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 UTILITY REFORM NETWORK (TURN) ON THE STAFF REPORT PROPOSING RULES TO IMPLEMENT PROGRAM CHANGES TO THE CALIFORNIA ADVANCED SERVICES FUND INITIATED BY AB 1299

I.   Introduction

Pursuant to the July 8, 2014 Assigned Commissioner's Ruling in this proceeding, The Utility Reform Network ("TURN") respectfully submits these Comments on the *Staff Report Proposing Rules to Implement Program Changes to the California Advanced Services Fund Initiated by AB 1299* ("Staff Report"). Although TURN did not file comments in response to the questions posed in Appendix 1 of the January 17, 2014 Revised Scoping Memo, we have reviewed the Staff Report and comments filed by other parties and offer the following comments and suggestions that TURN believes will enhance the effectiveness of the work funded by the CASF Broadband Public Housing Account ("BPHA").

II.   8.4. Infrastructure Projects

A. Recommendations 17 and 22 - The Commission Should Ensure that Applications Not-Eligible for Staff Review receive Fair Consideration.

In Recommendation 17, the Staff Report notes that there are limited staff resources available to review applications and recommends that the Commission delegate authority to the Executive Director to approve all applications that meet a set of criteria adopted by the Commission. A proposed set of criteria is provided in Recommendation 22.

The desire for expeditious review of applications is laudable; and TURN understands there are limited staff resources available for reviewing applications, particularly since, as the Staff Report points out, there are likely to be hundreds of applications requesting grant support of less than $100,000.[1]

However, TURN is concerned that this process has the potential to place worthy applications that do not meet the expedited criteria in a disadvantaged position. For example, larger projects that have a low cost per customer but serve many customers may not qualify for staff approval due to a total higher cost. Similarly, projects in areas where broadband facilities are limited, and thus more expensive to install, may not qualify for staff approval. As the Staff Report notes, "it seems reasonable for the Commission to set

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[1] *Staff Report*, Finding 20, at 40-41.

a goal of connecting 40,000 PSC units, a number that is likely far less than the number of unconnected PSC units in the state."[2] It is unclear from the Staff Report how, with the two-tiered review system, the Commission will ensure enough funding for the most necessary projects, if those projects are ineligible for staff approval.

One possible way to address this problem would be for the Commission to adopt a process whereby all infrastructure applications for PSCs that are currently not wired would be reviewed prior to considering applications from PSCs that are already wired. In Recommendation 6, Staff recommends that the Commission give priority to applications for PSCs that are not wired for broadband. In Recommendation 41, staff proposes that the Commission begin accepting applications from PSC's where less than all units are wired for broadband beginning in December 2014, and accepting applications from PSCs that are currently wired for broadband in July, 2015.[3] It may well be that the cost per customer will be higher for projects where no or few units are currently wired and, if so, these PSCs would be disadvantaged in the proposed application review process. Staggering the application deadlines is a good idea, but in cases where the initial applications exceed the staff approval funding cap, applications for non-currently wired projects may still be awaiting consideration as the staff moves to consider projects in wired areas. One solution would be for the Commission to set aside a percentage of infrastructure funds for currently non-wired projects that exceed the $75,000 cap for staff approval. Moreover, as discussed in Section V of these comments, the Commission should consider setting four application deadlines per year instead of accepting applications once a month following the initial application deadline. This

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[2] *Id.*, at 2.
[3] *Id.*, at 4 and Recommendation 41, at 55-56.

would provide more time for Commission review of applications that exceed the $75,000 cap.

B. Recommendations 16 and 22 - The Commission Should Require Applicants to Provide a Clearly Defined Policy and Process for Resolution of Customer Complaints and Service Problems.

The Staff Report recommends that applicants be required to operate and maintain the equipment and technology funded by the BPHA grants for at least five years. This recommendation is included in the proposed list of criteria for applications that can be approved by staff.[4] This recommendation is consistent with CETF's position[5] and is a wise proposal. However, there is an important element missing from the staff's recommendation - the need for a clear policy and process for addressing customer complaints and service issues.

Customers in supported housing are like any other customers in that, from time to time, they are likely to experience difficulties with their service. Applicants should be required to include a clearly defined policy regarding the treatment and resolution of customer complaints, a preliminary description of the information that would be provided regarding the policy and process, and an explanation of how the information would be provided to PSC residents. The Commission should require that the policy/process be explained verbally, that written information will be provided and that the information will be provided in-language.

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[4] *Id.,* Recommendations 16 and 22, at. 41-42.
[5] *Id.*, at 40, "Maintenance, Warranties and Technical Support."

Moreover, the Commission should include a criterion requiring successful applicants to include statistics regarding the number of complaints, by issue, and the resolution of such complaints in the reports they are required to provide the Commission. This would provide valuable information to the Commission, the grantees and anyone evaluating the program.

C. Finding 22 and Recommendation 22 - Speed Criterion and Expedited Staff Review

In Finding 22, the CD staff points out that "although the Commission has advocated for 6 mbps/1.5 mbps in the context of the CASF Infrastructure Grant Account, it risks discouraging a significant number of potential applicants if potential applicants deem the standard as too onerous." As discussed above, Recommendation 22 proposes establishing criteria for projects eligible for staff approval. Among these criteria is that the proposed project network "is capable of offering residents Internet service speeds of at least 6 mbps downstream/1.5 mbps upstream." This criterion has the potential to conflict with Finding 22.   Thus, it points to the need to ensure that projects eligible for staff approval do not receive an unfair advantage over other projects that are at least equally deserving, even though they are unable to meet the speed criterion.

