and maintain broadband services.

**4. San Gabriel Valley Sub-Region:** The San Gabriel Valley Sub-Regional will promote broadband deployment, access, and adoption within the East Los Angeles region by expanding courses of high demand through a distance learning platform. The Consortium will provide on-line classes that include a new “remote access” option to more than 20,000 people. The Consortium will increase access to on-line learning services by exponentially increasing the number of community residents who can study English as a second language from remote locations as well as targeting an estimated 500 students to acquire digital literacy.

**5. South Bay Sub-Region:** The South Bay Sub-Regional Consortium will create a synergy of technology-in-motion, emphasizing the use of emerging technologies as educational platforms by establishing Hot Spot Zone Networks<sup>7</sup> throughout the Los Angeles region and provide training workshops on Broadband Services such as TeleHealth and mobile communications. The Consortium will deploy Hot Spot Zone Networks throughout each of the 5 sub-regions within Los Angeles, work to provide Wi-Fi connectivity to three low-income, senior citizen housing facilities, and provide a number of training workshops. These workshops include business participants, TeleHealth, mobile technology, and music and technology workshops.

The sub-regional consortia and LACRBC have support of state legislators; local, city, county, and regional governments; college and K-12 districts; and public, non-profit, and for-profit organizations. LACRBC and the sub-regional consortia leads possess experience in developing social and community services; increasing employment opportunities and providing vocational training; working with public safety; providing technology learning solutions in underserved communities; working with diverse linguistic and economic groups; and, K-12 educational districts. From past individual successes, the LACBRC members possess: technical expertise designing, managing, and deploying networks; successful grant awards from CETF, the U.S. Department of Commerce’s National Telecommunications and Information Administration (NTIA), and Broadband Technology and Opportunity Plan (BTOP), and state-funded California Resources and Training (CARAT); and, the valuable support of key community leaders, elected officials, and community organizations within the larger LA area.

The Youth Policy Institute (YPI), acting as fiscal agent over all the sub-regional consortia, is responsible for the oversight and management of the LACRBC funds. The YPI is a non-profit organization that provides education, training, and technology services to impoverished county families. Experienced in managing over \$35 million in federal and state grants, YPI also will act as project coordinator for the northern areas along with

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<sup>7</sup> Hot Spot Zone Networks connect wireless access areas created by multiple hot spots located in close proximity to each other. LA County hot spots will be established in high-need, high-traffic areas and connected from the metropolitan area networks that are planned.

Manchester Community Technologies (MCT) which will be project coordinator for the south sub-regions. MCT is a public non-profit corporation with experience in deploying metropolitan area networks, creating community Wi-Fi, and providing computer training and educational learning tools in underserved/urban communities.

In its original proposal, the LACRBC requested consortia grant funding totaling \$2,310,000 for three years, or \$770,000 for each year. In order to ensure that Consortia Grant Account disbursements do not exceed the allowable annual collections for consortia activities, CD asked the LACRBC to modify its budget to a lower fund level. On October 24, 2011, LACRBC submitted a revised budget of \$1,346,927 for three years with Year 1 funding of \$448,843. The reduction in the budget for the first year from \$770,000 to \$448,843 reflects modifications in its Work Plans such as reduction in the number of training sessions/seminars conducted, attendance at fairs/community events, and in the number of marketing materials (i.e., publications/newsletters) produced. The LACRBC also reduced its administrative costs, both for the umbrella organization and for each of the sub-regional consortia.

In D.11-06-038, the Commission specifically recognized that Los Angeles County poses a unique challenge, being the state's largest and most densely populated urban area. This characteristic serves as a deterrent to ubiquitous broadband deployment and advancement of broadband adoption. For that reason, the Commission adopted a modified approach for the Los Angeles region. The LACRBC plans to work among an ethnically diverse county population of over 9.8 million in over 6,000 census block groups (CBGs) and 291 ZIP Codes. The LACRBC proposes specific projects addressing broadband access and adoption among various constituents in the region and set clear targets for deliverables. CD recommends approval of the revised Year 1 funding request of \$448,843 which balances the need for our consortia program to reach the large population of Los Angeles County with the funding limits established in this program. LACRBC intends to renew its funding in Years 2 and 3.

