



## EducationSuperHighway Comments for California's BEAD Initial Proposal, Volume 2

EducationSuperHighway welcomes the chance to provide feedback on the CPUC's draft BEAD Initial Proposal Vol. 2. We commend the commission's commitment to addressing the persistent challenge of broadband affordability within California and its openness to utilizing inventive strategies. We are particularly supportive of the CPUC's intention to promote and endorse initiatives that enhance universal access to affordable broadband. By adopting cost-effective solutions like [Apartment Wi-Fi](#), a managed Wi-Fi solution, the CPUC has the potential to effectively tackle both affordability and connectivity for many Californians living in multi-dwelling units (MDUs).

### Comment on Requirement 8: Deployment Subgrantee Selection

#### Project Areas that contain both MDU BSLs and non-MDU BSLs

One challenge with bidding at the Project Areas (PAs) level is that each PA may contain both MDU BSLs and non-MDU BSLs, such as a single-family home. In situations like these, a **partnership of subgrantees** may be necessary to address the needs of Californians residing in that PA adequately, especially those households living in MDUs. In most cases, last-mile providers will only provide a "pass-by" to the MDU (i.e., drop a connection off to the MDU at the building level but not to the units). Or, in the case of the Managed Service Providers (MSPs) specializing in property-wide, managed-Wi-Fi solutions, they may have the perfect solution for the MDU but not necessarily for connecting single-family homes.

One way to ensure the problem of "MDU pass-bys" does not occur and that all the units of an MDU BSL get served is to **require any proposed solution from subgrantees bidding on PA that include MDUs must demonstrate how it will connect all units within an MDU.** EducationSuperHighway will make a similar comment on all states' Volume 2, invoking the NOFO language that asks "how the Eligible Entity intends to ensure that **every resident** has access to a reliable, affordable, high-speed broadband connection."

#### Cost per unit versus cost per BSL

Connecting all the units in a multi-dwelling unit (MDU) will be more expensive compared to connecting a standalone single-family home. We therefore recommend that the CPUC assess the costs for MDUs based on a per-unit basis rather than a cost per BSL. This approach will enable a more precise comparison of costs for MDUs and ensure that each family living in a specific unit is connected.



### *Normalization of proposal costs & consumer pricing*

Accordingly, the CPUC should consider a request for a detailed breakdown of costs per unit in any proposal involving MDU BSLs to accurately identify the most competitive and cost-effective solution. Additionally, proposals should include a breakdown of the price per customer served (e.g., price per unit in MDUs) to facilitate comparisons, especially for MDUs that may present pricing differences, such as bulk pricing (charges to the property owner) versus retail pricing (charges to the unit).

## Scoring criteria

### *Evaluating for affordability*

EducationSuperHighway applauds the CPUC's acknowledgment of affordability's significance in addressing the digital divide in California.

The CPUC's proposed scoring rubric admirably awards up to 40 points for applicants who commit to a \$30 plan for 100 / 20 Mbps offers and a \$50 for a 1 Gig symmetrical and goes further by requiring subgrantees to offer a \$15 Low-Cost Broadband plan should the ACP funding be expended and no program be left in its place.

EducationSuperHighway implores the CPUC to go even further by assigning **additional points to solutions that are committed to offering free service during the performance period of BEAD**. ACP has shown that **free broadband service** for residents is a powerful solution for the affordability barrier to adoption since it reduces and/or eliminates many of the obstacles to home internet adoption, such as financial commitments, credit checks, and enrollment paperwork. As such, we invite the CPUC to consider incentivizing solutions that provide a free service tier and help reduce the need for resource-strapped families to choose between paying for their internet bill and paying for food.

EducationSuperHighway acknowledges the real challenge providers face in maintaining profitability due to pricing constraints imposed by BEAD. We recognize that annual increases in plan costs relative to inflation can incentivize providers to serve these markets. However, given that affordability is the leading cause of today's digital divide, we recommend requiring, or at least scoring higher, proposals that commit to not raising the cost of the low-cost option through the performance period of BEAD.



