

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

**Communications Division  
Broadband, Policy, and Analysis Branch**

**RESOLUTION T-17419  
October 31, 2013**

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

**Resolution T-17419. Approval of a New Fiscal Agent and Sponsor Agent for the Upstate California Connect Consortium and the Northeast California Connect Consortium Under the California Advanced Services Fund's Rural and Urban Regional Broadband Consortia Grant Account**

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**Summary**

This resolution approves the California State University Chico Research Foundation, Office of Sponsored Programs, as the new fiscal agent, and the California State University Chico Geographic Information Center as the new sponsor agent for both the Northeast California Connect Consortium and the Upstate California Connect Consortium, two of the fourteen Commission-approved regional broadband consortia. The Commission grants the approval in this resolution in accordance with procedures and guidelines set forth in Decision (D.)11-06-038, Section (§) 6.4.4. The Commission previously approved California Advanced Services Fund Rural and Urban Regional Broadband Consortia grants for both entities in Resolution T-17349 (December 2, 2011), pursuant to California Public Utilities (P.U.) Code § 281 and D.11-06-038.

**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 P.U. Code § 281) expanded the program 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 purpose of the Rural and Urban Regional Broadband Consortia Account (Consortia Grant Account) is "to fund the cost of

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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.

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, adding \$100 million to the Broadband Infrastructure Grant Account, \$10 million to the Consortia Grant Account and \$15 million to the Broadband Infrastructure Revolving Loan Account. (P.U. Code § 281(b)(1).)

In D.11-06-038 (June 23, 2011), the Commission adopted administrative procedures, guidelines, and a selection process for awarding grants under the Consortia Grant Account. The decision limited consortia grants to one regional consortium per geographic region, and capped grant funding at \$150,000 per year for each consortium for the first year, with a maximum total cap of \$450,000 for three years.<sup>2</sup> In addition, the Commission adopted processes for subsequent modifications to the grant, including a requirement that the Commission must approve by resolution a change of fiscal agent.

On December 2, 2011, the Commission approved Resolution T-17349, which awarded grant funding to a group of seven consortia, including the Northeast California Connect and Upstate California Connect Consortia. Resolution T-17349 approved the Corporation for Education Network Initiatives in California (CENIC) as the fiscal agent and sponsor for both consortia, with the California State University (CSU) Chico Center for Economic Development as the co-applicant. With CENIC’s approval, the CSU Research Foundation, Office of Sponsored Programs and the CSU Chico Geographic Information Center request Commission consideration to become respectively the new fiscal agent and sponsor. In accordance with D.11-06-038 § 6.4.4, this resolution approves these requested changes.

## **Discussion**

With the Commission’s approval of Resolution T-17349, the Upstate California Connect Consortium (UCCC) and the Northeast California Connect Consortium (NECC) began operation on January 1, 2012. The Commission approved CENIC as both the fiscal and sponsor agent of UCCC and NECC, with the stated purpose of promoting broadband deployment, access, and adoption in fourteen counties in Northern California. NECC receives consortia grant funding of \$149,997 each year for three years, subject to satisfactory performance and approval of annual work plans. UCCC receives \$149,898 each year for three years, also subject to satisfactory performance and approval of annual work plans.

Both the NECCC and UCCC were initially formed by the CSU Chico Center for Economic Development to participate in the work funded by the California Emerging Technology Fund. In its present organizational set-up, both consortia are composed of organizations and entities that have experience in promoting the need for and delivery of networked telecommunications. Members include government entities (county, city/town, unincorporated districts, state and federal), Native-American communities, educational

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<sup>2</sup> With exception to the Los Angeles County region where the Commission adopted a higher funding level per D.11-06-038 and D.11-07-034.

institutions, libraries, public safety entities, health delivery facilities, community and non-profit organizations, local businesses, telecommunications providers, electric utilities, and other organizations in fourteen counties in Northern California.

Significant deliverables thus far include a conceptual design for the Northern California regional 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 of the fourteen counties, as well as their potential to be included in the conceptual design, and a report assessing the availability of adoption programs in each county. A second significant task is updating the status of access in each county and assessing the status of training and adoption programs available across the three counties.

On May 29, 2013, CSU Chico Research Foundation's Office of Sponsored Programs and CSU Chico Geographic Information Center jointly submitted a letter to the Communications Division (CD) requesting Commission approval as the new fiscal and sponsor agent, respectively, for the UCCC and NECC. Additionally, CENIC, the current fiscal and sponsor agent for both consortia, submitted a letter supporting this change in consortia leadership. Per the request of CD staff, on August 12, 2013, CSU Chico Research Foundation's Office of Sponsored Programs and CSU Chico Geographic Information Center submitted revised work plans and budgets for both consortia, along a notarized Attachment E - Affidavit, Attachment H - Consent Form, and standard Form 204 Payee Data Record, as required under D. 11-06-038.