### **Northeastern California Connect Consortium**

The Northeastern California Connect Consortium (NECCC) is a consortium initially formed by the CSU Chico Center for Economic Development to participate in the work of the California Emerging Technology Fund (CETF). In its present organizational set-up, it is composed organizations and entities that have experience in promoting the need for and delivery of networked telecommunications. The members of the NECCC are government entities (county, city/town, unincorporated districts, state and federal), Native American communities, educational institutions, libraries, public safety entities, health delivery facilities, community and non profit organizations, local businesses, telecommunications providers, electric utilities, and other organizations in the seven counties (Butte, Lassen, Modoc, Plumas, Shasta, Siskiyou and Tehama) in the Northeast California area.

Two organizations serve as the management principals for the NECCC, namely the Corporation for Education Network Initiative in California (CENIC) and the Center for Economic Development (CED) at California State University, Chico. CENIC is the lead management organization with the overall management and fiscal responsibilities for this regional consortium.

The NECCC is principally focused on five goals:

- Ensure community involvement;
- Develop a broadband infrastructure plan;
- Develop and implement access plans;
- Develop and implement adoption and training plans and programs; and
- Work with other regional consortia to ensure the development of a cohesive Northern California infrastructure.

For Year 1, NECCC will focus on the conceptual design for the broadband infrastructure plan that will provide a cohesive, integrated, and robust middle mile and last mile network infrastructure that will interconnect the counties together. To achieve this, current telecommunications providers will be asked to share information on their current middle and last mile infrastructure, their future plans to deploy broadband to the communities they serve, their interest in cooperating in this project, and an assessment of whether their assets can be utilized as part of the Conceptual Design. A second focus of NECCC for the first year is the updating of the status of access in each county and assessing the status of training and adoption programs available across the three counties. Finally, the NECCC will collaborate with the other Regional Consortia to make sure its Conceptual Design fits into an overall Northern California Broadband Plan.

Major deliverables at the end of Year 1 include: a Conceptual Design for the middle mile and last-mile portions of the infrastructure plan; reports on the existing installed fiber that could be used to serve as a portion of this middle mile conceptual design; existing last mile capabilities that could potentially be included in the Conceptual Design; and, a report on the availability of adoption programs in each county.

The NECCC requests CASF consortia funding of \$149,997 in Year 1 with intention to renew for Years 2 and 3. In total, the NECCC requests \$449,751 for this Northern California regional consortium to serve its seven counties.

### **Redwood Coast Connect Consortium**

The Redwood Coast Connect Consortium (RCC), created by Redwood Coast Rural Action, is a regional network of community leaders with the ongoing initiative to make affordable broadband available to all residents in rural Humboldt, Del Norte, Mendocino, and Trinity Counties. Having laid the groundwork since 2007 through its research and analysis of the needs of the residents to report key factors on broadband

services and mapping in its unserved and underserved areas, holding forums to bring together community leaders, elected officials/government agencies, tribal elected officials and leaders, business, public safety, and existing communications providers, and maintaining its partnerships within the community, RCC strives to continue the successes begun when it received one of the first CETF matching grants. The nine goals of the RCC are:

- Review and update existing studies and plans;
- Create funding plans for middle mile, last mile, and public safety deployment;
- Promote the CASF fund;
- Develop, enhance, and implement adoption and training plans and programs;
- Promote policy change to ease broadband deployment and adoption;
- Provide support to remove barriers impeding advancement of wireless broadband deployment;
- Ensure community involvement;
- Create a regional learning community; and
- Provide project management support for RCC Consortium

The six organizations which comprise the consortium membership have regional business and communications expertise and success developing and launching broadband networks benefitting the communities they serve which brings valuable experience to the RCC mission.

The RCC Consortium requests CASF consortia funding of \$150,000 in Year 1 with intention to renew for Years 2 and 3. In total, the RCC requests \$450,000 for its continuing work of bringing broadband deployment, access, and adoption to the state's seven-county north coast region.

