

**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

**OPENING COMMENTS OF THE CITY AND COUNTY OF SAN
FRANCISCO ON THE PROPOSED SCOPE OF PHASE I OF THIS
PROCEEDING AND THE PROPOSED BROADBAND ADOPTION,
PUBLIC HOUSING AND LOAN ACCOUNTS APPLICATION
REQUIREMENTS, GUIDELINES AND QUESTIONS**

I. INTRODUCTION

Pursuant to the Amended Scoping Memo and Ruling of Assigned Commissioner Martha Guzman Aceves dated February 14, 2018, the City and County of San Francisco (“San Francisco”) submits these amended opening comments on the proposed scope of Phase I of this proceeding the proposed Broadband Adoption, Public Housing and Loan Accounts Application Requirements, Guidelines and Questions (“Proposed Broadband Adoption Account”).

San Francisco lauds the work of the California Public Utilities Commission (“Commission”) staff in implementing Assembly Bill 1665, which the Legislature adopted in order to revise the goal of the California Advanced Services Fund to provide funding for infrastructure projects to continue to bridge California’s digital divide. The Proposed

Broadband Adoption Account is a step in the right direction. San Francisco files this comments to address some of its concerns regarding the Proposed Broadband Adoption Account.

II. SAN FRANCISCO 'S COMMENTS ON APPENDIX B

A. Proposals for Broadband Adoption Account

San Francisco submits the following comments on Section 1 of the Proposed Broadband Adoption Account.

1. Section 1.5 Eligible Projects

Under the part of Section 1.5 entitled “Digital Literacy Project,” the staff proposal identifies as of the items subject to 85% Commission funding as the “[p]rovision of technical support for the installation of equipment subsidized through this program.” San Francisco agrees that technical support is a critical aspect of digital literacy. San Francisco suggests expanding eligibility for potential digital literacy projects to provide general technical support services, beyond the installation of equipment subsidized through the program, to high-need communities.

In our experience, low-income, senior, and other communities facing high socioeconomic barriers to broadband adoption are disproportionately affected by cybersecurity threats, including malware and viruses. Without quality and affordable technical support services to resolve such issues, members of these communities are more likely to disengage from online adoption and use.

San Francisco also suggests that the cost of a broadband connection for digital literacy projects and broadband access projects be included as a reimbursable item. Fast and robust broadband connections are expensive but will be essential to the success of digital literacy classes and public access sites.

2. Section 1.6 Subsidy Level

The staff proposal establishes a subsidy level of “no more than \$1,000, with a cap of 20 devices per designated space or project” for “computing devices used in community training rooms or other public space, such as local government centers, senior centers, schools, public

libraries, nonprofit organizations, and community-based organizations.” The proposal’s use of the term “computing devices” is vague, because it does not indicate whether or not the per-device subsidy limit includes software costs for each device.

If the limit does include software, San Francisco recommend increasing the limit to at least \$1,500 to ensure community training rooms and public spaces are furnished with disability-friendly computers. *JAWS*, one of the most widely adopted screen readers, starts at \$900 per license. Apple’s Macintosh computers have built-in screen readers, but those desktop computers start at \$1299.

3. Section 1.7 Information Required from Applicants

The staff proposal suggests that digital literacy project description include a projection of the number of new residential broadband subscriptions that would resulting from the project. (Requirement 1.t.) San Francisco recommends deleting this requirement, as it would require project applicants to make some tenuous and speculative assertions.

4. Section 1.8 Evaluation Criteria

Under Digital Literacy Project evaluation criteria, the staff proposal lists “type of training provided (on-site teacher and/or tutoring) and the complexity of the curriculum (does the curriculum only provide instruction in basic internet skills, or does it also provide instruction beyond basic knowledge?); on-site instruction and curriculum that can be provided to students with different skill sets garner more points.”

For transparency and consistency in evaluation, San Francisco suggests that the Commission define standards for “basic internet skills” curriculum and curriculum that would provide for instruction “beyond basic knowledge.” Examples of items for “basic internet skills” curriculum include email, internet search, and online safety. Examples of items for “beyond basic knowledge” instruction include productivity software and equipment troubleshooting.

5. Section 1.10 Expedited Review

The first criteria for expedited review for both Digital Literacy Project and Broadband Access Project is currently stated as the “Applicant is proposing to serve a low-income

population.” To remain consistent with previously stated eligible project definitions and guidelines, San Francisco recommends revising this criteria to the: “Applicant is proposing to serve a community with limited broadband adoption, including a low-income community, senior community, people with disabilities, or other community facing socioeconomic barriers to broadband adoption.”

6. Section 1.12 Other Issues for Comments

San Francisco offers the following comments on some of the questions posed by the Commission:

- a. “How should the Commission gather and report the number of subscriptions resulting from the Broadband Adoption Account? How can grantees help track performance metrics for the program?”

San Francisco suggests having grantees survey participants to measure broadband subscription levels before receiving the intervention (e.g. digital literacy training or other broadband adoption services) and at several intervals after the intervention. In addition, the Commission should consider conducting large-scale statewide broadband adoption surveys to measure the broader impact of its initiatives. Ideally, these surveys would be conducted on at least a biannual basis and provide granular enough data to allow for comparison between towns and neighborhoods. Such surveys would allow the Commission to compare broadband subscription rates in neighborhoods receiving Broadband Adoption Account funding against those which did not.

A leading example of this approach is the 2014 study of Chicago’s federally funded broadband adoption projects, *Measuring Change in Internet Use and Broadband Adoption: Comparing BTOP Smart Communities and Other Chicago Neighborhoods*.¹ This study found that neighborhoods that received the intervention had a nine percentage point higher increase in Internet use compared to demographically similar non-intervention neighborhoods. A statewide

¹ Available at: <https://copp-community.asu.edu/sites/default/files/REVChicagoSmartCommunitiesCHANGE042514-final%20%282%29.pdf>

survey would also help the Commission measure and compare needs among different communities.

- b. “There is no way to guarantee that education and outreach will effect adoption levels. How can applicants guarantee that their program will result in increased adoption rates among their community?”

In numerous studies on the digital divide, cost of broadband service is cited as one of the most prevalent barriers to broadband adoption. Even the cost of discount programs can be prohibitive to many low-income households. Because subsidies for residential Internet services do not seem to be allowable costs, San Francisco seeks guidance from Commission on ways for potential applicants to partner with Internet Service Providers to offer free service to community residents who participate in education and outreach programs.

- c. “How can the Commission determine the socioeconomic benefits of the program to the low-income community?”

San Francisco’s digital inclusion program is currently conducting a study with a University of California at Berkeley graduate student to quantify the benefits of broadband adoption and digital literacy. The study will focus on measuring employment and time savings outcomes. The study will be completed in May 2018 at which time San Francisco intends to share its findings and methodology with the Commission. San Francisco also recommends the *Final Report: Social and Economic Impacts of the Broadband Technology Opportunities Program* conducted for the National Telecommunications and Information Administration (“NTIA”).² The NTIA report evaluates the social and economic impact of Broadband Technology Opportunities Program infrastructure, adoption, and public computing center grants. Most relevant for the Commission’s Broadband Adoption Account, is the report’s finding that public computing center and broadband adoption programs improved job search outcomes, resulting in \$94 million in additional income for public computing center participants and \$190 million for adoption program participants.

² Available at: https://www.ntia.doc.gov/files/ntia/publications/asr_final_report.pdf

III. CONCLUSION

San Francisco appreciates the opportunity to participate in this proceeding and hopes that the Commission will take these comments into account as this proceeding moves forward.

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