### *MDU Internal Wiring Ownership*

Referring to the NOFO language that “*It also requires all projects to...**further prioritize proposals that improve affordability** to ensure that networks built using taxpayer dollars are accessible to all Americans.*” Prioritizing long-term competition is crucial for addressing affordability. In the case of MDUs, if property owners, rather than providers, own the internal wiring infrastructure, property owners can engage with the wider marketplace without access restrictions. EducationSuperHighway suggests mandating or giving higher scores to solutions that lead to property owner ownership of **internal wiring within an MDU.**

### *Evaluating Service Quality*

In addition, EducationSuperHighway urges the CPUC to include in its selection criteria considerations that make a solution more “affordable,” even if this goes beyond strict cost factors. Examples explicitly called out in the NOFO a “*broadband service option should address*” are “**reliability commitments**” and “*download and upload speeds, latency, any limits on usage or availability, and any **material network management practices.***”

In this context, “material network management practices” and “reliability commitments” could include quality of **technical support, enforceable Service Level Agreements, and optimized Wi-Fi spectrum design.** For example, a \$50/month 100Mbps symmetric Managed Wi-Fi plan is actually more affordable than a \$50/month 100Mbps symmetric retail plan because Managed Wi-Fi services uniquely offer additional value through enterprise-quality network management practices and reliability commitments.

Similarly, we recommend that the CPUC add additional scoring criteria to go beyond speed and award additional points for solutions that provide superior network management practices like superior technical support, enforceable Service Level Agreements, and optimized Wi-Fi spectrum design, all practices provided as a standard for enterprise quality networks like those provided by Managed Wi-Fi.

Another means we recommend for incentivizing a high-quality network is to include these network management practices as part of the minimum criteria of the recommended low-cost and middle-class service options, such as the requirement for outage credits to the consumer (e.g., measured at 1/30 of the monthly rate per day for an outage of over 12 hours) included in the Kansas Office of Broadband proposal.



## Public benefits of a Managed Wi-Fi Solution

The BEAD NOFO emphasizes that “competition among broadband providers has the potential to offer consumers more affordable, high-quality options for broadband service.” Unlike the traditional model of relying on one or two broadband providers, BEAD can leverage these providers to serve as backhaul connections for companies offering consumer-facing solutions like managed Wi-Fi Service Providers. And MSPs can then be sourced nationwide, many of which include minority-, women-, or veteran-owned companies.

## Community Anchor Institutions (CAI)

EducationSuperHighway applauds the CPUC for prioritizing CAIs in its initial grant round by prioritizing projects based on the total number of locations BSLs and CAIs in their proposed project area. For proposals that are not able to include all the CAIs in a project area, EducationSuperHighway also recommends including a similar approach to Wyoming’s Broadband Office, which also prioritizes proposals that maximize the potential future inclusion of CAIs by scoring higher designs that include the most CAI pass-byes. By efficiently building out networks to priority projects of underserved locations by considering the buildout’s **proximity to CAIs**, CAIs like public and affordable housing are more likely to be served.

EducationSuperHighway applauds the CPUC on its forward-looking, expansive definition of CAIs in its Initial Proposal. ESH invites the CPUC to consider one further expansion of the definition of CAI: to augment the current definition of public housing by including **affordable housing (also known as low-income housing)** as well.

Concretely, this would change the CPUC’s current CAI definition from “Public housing organizations: Public housing organizations were identified by contacting the Public Housing Agencies (PHAs) for California enumerated by the U.S. Department of Housing and Urban Development, as well as by contacting nonprofit organizations Public and Affordable Housing Research Corporation (PAHRC) and National Low-Income Housing Coalition, which maintain a database of nationwide public housing units at the National Housing Preservation Database (NHPD)” to:

Public housing organizations **and low-income housing**: Public housing organizations **and low-income housing** were identified by contacting the Public Housing Agencies (PHAs) for California enumerated by the U.S. Department of Housing and Urban Development, as well as by contacting nonprofit organizations Public and Affordable Housing Research Corporation (PAHRC) and National Low-Income Housing Coalition, which maintain a database of nationwide public housing units at the National Housing Preservation Database (NHPD), **as well as other sources.**” (emphasis added).



EducationSuperHighway proposes the following definition for low-income housing, taken from the ongoing CPUC proceedings to define **low-income community housing** in its California Advanced Services Fund Broadband Public Housing Account Program:

*“Low-income community” is a*

- a. A publicly supported housing development*
  - b. Farmworker housing*
  - c. Other housing development*
  - d. Mobile home park*
  - e. One or more Census block group(s), each with a median household income at or below 80 percent of the statewide median income or with median household incomes at or below the county-specific threshold designated as “low-income” by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093.*
- C. “Other Housing Development” is (a) any multi-dwelling unit development in which all units are owned by the same entity(ies) and that has 80% or greater residential units that are “low-income;” (b) tribal housing, including developments funded with Housing and Urban Development (HUD) funding or through a Tribally Designated Housing Entity (TDHE).*

## Conclusion

EducationSuperHighway appreciates the opportunity to submit comments to the CPUC as California develops its plans aimed at ensuring affordable, reliable high-speed internet access. We look forward to supporting the state's ongoing efforts and stand ready to provide pro-bono support and resources for this crucial work.