### **San Joaquin Valley Regional Broadband Consortia**

The San Joaquin Valley Regional Broadband Consortia (SJVRBC) is a public-private entity focused on accelerating the deployment, accessibility, and adoption of broadband within Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties. The SJVRBC's five goals are to:

- Expedite the provision of broadband access in all areas of the valley;
- Promote accessibility and adoption of broadband in targeted underserved communities and populations (e.g., develop and implement a plan to ensure high school students graduate with basic computer literacy skills);
- Expand and replicate successful model programs to increase broadband access and bridge the digital divide;
- Accelerate deployment of broadband infrastructure through TeleMedicine and Telehealth technology (e.g., develop and implement a plan to connect health clinics with medical centers); and
- Work with neighboring regional consortia to ensure the development of a cohesive infrastructure

The SJVRBC is represented by members of the public-private sectors including telecommunications providers and industry associations; government, economic development corporations, and business development centers; local educational agencies and institutions of higher education; health delivery organizations, community-based and non-profit organizations; and, accessibility advocates. The consortium, through its partnership, brings the experience of having identified communities without affordable connections; increased utilization by residents through digital literacy programs; sought and received funding for deployment; built upon existing infrastructure for telemedicine/Telehealth; and, replicated and expanded successful literacy programs.

The SJVRBC Consortium requests CASF consortia funding of \$150,000 in Year 1 with intention to renew for Years 2 and 3. In total, the SJVRBC requests \$450,000 for its continuing work of bringing broadband deployment, access, and adoption to the San Joaquin Valley counties.

### **Upstate California Connect Consortium**

The Upstate California Connect Consortium (UCCC) is a consortium initially formed by the California State University, Chico's Center for Economic Development. It is composed of organizations and entities the either have been involved in the need for and delivery of networked telecommunications. This consortium is composed of a wide variety of representatives and endorsers from local/regional governments, public safety, education, health care, community-based organizations, recreation/agriculture/parks, and business communities.

The UCCC is principally focused on five goals:

- Ensure community involvement;
- Develop a broadband infrastructure plan;
- Develop, implement, and maintain access plans;
- Develop and implement adoption and training plans and programs; and
- Work with other regional consortia to ensure the development of a cohesive Northern California infrastructure.

UCCC's primary tasks for the first year include: conceptual design for the broadband infrastructure plan that will provide a cohesive, integrated, and robust middle mile and last mile network infrastructure that will interconnect counties. To achieve this, current telecommunications providers will be asked to share information on their current middle and last mile infrastructure, their future plans to deploy broadband to the communities they serve, their interest in cooperating in this project, and an assessment of whether their assets can be utilized as part of the Conceptual Design. A second focus of UCCC for the first year is the updating of the status of access in each county and

assessing the status of training and adoption programs available across the three counties. Finally, the UCCC will collaborate with the other Regional Consortia to make sure its Conceptual Design fits into an overall Northern California Broadband Plan.

Major deliverables during the first year include a conceptual design for the middle-mile and last-mile portions of the infrastructure plan, reports on existing installed fiber that could be used to serve as a portion of the middle-mile Conceptual Design and existing last-mile capabilities in each county and their potential to be included in the Conceptual Design, and a report assessing the availability of adoption programs in each county.

The UCCC requests CASF consortia funding of \$149,898 in Year 1 with intention to renew for Years 2 and 3. In total, the UCCC requests \$448,184 for this Northern California regional consortium to serve its four counties.

