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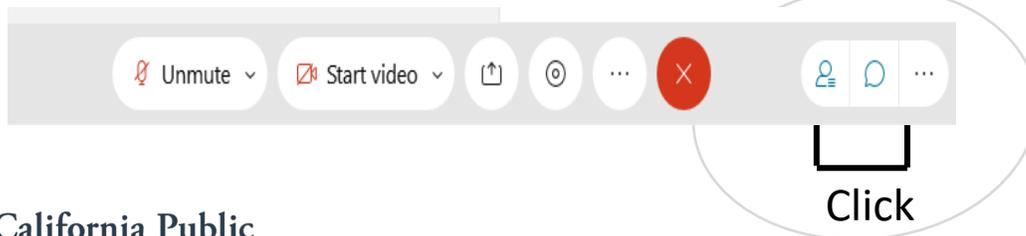
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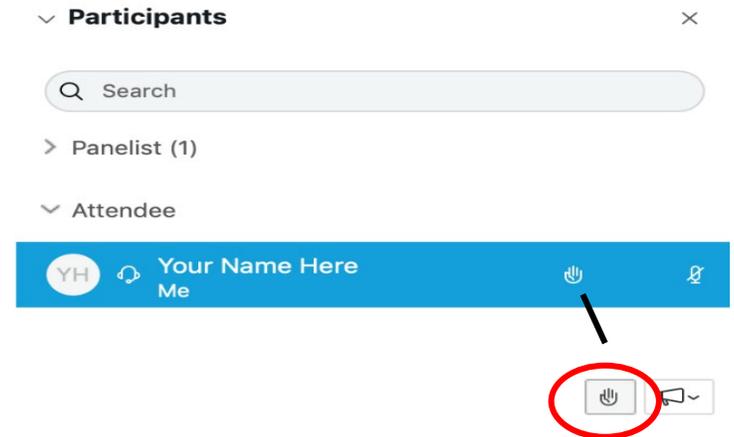
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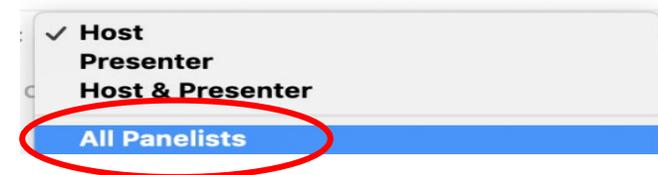


California Public
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Funding Opportunities for Broadband Projects Closing California's Digital Divide



June 28, 2023



California Public
Utilities Commission



California Public
Utilities Commission

Thank You for Joining: Funding Opportunities for Broadband Projects Closing California's Digital Divide

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Questions?

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Chat



To: Everyone

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Introductions

- Ben Menzies – Senior Policy Advisor - CPUC Communications Division
- Cole Przybyla - Senior Advisor - California Department of Technology

Topics On Today's Agenda

- Broadband Equity, Access, and Deployment (BEAD) Program
- State Digital Equity Plan (with California Department of Technology)
- Last Mile Federal Funding Account (FFA)
- California Advanced Services Fund (CASF)

Broadband Equity, Access, and Deployment Program (BEAD)

What is BEAD?

- **\$1.86 billion** awarded to California from the Infrastructure Investment and Jobs Act (IIJA) to expand broadband access
 - Administered federally by National Telecommunications and Information Administration (**NTIA**)
 - Our allocation is based on California's share of unserved locations nationally
- The California Department of Technology (**CDT**) is the administering agent for the related **Digital Equity Plan** (coordinated with BEAD)
- CPUC will distribute funds to **subgrantees** for eligible projects once rules are approved and funding is released
- Primary goal: deploy reliable broadband to all **unserved locations**
 - Secondary goals: Deployment to “underserved locations,” Community Anchor Institutions, non-deployment uses
 - Unserved = speeds less than 25/3. Underserved is less than 100/20.