III.   9. Adoption Projects

A. Limited English Proficiency Should be Addressed in the Adopted Rules.

Among the issues not discussed in the Staff Report are requirements addressing adoption for Limited English Proficiency residents of PSCs. If an adoption program is to

be successful, information must be presented in the languages that trainees are fluent in. This should be specified in the criteria for applications. TURN believes the following points should be included in the criteria for evaluating adoption projects, including the criteria for projects eligible for approval by CD staff:

- Applicants must provide information in language for limited English speaking residents.

- Applicants must make available curriculum in-language if requested by residents who wish to participate in digital literacy training.

B. Recommendation 33 and 40 - Digital Literacy Training, Scheduling of Training to Ensure Maximum Participation

In Staff Recommendation 33, staff notes the importance of a training component and recommends that applicants provide at least eight hours of digital literacy training. TURN agrees with this recommendation. Digital literacy training is fundamental if adoption programs are to succeed. In addition to having a designated space for onsite training (Recommendation 34), it is also crucial that the training is scheduled at times that allow for the greatest possible participation by PSC residents. TURN proposes that Recommendation 40 be modified to include two additional criteria:

- Applicants should develop a regular schedule for digital literacy training.
- Applicants must include evening access to the digital literacy training for residents who are employed during the day.

C. Recommendation 40 - Training should Teach Participants how to Troubleshoot Technical Problems.

In Finding 26, the Staff Report states…

> …technical support and warranties are important facets of any adoption program because it ensures that users are not discouraged by technical difficulties in the early stages of adoption when they are getting familiar with the computer and the programs.

In Recommendation 40, staff proposes that applicants or partner organizations will provide residents with devices to be used in digital literacy training, including refurbished devices not more than two years old. In TURN's experience, it is vitally important that digital literacy training programs include teaching people how to troubleshoot minor technical problems on their own, particularly when trainees are using refurbished equipment. Absent such training, adoption can be hindered when the customer is unable to identify and fix a minor issue such as an unplugged cable. It is also important for customers to understand when they need to call technical support, versus situations where there is a minor problem that they can address themselves. Therefore, adoption project applicants should be required to include a workshop on troubleshooting as part of a digital literacy training program. Trainees should learn how to set up broadband access, perform basic troubleshooting (e.g., check cables, rest a modem) and also learn when to call for a technician.

IV.   12. Post Award Compliance Reporting and Monitoring.

In Recommendation 46, for infrastructure projects, CD staff recommends the Commission "require applicants to provide quarterly progress reports at the same time that they submit invoices for reimbursement, based on milestones set by the applicant."

In Recommendation 51, the staff recommends setting quarterly milestones for adoption

projects, but does not specify that quarterly progress reports should be provided. There is

a great deal of interest in these projects and it is important that reports detailing the

progress of projects, the activities undertaken, and whether project objectives are

achieved are provided to the Commission and also available to partner organizations and

stakeholders. Therefore, quarterly reports for adoption projects should also be required.

TURN also recommends that successful applicants be required to provide a "final" report,

which documents the results of the project when the funding ends. This document should

be publicly available for review.

V. 10.1. Application Instructions and Processes - Timelines

In Recommendation 6, staff proposes that the Commission prioritize applications

from PSCs that are not wired for broadband. In Recommendation 41, staff proposes that

the Commission would begin accepting applications from PSC's where less than all units

are wired for broadband beginning in December 2014, with subsequent applications

submitted on the first Monday of each month thereafter. Applications from PSCs that are

currently wired for broadband would first be accepted in July, 2015, with subsequent

applications accepted on the first Monday thereafter. Further, 15% of both infrastructure

and adoption funds would be set aside for rural projects.[6]

TURN believes that it is reasonable to give priority to infrastructure projects for

PSC that are not currently wired, and to set aside 15% of funds for rural areas. However,

for both subsequent infrastructure applications and adoption applications the Commission

should consider revising the recommendation that applications submitted subsequent to

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[6] *Id.*, at 4 and Recommendation 41, at 55-56.

the initial due date be accepted on a monthly basis. Instead, the proposal by the San Bernardino Housing Authority recommending four application deadlines per year should be adopted. As San Bernardino HA pointed out, four deadlines make sense because RFP processes can finish at different times.[7] As Inland Empire RBC pointed out, having applications submitted on a "first-come first-served" basis could result in applicants submitting applications before they are truly ready, due to concerns that the funding will run out.

The staff recommendation is not a purely first-come first-serve deadline process because it incorporates the set-aside of rural funding, and prioritization of non-wired infrastructure projects. TURN supports those two proposals. However, we believe that the suggestion to have four deadlines per year is preferable to the monthly schedule for subsequent applications proposed by staff, for the reasons discussed by Inland Empire, San Bernardino HA and Community Housing Opportunities Corporation ("CHOC").[8] The four applications per year proposal would also address the concern of Race Telecommunications to have a specific application deadline date rather than accepting applications on a rolling basis.[9] Moreover, as discussed in Section II of these comments, a four applications per year schedule would provide more time for Commission review of applications that exceed the $75,000 and $50,000 caps for staff approval of infrastructure and adoption projects.

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[7] *Id.*, at 55.
[8] Id.
[9] *Id.*

VI. Conclusion

TURN commends the CD staff for their diligent work in crafting proposed rules for CASF Broadband Public Housing Account. We respectfully ask the Commission to adopt our proposed revisions to the recommendations set forth in the Staff Report.

Dated: July 28, 2014   Respectfully submitted,

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