**B. Consortia Applications Requiring Further Modification**

The following seven consortia applicants met the minimum requirements and qualifications for funding consideration but achieved scores lower than ones discussed above:

APPLICANT		YEAR 1 BUDGET
California's One Million NIU Coalition	(NIU)	\$150,000
Central Sierra Connect Consortium	(CSCC)	\$150,000
Connected Capital Area Broadband Consortium	(CCABC)	\$150,000
Eastern Sierra Connect	(ESC)	\$150,000
Gold Country Broadband Consortium	(Gold Country)	\$150,000
Inland Empire Regional Broadband Consortium	(IERBC)	\$150,000
San Diego Imperial Regional Broadband Consortium	(San Diego)	\$150,000

Some aspects of the Action Plans and Work Plans submitted by these seven consortia applicants need further revision. Among other issues, CD finds that the Action Plans and Work Plans generally need more clarification and quantification of expected outcomes, deliverables, and timelines. Examples of the areas where such clarification is needed include:

- The proposed goals and accomplishments of meetings;
- Consolidation of related activities such as the production of minutes/ reports, meetings/briefings;
- Confirming the need to recreate broadband mapping rather than utilizing available sources such as the up-to-date California Broadband Map;
- Additional clarity on Work Plan activities that will produce solid deliverables for regional deployment such as drafting a network design plan or a coordinating the submission of CASF infrastructure grant application from a qualified applicant; and/or

- Submitting detailed budgets that correlate clearly to Work Plan activities and the overall Action Plans.

CD recognizes that newly-formed consortia may be developing their relationships within their regions and tasks such as holding meetings and workshops are commensurate with developing and building community support; however, CD recommends modifying, removing, and/or adding specific elements to these work plans to produce more tangible results in broadband deployment, access, and adoption. CD suggests that the applicants: quantify subscribers; identify and engage prospective internet service providers in network planning and design; garner service provider commitments or buy-in earlier; and, complete and promote a CASF infrastructure grant proposal from a prospective, eligible applicant. These consortia grant applicants must work closely with CD to improve their work plan deliverables to produce tangible results that justify the best use of ratepayer funds.

Thus, these seven consortia applicants must consult with CD and submit additional information and revised Action and Work Plans and/or Year 1 Budgets to CD within 30 days from the approval of this resolution. Once CD is satisfied with the revised Action Plans, Work Plans, and Year 1 Budgets, CD can prepare a subsequent resolution for Commission approval, as appropriate.

### **C. Consortia Application Not Rated Above Passing**

The CFNC-Central El Dorado County Regional Broadband Consortium proposes to represent specific CBGs in El Dorado County. This consortium is comprised of Camino Fiber Network Cooperative (CFNC), the El Dorado County Office of Education, and the El Dorado Chamber of Commerce.

In its review and rating of the consortium's application, CD noted that the application did not rate high in the required categories and scored below the minimum 70 points, too low to be considered for Commission approval. The consortium's membership is very limited and not representative of a broader set of constituents in the area. The application included letters of support only from a number of individual consumers, but with no endorsements from other local/regional government entities, anchor institutions, and other community organizations in the region. The consortium members appear to have insufficient broadband planning, design, and network deployment experience, and propose to rely on a technical consulting company to undertake most of the consortium's activities pertaining to broadband deployment. However, the application did not provide any information on this consulting company's experience and qualifications. The activities detailed in the Work Plan focuses primarily on network engineering and business planning in support of CFNC's planned fiber to the premises infrastructure project proposals for CASF and other funding sources. While the Work Plan includes activities for broadband access and adoption, the expected outcomes from these activities are not clearly laid out.

Additionally, another application for El Dorado County, Gold Country Broadband Consortium (see section B above), proposes to serve a greater number of CBGs and scored higher in the rating process.<sup>8</sup> For these reasons, the CFNC consortia application should not be approved for funding.

#### **D. Administration of Consortia**

In this section, we address program administration issues involving our new CASF Consortia Program grantees.

##### **Initial Work Plan Adjustments and Project Start Date**

Although the Year 1 Work Plans are deemed to be satisfactory, the seven consortia grantees approved by this resolution must work with CD staff to fine-tune their work plans and submit final documents within 15 days of the approval of this resolution. Once CD approves the modifications, then the start date can commence in January.

##### **Quarterly Progress Reports**

Each consortia grantee must submit a written quarterly progress report at the end of each calendar quarter (i.e. March 31, June 30, September 30, and December 31) that discusses activities and achievements accomplished. As needed, CD will contact grantees for follow-up discussions.