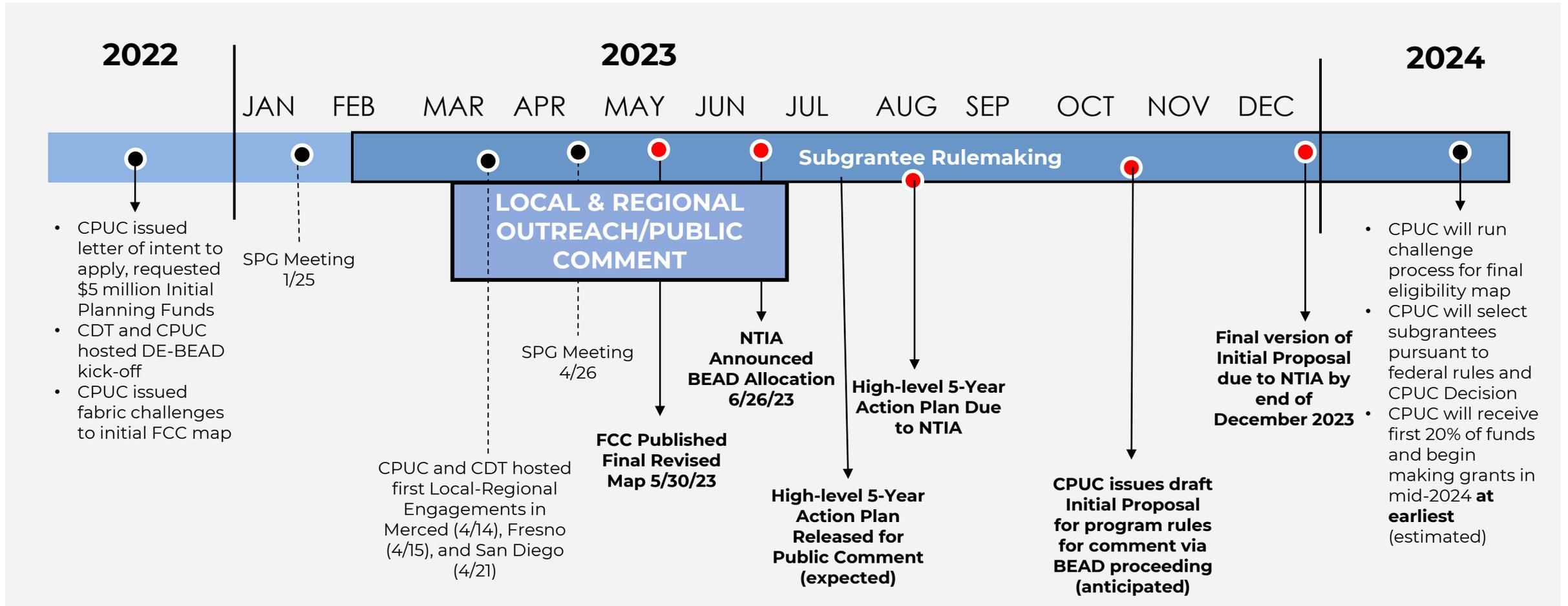
Key BEAD Milestones

- Public outreach throughout California (with CDT) through July
- California allocation announced June 26th
- **5-Year Action Plan** submitted to federal government in August
- **Program rules** developed via BEAD Rulemaking 23-02-016
 - Program rules will be submitted to NTIA by end of 2023 to meet federal deadline to submit **Initial Proposal** within 180 days of allocation
 - Rules will be available for comment prior to submission
 - Approval by federal government releases first 20% of funds
- Challenge process
 - Funding disbursement can begin (with conditions) after challenge process concludes
- **Final Proposal** due one year after Initial Proposal is approved, releases final 80% of funds

Preliminary Timeline: CPUC

California Broadband Equity, Access, and Deployment (BEAD) Timeline

Key milestones:



Fiber Preference

- Federal requirements define end-to-end fiber projects as “Priority”
 - Notice of Funding Opportunity (NOFO) directs CA to maximize long-term benefits of BEAD investments
- Any sole applicant to serve unserved below the Extremely High-Cost Threshold **wins by default**
 - Subject to other program requirements and rules, and may be denied if subgrantee cannot meet program requirements
- If multiple projects, CA must prioritize minimum program outlay, affordability, and fair labor practices in selection of subgrantees
 - Secondary considerations: speed to deployment, technical capabilities, equitable workforce, open access, and local/Tribal coordination
 - Order Instituting Rulemaking asked for comments on other criteria

