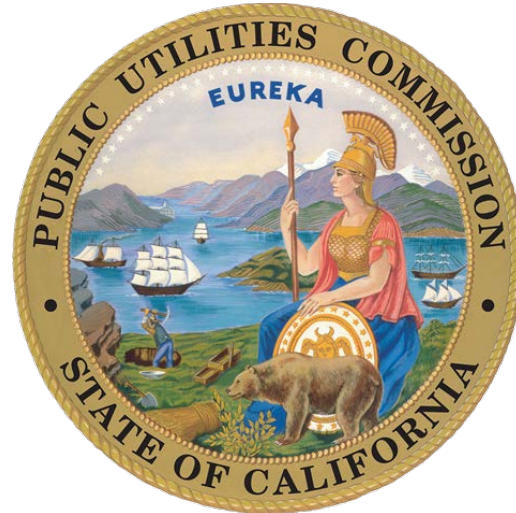# CALIFORNIA ADVANCED SERVICES FUND

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*Commissioner Committee on Emerging Trends*

*Wednesday, November 8, 2017*

# AB 1665 Changes to CASF Program

- Old Program Accounts and Balance

  - Infrastructure $33M

  - Infrastructure Loan $3M

  - Consortia $1.5M
    - Infra and/or adoption

  - Public Housing $12.5M
    - Infrastructure
    - Adoption

- New Program Accounts and New Monies

  - Infrastructure $300M

    - Line Extension $5M included

  - No new loans (3 granted)

  - Consortia $10M
    - Infrastructure only activities

  - Public Housing (no new $)
    - Infrastructure
    - Adoption

  - Adoption $20M

  Total: $330M

# AB 1665 Implementation Requirements

- 98% Infrastructure availability goal by consortia region
- Publish eligibility map excluding the following areas:
  - Connect America Fund (CAF) areas
  - Right of First Refusal (ROFR) areas
  - Areas having 6/1 Mbps or faster service
- Annual workshops by each April 30th through 2022
- Implement Adoption program by July 1, 2018 and prioritize disadvantaged communities
- Focus Consortia program on infra deployment criteria
- Apply Public Housing program eligibility rule retroactively
- Develop Line Extension program rules

# AB 1665 Implementation Strategies

- **Staff Activities**
  - Publishing eligibility map in Qtr.1, 2018
  - Designing ROFR & surcharge implementation
  - Designing regional area tools indicating:
    - Eligibility
    - Income levels
    - Adoption levels
    - Household density
  - Planning Workshops

- **Staff Program Improvement Ideas:**
  - Pay CEQA costs as incurred instead of after construction
  - Prioritize areas for grants
  - Provide expedited review
  - Reduce bond requirement
  - Leverage existing networks
  - Replace zip-code area filing requirement with census block area

# Draft Timeline for Overarching Program Policy Direction, Specific Rule Changes for Infrastructure Projects

- Public Workshops on Infrastructure Needs and Priorities on or before April 30, 2018

- Public Workshops on Adoption Account – by January 31, 2018

- Phase I:
  - Right of First Refusal, surcharge implementation through resolution – by end of December
  - PD for overarching program goals – by February 28, 2018
  - PD for adoption account, public housing account, loan account – by April 30, 2018 (program must begin by June 30, 2018)

- Phase II: PD for Infrastructure Funding program – by July 31, 2018
  - Incorporates ideas and feedback from public workshops
  - Staff assignments aligned to meet new program goals

- Note: Until new funding program is in place, continue funding of applications in interim from the last $30m

# Big Picture Ideas For Discussion

- **The following ideas are presented as items for discussion in preparation for setting the program's overarching program goals by Feb. 2018.**

- Planning and Problem Solving – setting statewide and regional goals for broadband deployment and adoption in unserved communities.

- Actionable Information – providing tools and data that connect the issue of broadband access to specific communities and instigates the support of elected officials, providers, and community leaders

- Low Income/Low Employment – prioritizing funding and staff assistance for economically distressed communities

- Consortia Requirements Restructure – aligning consortia goals and deliverables with region-specific deployment and adoption targets

- Provider Engagement – maximizing existing infrastructure for building out infrastructure for the unserved, and maximizing existing provider programs (i.e. affordable offerings from mergers, broadband lifeline) for increasing adoption rates

# Planning, Problem Solving and Collaboration

- **How should the Commission establish regional goals, coalitions, identify infrastructure and adoption issues in each region, recommend cost-effective solutions, and provide application assistance?**

- Establish regional deployment and adoption goals with allowance for variances

- Staff assume the role of 'caseworkers'- developing strategies, coalitions, and resources to drive deployment and ensure each consortia region meets the 98% deployment goal.

- Lay out the broad infrastructure issues in each region – needs, existing providers, existing infrastructure, identify economically distressed unserved communities, etc.

- Develop strategies to leverage existing infrastructure (e.g., auctioning fiber routes) and facilitate creative solutions for deploying broadband infrastructure (e.g., community-wide wireless broadband). This could also include piggy-backing on other infrastructure projects such as gas line digs and highway projects.

- Make concerted efforts to tap into the resources, expertise, and abilities of the Legislature, counties, cities, local departments (i.e., planning, economic development, utility, and emergency services departments), consortia, industry and advocates. Enlisting Commissioners when needed.

- Provide application assistance and offer an expedited application option.