##### **Year 2 and 3 Budget Renewal**

To qualify to receive Year 2 and Year 3 of the budget allowance authorized by this resolution, the consortia grantee must submit Work Plans for subsequent years by October 1 of each year. These work plans are subject to CD review and approval.

##### **Annual Summit**

D. 11-06-038 provided that all consortia attend an annual regional consortia learning community summit near the end of 2012. CD will host the event and will announce and post specific meeting details when appropriate. All grantees are directed to attend and participate.

##### **Payment Process**

As previously addressed in D. 11-06-038, grantees may request reimbursement of start-up costs equivalent to a maximum of 10% of the award. All subsequent requests for reimbursement must be submitted with the Quarterly Progress Report and must be supported by receipts, invoices, and other financial documentation.

##### **Non-Compliance**

Should the grant recipient fail to complete the project, the recipient must reimburse some or all of the Consortia Grant Account moneys that were received. CD may hold

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<sup>8</sup> Per Ordering Paragraph 16 of D.11-06-038, where multiple applicants seek funding in the same region, the highest ranking applicant shall be considered eligible to receive a grant.

grant payments if the consortia grantee does not comply with any of the requirements in this resolution.

## Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on November 1, 2011, to parties on the service list of D.11-06-038 of the availability of the draft of this resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov>. This letter also informed parties that the final resolution adopted by the Commission will be posted and available at the same web site.

## Findings

1. Senate Bill (SB) 1040 (Stats. 2010, c. 317, codified at California Public Utilities (P.U.) Code section 281) extended CASF indefinitely and expanded it to include three accounts: (1) Broadband Infrastructure Grant Account<sup>9</sup>; (2) Rural and Urban Regional Broadband Consortia Account, and (3) Broadband Infrastructure Revolving Loan Account.
2. Pursuant to P.U. Code section 281(d), the Rural and Regional Urban Consortia Account (Consortia Grant Account) is "to fund the cost of broadband deployment activities other than the capital cost of facilities, as specified by the Commission." Pursuant to P.U. Code section 281(b)(1), the Consortia Grant Account for \$10 million.
3. In Decision (D.) 11-06-038 (June 23, 2011), the Commission adopted procedures and guidelines regarding the Consortia Grant Account's application, evaluation, and selection processes.
4. Applicants must submit membership information, background, and experience; governing board structure; identification and description of the geographical regions, population, and communities to be covered; and, the description of existing and past projects, among others. In addition, the consortia applicants must submit detailed Action Plans and Work Plans that describe goals, tasks/ activities, measurable deliverables, expected outcomes, and specific timeline milestones as they relate to the needs of the region for broadband deployment, access, and adoption. The applicants must include detailed budgets for three years that cross-reference the activities listed in the Work Plans.
5. D. 11-06-038 limited consortia to only one regional consortium per geographic region and capped grant funding at \$150,000 per year for each consortium for the first year and a maximum total cap of \$450,000 for three years. In D.11-07-034 (July 18, 2011), the Commission further clarified that in the Los Angeles region, the adopted annual

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<sup>9</sup> Senate Bill 1193 (Stats. 2008, c.393, codified at P.U. Code § 281) established the CASF as a new universal service program geared towards the deployment of broadband infrastructure in unserved and underserved areas in California. The Commission implemented the CASF program in D.07-12-054. The CASF funds 40% of a broadband infrastructure total project costs and 10% of the broadband infrastructure total project costs in the case of projects funded by CASF and the American Recovery and Reinvestment Act.

and three-year funding caps apply to each separate larger umbrella consortium within the Los Angeles region seeking funding. Thus, each eligible umbrella consortium may seek funding up to the adopted \$150,000 per year and \$450,000 three-year funding caps.