Wireless Eligibility

- NOFO directs states to establish an **Extremely High-Cost Threshold**
- Locations above which CA may decline to select a proposal if it:
 - uses of an **alternative technology** (e.g. Wireless)
 - meets the BEAD Program's technical requirements
 - is less expensive
- Just like with Priority Broadband Projects, if there is a sole applicant meeting requirements, they win
 - If multiple projects, we must prioritize same considerations
- Rulemaking has asked parties to comment on how this should be set, so we have received some input on the record
- Trying to maximize both coverage **and** long-term benefits of investment

How might a different threshold affect eligibility in your community?

- Source: [California Broadband Investment Model](#) developed for CPUC by CostQuest Associates in April 2023

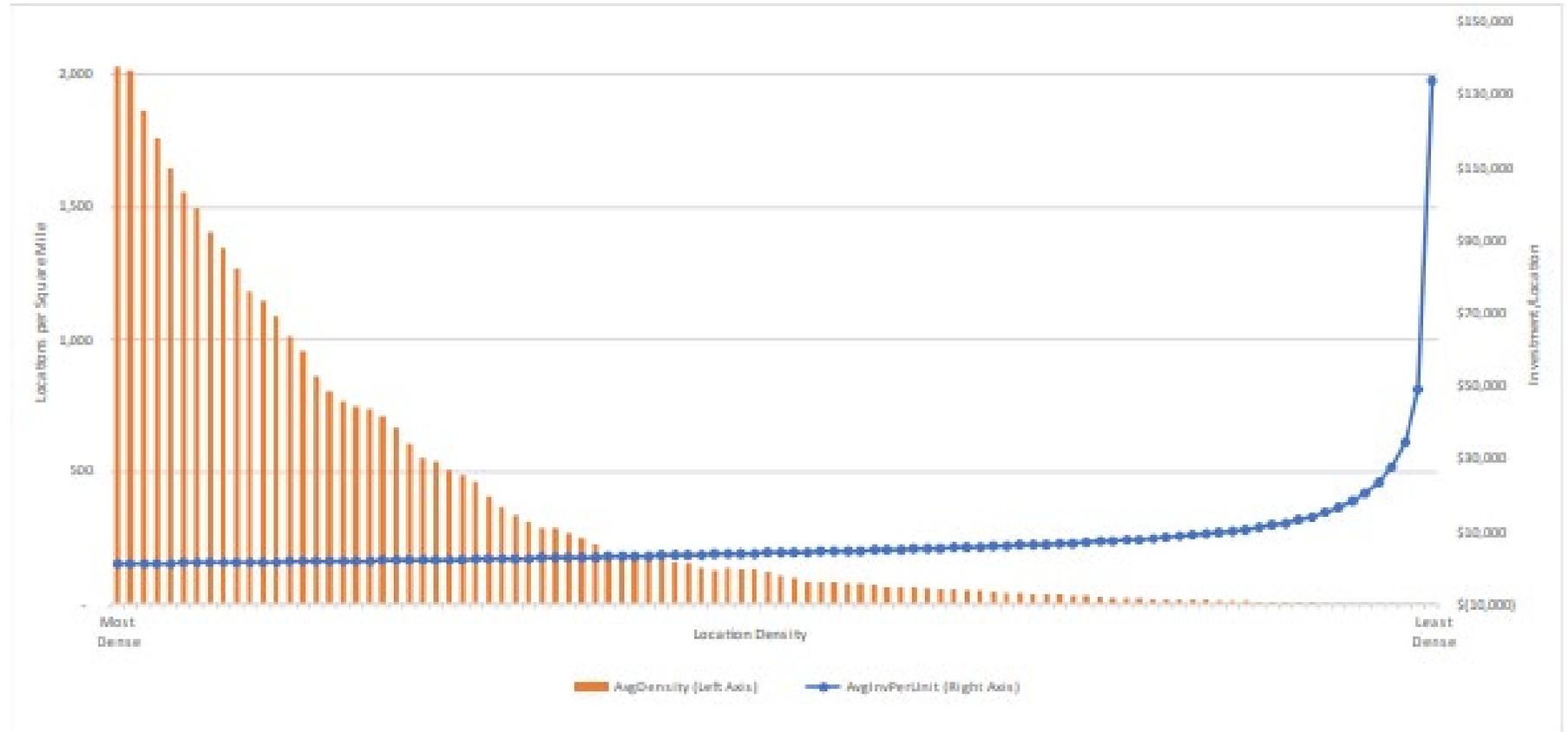
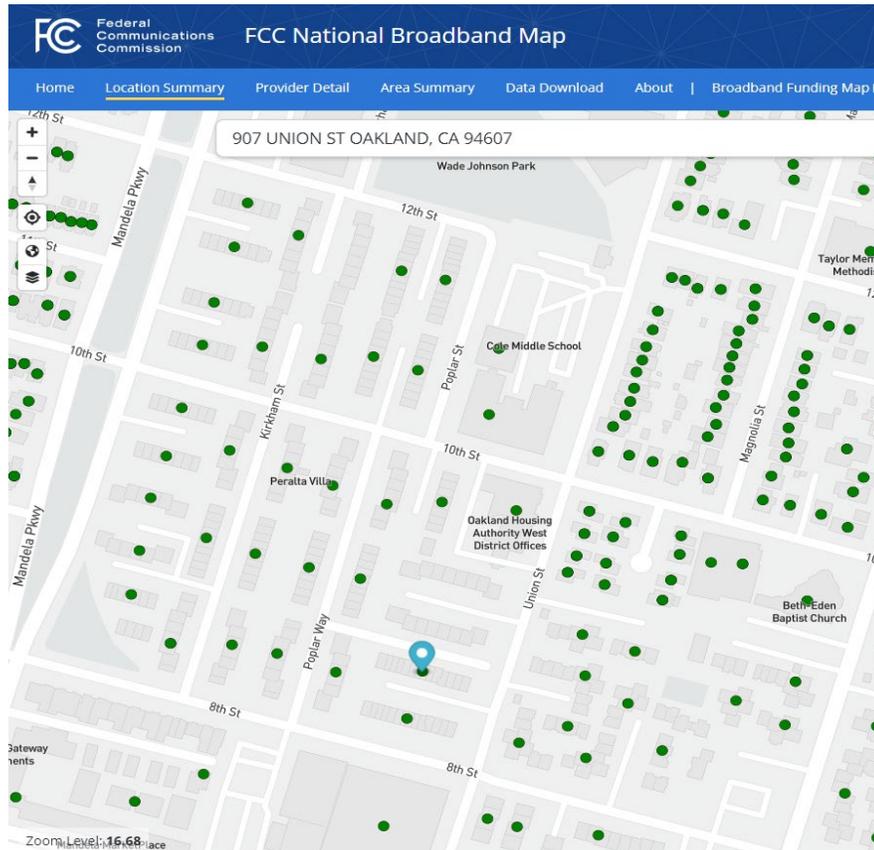


