

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

Draft Resolution R. 12-10-012 Order

Instituting Rulemaking to Consider

Modifications to the California Advanced

Services Fund

DRAFT RESOLUTION R.12-10-012

**COMMENTS OF VALLEY VISION**

**ON**

**DRAFT RESOLUTION 12-10-012**

**ORDER INSITUTING RULEMAKING TO CONSIDER MODIFICATIONS**

**TO THE**

**CALIFORNIA ADVANCED SERVICES FUND**

TARA THRONSON

Project Manager

Valley Vision

2320 Broadway

Sacramento, CA 95811

Telephone: (916) 325-1630

Facsimile: (916) 325-1635

E-Mail: [Tara.Thronson@valleyvision.org](mailto:Tara.Thronson@valleyvision.org)

July 28, 2014

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## **BACKGROUND**

VALLEY VISION, hereby submits its Comments in response to the DRAFT RESOLUTION 12-10-012, Order Instituting Rulemaking to Consider Modifications to the California Advanced Services Fund.

Valley Vision is an independent nonprofit based in Sacramento. Through our outreach work as the host agency for the “Connected Capital Area” Broadband Consortium (CCABC), we have heard from multiple stakeholders about how to best meet the broadband needs in urban and rural areas. In particular, the CCABC is focused on closing the Digital Divide and thereby opening opportunities for disadvantaged communities.

## **WIRED VS. NOT WIRED PROPERTIES**

Valley Vision staff suggests in Recommendation 41 that the Commission prioritize applications from organizations whose properties are not wired for broadband. Properties that do not have wiring for 100 percent of units will be able to start submitting applications on December 1, 2014. Publicly-subsidized properties that are both wired and not wired will be able to submit their applications 6 months later.

Valley Vision requests clarification on this Recommendation on the definition of “properties that are/are not wired.” Is a property considered “not wired” or “unserved” if it does not have a phone or cable connection? A property can not be considered “served” if it is wired for phone or cable service as having those services does not constitute having broadband at home.

The clear intent of the law is to get high-speed Internet connectivity that is affordable for both the owner and the resident of publicly-subsidized housing. For the program to be successful, building owners have to be able to apply for AB1299 funds as soon as possible even if the units have a

phone line or few former or current tenants directly ordered broadband service in the past. Unless the property owner ordered high-speed Internet connectivity service for the entire property, the property should be considered unserved.

Publicly-subsidized housing organizations that have unserved and underserved properties should be able to apply for infrastructure and adoption funding from the beginning of the grant process in December 2014.

### **MAXIMUM THRESHOLD**

Recommendation 18 states that the Commission should cap the total grant request amount CPUC staff may approve (\$75,000) along with a maximum amount per unit (\$300-\$600, depending on the size of the property), among additional criteria.

Valley Vision recommends not setting a grant funding threshold for expedited staff approval but only using an acceptable range of cost per unit based on documented evidence. The goal should be to get as many publicly-subsidized units and complexes connected as possible. Applicants should be allowed to apply for multiple grants for various developments simultaneously. Valley Vision wants to reiterate that establishing a maximum cap for staff approval might result in discouraging applicants from requesting funding for multiple projects in their portfolio, which can increase efficiency and accelerate impact from AB1299. If a maximum threshold must be established for CPUC staff to approve grants by using a checklist, Valley Vision supports authority for staff approval of application to be \$500,000.

## **REGIONAL DISTRIBUTION**

AB 1299 requires the Commission, to the extent feasible, to approve projects for publicly-supported communities “in a manner that reflects the statewide distribution of publicly supported communities.” Recommendation 10 proposes setting aside 15% of the infrastructure and adoption funding to fulfill this requirement.

Valley Vision wants to reiterate that a reservation by proportion of statewide total units in each geographic area (at least Southern and Northern California) should be in place to provide fairness in funding to meet the magnitude of need. The Commission might need to take into account documented variations in the cost of doing business in different regions of the state. The Commission should approve projects for publicly-subsidized multi-tenant affordable housing complexes in a manner that reflects their statewide distribution, analyzed and tracked by complexes and total units. In order to comply with the “geographic proportionality requirements” of AB1299, the CPUC CASF staff should “reserve the right to not approve applications for viable projects” at a point in time when the percentage amount of funds awarded for Northern California or Southern California or a specific region meets or slightly exceeds the percentage of publicly-subsidized multi-tenant units in that geographic area.

## **SERVICE SPEED**

Recommendation 20 states that the Commission should require applicants to build networks capable of providing Commission- defined served speeds but not insist on bandwidth requirements. Valley Vision recommends that the Commission should set a minimum speed required to ensure low-income families and individuals residing in publicly-subsidized housing receive appropriate speeds that will allow them to conduct meaningful activities, including streaming video online. Valley Vision suggests a minimum service speed of 1.5 Mbps both ways.

## **ALLOWABLE INFRASTRUCTURE SPEEDS**

Valley Vision agrees the infrastructure funds should cover all aspects of a unit connectivity project.

Valley Vision recommends adding one more item to the list of approved installation cost expenses stated in Recommendation 13, which is the electrical installation and labor required to power the eligible hardware for the project.

## **SERVICE FEE**

Recommendation 19 suggests in cases where the applicant decides not to offer free Internet service, the Commission require applicants commit to charging residents less than \$20 per month.

A reasonable affordable rate for residents of publicly-subsidized housing, based on various workshops and hearings put on by the Commission, show general agreement that low-income residents would be able to afford a high-speed Internet service at home of up to \$10 a month.

That is the current monthly cost of Comcast Essentials and Mobile Citizen services. Valley Vision suggests that service fees of up to \$10 a month is more in line with the economic realities and affordability limits of the residents.

Dated: July 28, 2014

Respectfully submitted,

VALLEY VISION

/s/TARA THRONSON

Tara Thronson  
Project Manager  
Valley Vision  
2320 Broadway  
Sacramento, CA 95811  
Telephone: (916) 325-1630  
Facsimile: (916) 325-1635  
E-Mail: Tara.Thronson@valleyvision.org