6. Fifteen prospective consortia filed applications on August 22, 2011. CD posted the following information on the consortia applications on the CPUC Consortia Account webpage on September 6, 2011: the consortium's name, contact information, and coverage area by county.
7. CD reviewed each application according to the guidelines, requirements, and evaluation criteria adopted in D.11-06-038, which include regional consortium representation and endorsements, regional consortium's/members' experience, action plans and work plans, and budget.
8. Staff rated and ranked the applications to determine eligibility for Consortia grants. Seven applications met the qualifications and earned high scores, another seven applications require further modifications before Commission consideration, and one application rated below the minimum passing score.
9. In its original proposal, the Los Angeles County Regional Broadband Consortium (LACRBC) requested consortia grant funding totaling \$2,310,000 for three years, or \$770,000 for each year. In order to ensure that Consortia Grant Account disbursements do not exceed the allowable annual collections for consortia activities, CD asked the LACRBC to modify its budget to a lower fund level. On October 24, 2011, LACRBC submitted a revised budget of \$1,346,927 for three years with Year 1 funding of \$448,843.
10. In D.11-06-038, the Commission specifically recognized that Los Angeles County poses a unique challenge being the state's largest and most densely populated urban area and adopted a modified approach for the Los Angeles region, allowing for the possibility of granting funds to more than one umbrella consortia in the area.
11. CD recommends approval of the LACRBC revised Year 1 funding request of \$448,843 which balances the need for our consortia program to reach the large population of Los Angeles County with the funding limits established in this program.
12. Although the Year 1 Work Plans are deemed to be satisfactory, the seven consortia grantees approved by this resolution must work with CD staff to fine-tune their work plans and submit final documents within 15 days of the approval of this resolution. Once CD approves the modifications, then the start date can commence in January.
13. The additional seven consortia that require additional modifications must revise and submit their Action and Work Plans and/or Year 1 Budgets, consistent to those addressed in this resolution, within 30 days of the approval of this resolution. CD will review those documents and subsequent approval will be addressed in a separate resolution.

14. A notice letter was emailed on November 1, 2011, informing the parties of record in Decision 11-06-038 of the availability of the draft resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov>.

**THEREFORE, IT IS ORDERED that:**

1. The Rural and Urban Regional Consortia Grant Account funding for seven consortia as discussed in this resolution is adopted.
2. The total approved from the Rural and Urban Regional Broadband Consortia Account is \$1,348,738 for Year 1 activities in 2012 and the three-year budget allowances are follows:

GRANTEE		YEAR 1 BUDGET	TOTAL BUDGET
Central Coast Broadband Consortium	(CCBC)	\$150,000	\$450,000
East Bay Broadband Consortium	(EBBC)	\$150,000	\$450,000
Los Angeles County Regional Broadband Consortium	(LACRBC)	\$448,843	\$1,346,927
Northeastern California Connect Consortium	(NECCC)	\$149,997	\$449,991
Redwood Coast Connect	(RCC)	\$150,000	\$520,000
San Joaquin Valley Regional Broadband Consortium	(SJVRC)	\$150,000	\$480,000
Upstate California Connect Consortium	(UCCC)	\$149,898	\$448,184
<b>TOTAL GRANT AWARDS</b>		<b>\$1,348,738</b>	

3. The seven consortia approved for grants in this resolution shall submit Work Plans to receive Year 2 and Year 3 of the budget allowance authorized by this resolution by October 1 of each year. These work plans are subject to Communications Division review and approval in order for these consortia to receive funding in subsequent years.
4. The disbursement of funds shall be subject to the requirements set forth in Decision 11-06-038 including the submission of periodic progress reports and supporting documentation for payment reimbursement.
5. Within 15 days after the approval of this resolution, the consortia applicants approved for funding in this resolution shall contact Communications Divisions regarding submission of modified Work Plans. Communications Division and consortia awardees will determine project start dates once they have reached agreement on the modifications to the Work Plans, corresponding budgets, and submission of the Consent Form.
6. The seven consortia whose applications are not approved in this resolution and whose submission require more modifications shall work with Communications Division and submit the revised Action and Work Plans and/or Year 1 Budgets to CD within 30 days from the approval of this resolution. Funding for these consortia applicants shall be submitted for Commission approval in a subsequent resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 1, 2011. The following Commissioners approved it:

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PAUL CLANON  
Executive Director