Figure 6. California Investment per Unserved Location

Considerations for Multi-Dwelling Units



- Public wi-fi for multiple dwelling units is eligible
 - Must prioritize high numbers of unserved, and
 - Projects where the share of households with incomes below 150% FPL is higher than national average
- Location coding has inherited discrepancies
 - E.g.: mobile home parks, apartment buildings
- CASF Public Housing Account may also be appropriate for some projects

Challenge Process

- States must establish a challenge process, subject to NTIA approval
- NTIA has provided a [Model Challenge Process](#)
 - CPUC submitted comments urging clarity in applicability of speed tests and need to share location-level fabric data with local partners
- CPUC may consider adopting any part of the Model Challenge Process
 - Input was solicited from parties as part of Rulemaking comments
- Basic model challenge phases: publication, fielding of eligible challenges, rebuttals, adjudication, final approval by NTIA
 - 75 days total (30 days to challenge)
- Challenge process can adjudicate **eligibility**, but not fabric locations
- At end of challenge process, states can begin making grants

Selected Subgrantee Requirements

- **Affordability** is identified as a primary criteria for awarding projects in overlapping areas
 - CPUC must develop a “middle-class affordability plan” in Initial Proposal to ensure “high-quality broadband” is “available to all middle-class families in the BEAD-funded network’s service area at reasonable prices.”
 - Subgrantees must offer at least one “low-cost broadband service option” and advertise and promote low-cost options
- **“Climate resilience”** may be considered in program rules and subgrants
 - CPUC must “account for” weather and climate-related risks
 - What kinds of hazard screening/mitigation measures appropriate?
 - Current policies for all facilities-based carriers on resiliency and back-up power in [D.21-02-029](#) (wireline) and [D.20-07-011](#) (wireless)

Workforce Development

- Subgrantees must ensure workforce will be appropriately skilled and credentialed, including subcontractors
 - Non-union workforce is subject to additional reporting requirements
- CA must describe how we will help develop a **highly skilled workforce** with **equitable on-ramps** into broadband careers
- Workforce Development is an eligible non-deployment use of BEAD funds, however...
 - Only allowed after allocation of funds necessary to serve all unserved, underserved, and Community Anchor Institutions
- What opportunities do you see for partnerships in your community to create on-ramps into that highly skilled broadband workforce?

Other Program Considerations

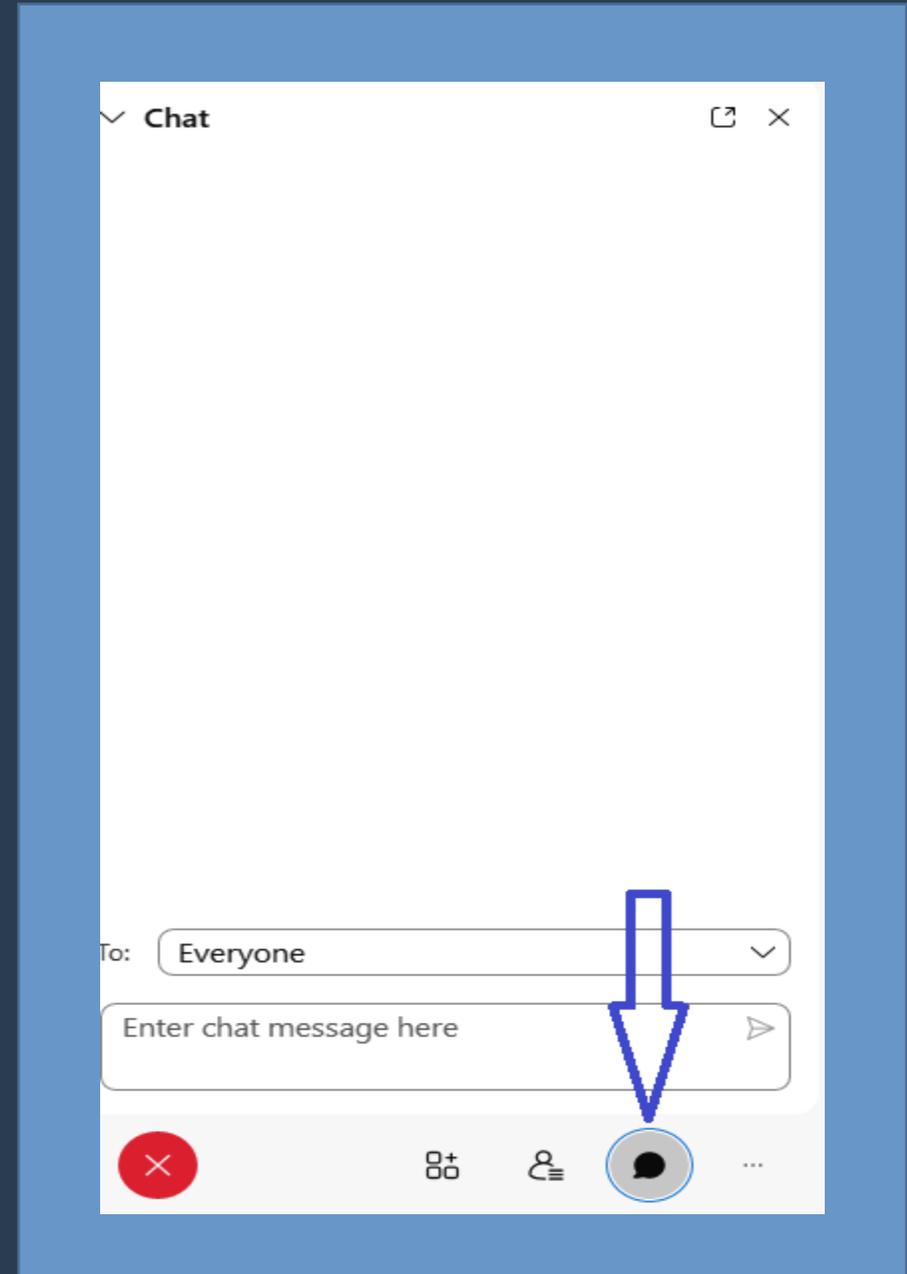
- Applicants must provide 25% match (unlike other CPUC programs)
 - May use various recent federal funds to meet match requirements
- Middle Mile may be an eligible deployment use
 - If “necessary to reach interconnection points or otherwise ensure technical/financial feasibility”
 - We received comments on parameters for Middle Mile
 - Federal Funding Account also may fund Middle Mile under similar conditions – if necessary to serve last mile connections, which are the focus
- Subgrantees must meet basic qualifications, such as managerial/financial competence (described in NOFO)
- Other program mechanics under consideration: project location level, application cycles, payment structure, ministerial review criteria, overlapping projects