# Actionable Information and Resources

- **How should the Commission provide information that directly connects the issue of broadband access to specific communities and instigates the support of elected officials?**

- The broadband map could be simplified to be more easily understood by the casual viewer. A separate "light" version should be created with only the most relevant layers.

- There are 1,000+ census designated places in the state. Most of these are defined communities with existing governance structures that should be leveraged. The commission should break down the deployment objective into specific communities to make the objective more tangible and actionable. It will be much easier for the Commission, elected officials, and consortia to advocate for specific communities, than general regions or census blocks.

- Create handouts detailing the status of broadband access for each county. These will identify the status of broadband access in each community within each county. See attached mockup

- Engage the public to help get the word out about CASF and broadband access issues in general. Create public interest profiles that illustrate the issue.

- Develop tools to effectively engage and mobilize individual households and directly improve the data that the Commission receives.

**Example: San Bernardino County**     DRAFT – For Illustrative Purposes Only

| County | Community Name | Households Underserved and Unserved at 6/1.5 | Households within Total Community | Percent of Community Households Unserved | Infra. Funding Estimate: $1500 per HH | Housing Density: HHs per Square Mile | Connect America Fund II Locations - Total | Percent of Underserved and Unserved Households Covered by CAF II | Community Median Household Income |
|---|---|---|---|---|---|---|---|---|---|
| San Bernardino | Hesperia city | 110 | 26,431 | 0% | 165,000 | 361.04 | 68 | 62% | $ 51,399 |
| San Bernardino | Colton city | 126 | 14,971 | 1% | 189,000 | 933.40 | 70 | 56% | $ 51,692 |
| San Bernardino | San Bernardino city | 141 | 59,229 | 0% | 211,500 | 995.50 | 198 | 140% | $ 43,220 |
| San Bernardino | Morongo Valley CDP | 146 | 1,602 | 9% | 219,000 | 63.52 | 186 | 127% | $ 35,657 |
| San Bernardino | Big River CDP | 185 | 640 | 29% | 277,500 | 56.39 | 344 | 186% | $ 26,787 |
| San Bernardino | Oak Glen CDP | 186 | 186 | 100% | 279,000 | 12.65 | 109 | 59% | $ 69,639 |
| San Bernardino | Apple Valley town | 204 | 23,600 | 1% | 306,000 | 319.89 | 179 | 88% | $ 54,223 |
| San Bernardino | Baker CDP | 215 | 215 | 100% | 322,500 | 79.99 | 177 | 82% | $ 38,043 |
| San Bernardino | Victorville city | 243 | 32,571 | 1% | 364,500 | 440.84 | 57 | 23% | $ 43,824 |
| San Bernardino | Yucca Valley town | 277 | 8,274 | 3% | 415,500 | 206.77 | 236 | 85% | $ 46,051 |
| San Bernardino | Lytle Creek CDP | 336 | 336 | 100% | 504,000 | 55.83 | - | 0% | $ 70,865 |
| San Bernardino | Needles city | 346 | 1,918 | 18% | 519,000 | 61.33 | 407 | 118% | $ 34,933 |
| San Bernardino | Twentynine Palms city | 395 | 8,095 | 5% | 592,500 | 136.87 | 189 | 48% | $ 44,078 |
| San Bernardino | Fort Irwin CDP | 498 | 2,371 | 21% | 747,000 | 336.17 | 8 | 2% | $ 49,928 |
| San Bernardino | Homestead Valley CDP | 1,389 | 1,389 | 100% | 2,083,500 | 41.00 | 1,343 | 97% | $ 27,817 |

# Economically Distressed Communities

- Identify, Prioritize and incentivize deployment in economically distressed (low income, low employment) communities

Types of prioritization could include:

1. Prioritize projects in distressed communities over other projects
2. Prioritize staff time on fostering broadband projects to distressed communities
3. Offer sliding-scale funding with a higher percentage for distressed communities
4. Continue to evaluate annually for needed adjustments if populations are still not being served

# Restructured Consortia Requirements

- **How should funding for consortia be measured to ensure more consistent output, improved collaboration with industry and elected officials, and held to more deployment-specific goals and objectives?**

- Develop the application for consortia funding to include specific goals that focus on infrastructure (e.g., planning, stakeholder engagement, data verification, etc.).

- Set clear goals and objectives to increase adoption in communities without broadband access.

- Give consortia standardized training and materials that address the new deployment and adoption goals, with a particular focus on distressed communities. This will help address concerns over inconsistent output between the numerous consortia, and create shared resources (e.g., a consortia Wiki) that will minimize the duplication of adoption efforts.

- Add state, county, and municipal elected officials to regional consortia in addition to the information that the Commission provides about broadband access in their districts.

- CPUC commissioners become more involved, each assigned to visit several consortia regions and communities.

# Provider Engagement

- **How should the Commission enforce merger conditions, monitor CAF II deployment, and engage providers to identify barriers that prevent them from participating in the program?**

- Engage existing providers that have enforceable merger conditions that impact deployment and adoption. Both Charter and Frontier committed to provide low income broadband programs in the Commission's merger approval decisions.

- Commissioners engage providers to identify barriers that may be preventing them from participating in CASF, as well as building out to unserved communities.

- Promote applications from small business Internet providers and non-profit organizations.

# Q&A/Thank you!