In follow-up discussions with Communications Division staff, all entities involved believe that the work of the UCCC and NECC is more consistent with the mission, expertise, and experiences of CSU Chico. Furthermore, CSU Chico has geographical proximity and numerous community partners in all of these counties. CENIC will continue to participate with a specific focus on its education segment constituencies.

Therefore, Communications Division staff recommends CSU Chico Research Foundation, Office of Sponsored Programs as the new fiscal agent, and CSU Chico Geographic Information Center as the new sponsor, for NECC and UCCC. As the new fiscal agent, CSU Chico Research Foundation, Office of Sponsored Programs will be responsible for performing fiscal duties including, but not limited to, preparing and administering payment requests, filing quarterly activity reports, and maintaining and producing expense documentation for the CASF program.

While no direct or quantifiable safety impact is associated with approving a new fiscal agent for these CASF consortia grantees, this resolution has an indirect positive impact on public safety as it would allow CASF consortia activities to continue to promote broadband service in the fourteen counties in Northern California. With broadband service, the public can access interactive health and safety websites.

## Comments on Draft Resolution

In compliance with PU Code § 311(g), on October 1, 2013, Communications Division emailed a notice letter to parties on the service lists of Rulemaking (R.) 10-12-008 and R.06-06-028, CASF applicants, and telecommunications carriers registered with the Commission of the availability of the draft of this resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov/PUC/documents>. 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. In D.11-06-038 (June 23, 2011), the Commission adopted administrative procedures, guidelines, and a process for any subsequent changes in the fiscal agent of a regional consortium. A change in the fiscal agent must be approved by a Commission resolution.
2. With the Commission's approval of Resolution T-17349 (December 2, 2011), Northeast California Connect Consortium (NECC) and the Upstate California Connect Consortium (UCCC), Broadband Consortium began operations on January 1, 2012.
3. The Commission approved the Corporation for Education Network Initiatives in California (CENIC) as the fiscal and sponsor agent for the NECC and UCCC.
4. On May 29, 2013, the California State University (CSU) Chico Research Foundation, Office of Sponsored Programs, and CSU Chico Geographic Information Center submitted a letter to the Communication Division, requesting Commission approval as the new fiscal and sponsor agents, respectively, for the UCCC and NECC. In this letter, CSU Chico Research Foundation, Office of Sponsored Programs and CSU Chico Geographic Information Center agree to comply with the Commission's directives and conditions relating to the review, approval, and administration of any consortium application grants, as per D.11-06-038 and the CASF Consortia Administrative Manual.
5. CENIC, the current fiscal and sponsor agent for both consortia, submitted a letter supporting this change in consortia leadership.
6. On August 12, 2013, CSU Chico Research Foundation, Office of Sponsored Programs and CSU Chico Geographic Information Center submitted revised work plans and budgets for both consortia, along with the notarized Attachment E - Affidavit, Attachment H - Consent Form, and standard Form 204 Payee Data Record, as required under D. 11-06-038.
7. All entities involved in both consortia believe that the work of the NECC and UCCC is more consistent with the mission, expertise, and experiences at CSU Chico than that of

CENIC. CSU Chico also has geographical proximity and numerous community partners in all of these counties. For these reasons, we believe that CSU Chico will be able to ensure the most effective outcomes for the NECC and UCCC. CENIC will continue to participate with a specific focus on its education segment constituencies.

8. Communications Division (CD) staff recommends approval of the CSU Chico Research Foundation, Office of Sponsored Programs and CSU Chico Geographic Information Center as the new fiscal and sponsor agent for the UCCC and NECC. As fiscal agent, CSU Chico Research Foundation, Office of Sponsored Programs will perform fiscal duties including, but not limited to, preparing and administering payment requests, filing quarterly activity reports, and maintaining and producing expense documentation for the CASF program.
9. CD emailed a notice letter on October 1, 2013, informing the parties of record in Rulemaking (R.) 10-12-008 and R.06-06-028, CASF applicants, and telecommunications carriers registered with the Commission of the availability of the draft resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov/PUC/documents>.

**THEREFORE, IT IS ORDERED that:**

1. The California State University Chico Research Foundation, Office of Sponsored Programs, and the California State University Chico Geographic Information Center are approved as the new fiscal and sponsor agents, respectively, for the Northeast California Connect Consortium (NECC) and the Upstate California Connect Consortium (UCCC).
2. The California State University Chico Research Foundation, Office of Sponsored Programs shall administer the fiscal responsibilities of both the NECC and the UCCC, in accordance to Commission Decision 11-06-038 and the California Advanced Services Fund Regional Consortia Administrative Manual.
3. CD staff still must approve NCCC and UCCC Year 3 budget allowances and work plans authorized by this resolution.
4. The disbursement of funds shall be subject to the requirements set forth in Decision 11-06-038 including the submission of quarterly progress reports and supporting documentation for payment reimbursement.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 31, 2013. The following Commissioners approved it:

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PAUL CLANON  
Executive Director