Next Steps in Rulemaking 23-02-016

- Finishing Local-Regional Engagements with CDT, including Tribal consultations
 - Incorporate feedback received into the record
- Draft 5-Year Action Plan ahead of transmittal to NTIA in August
- Administrative Law Judge will issue a “Scoping Memo” describing issues in the proceeding, timeline for deciding them, how additional comment will be taken
- CPUC will develop program rules via deliberative process and soliciting comments to submit the Initial Proposal by end of 2023
- [CPUC BEAD Website](#)
- [NTIA BEAD Website](#)
- Questions? BEAD@cpuc.ca.gov

Q&A on BEAD

- Type your questions in CHAT
- Only submit questions relevant to the presentation
- Avoid using acronyms



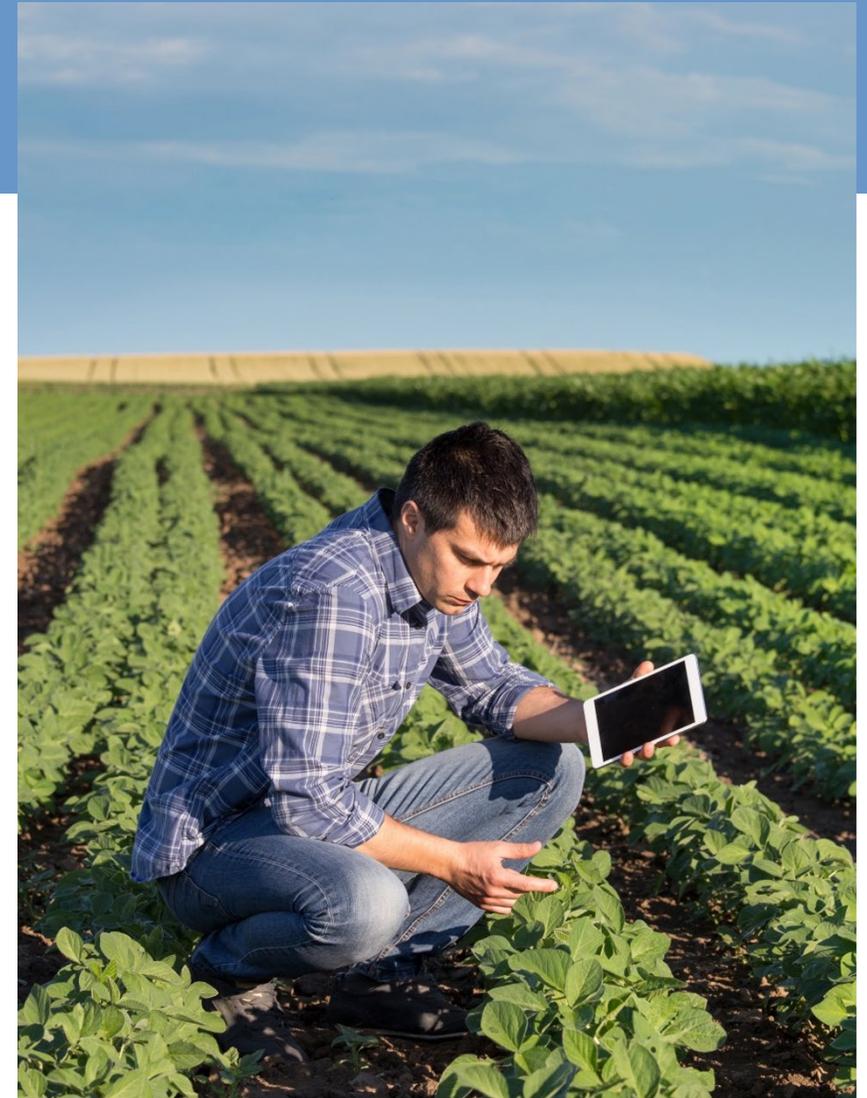
California Department of Technology State Digital Equity Plan

Cole Przybyla - Senior Advisor - California Department of Technology

BACKGROUND

SDEP and BEAD Plan Coordination

- CDT administering entity for Digital Equity Planning program
- CPUC administering entity for Broadband Equity, Access and Deployment program
- Planning processes are coordinated
- Extensive statewide and local engagement and input
- When completed, both plans will be integrated and unlock hundreds of millions of additional dollars to achieve Broadband for All





Covered Populations

The Digital Equity Act prioritizes investments for eight “Covered Populations”

1

Individuals living in covered households

with an income at or below 150% Federal Poverty Level

2

Aging individuals

(60+)

3

Incarcerated

individuals

other than individuals who are incarcerated in a Federal correctional facility

4

Veterans

5

Individuals with disabilities

6

Individuals with language barriers

including individuals who Are English learners; and have low levels of literacy

7

Members of a racial or ethnic minority group

8

Individuals who primarily reside in a rural area

9

Women and those who identify as female

10

LGBTQI+



SDEP PLANNING APPROACH **PLANNING COMPONENTS**

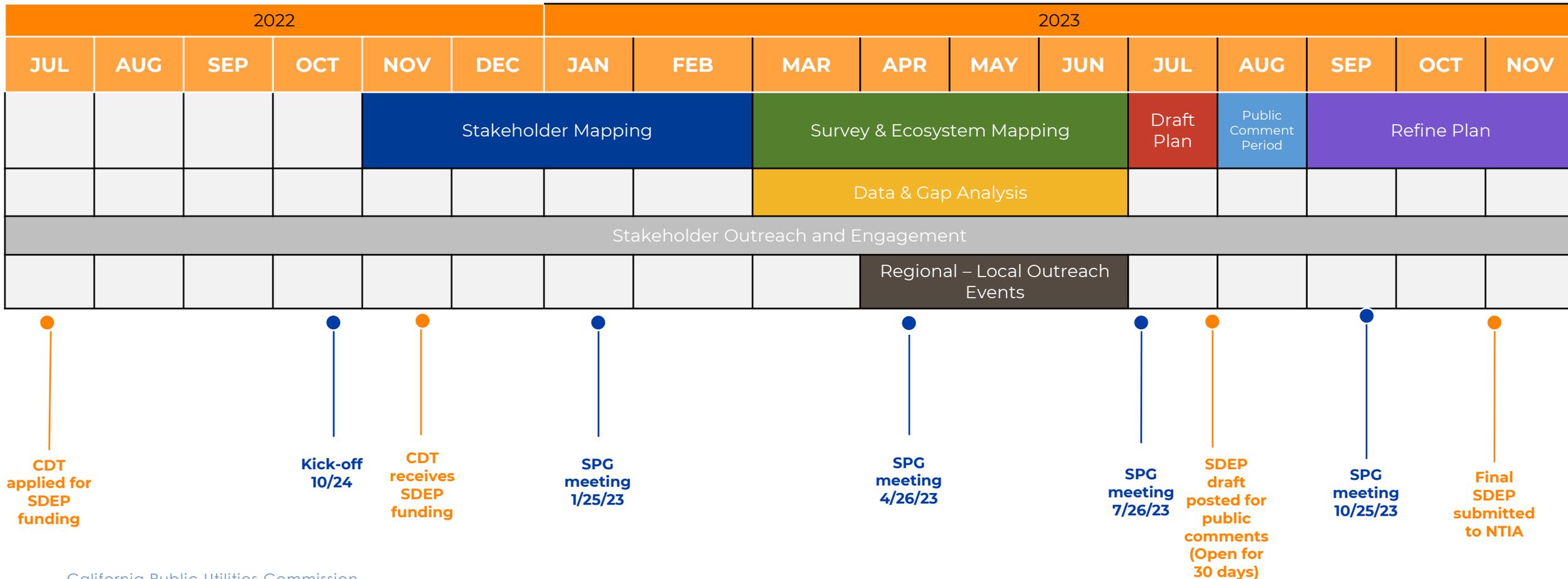
The planning process will consist of five components:

- Statewide Planning Group
- Outcome Area Working Groups
- California Digital Equity Survey(s)
- Regional Planning Workshops
- Statewide Public Engagement

SDEP TIMELINE Approximate and Subject to Change

California State Digital Equity Planning (SDEP) Timeline

Important milestones for State Digital Equity Planning:



BROADBAND FOR ALL

Digital Equity Survey

Survey

CDT is distributing a statewide **Digital Equity Survey** to residents of California as a civic engagement tool to identify barriers to digital equity, especially for Covered Populations.

The survey is intended to capture information about internet access, internet affordability, and internet adoption for residents in California households.

Accessibility Features

The survey can be accessed online or via mobile phone in 14 languages, with audio functionality available for residents with sight impairment and low levels of literacy

Response thus far

Since first launching, we've received 14,000+ responses in 13 languages.

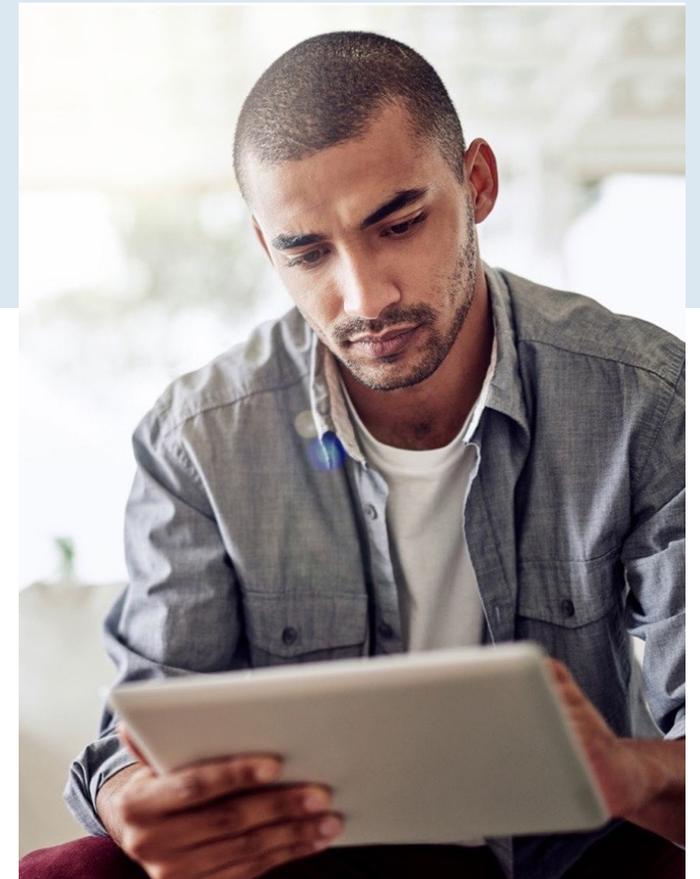
California Public Utilities Commission



Share the Digital Equity Public Survey

The State is distributing a statewide **Digital Equity Public Survey in 14 languages** to residents of California to identify barriers to digital equity, especially for Covered Populations.

The survey captures information about internet access, internet affordability, and internet adoption for residents in California households.



Scan the QR code using your mobile device or visit us at bit.ly/CADigitalEquitySurvey



Broadband for All

Digital Equity Plan Public Comment Period

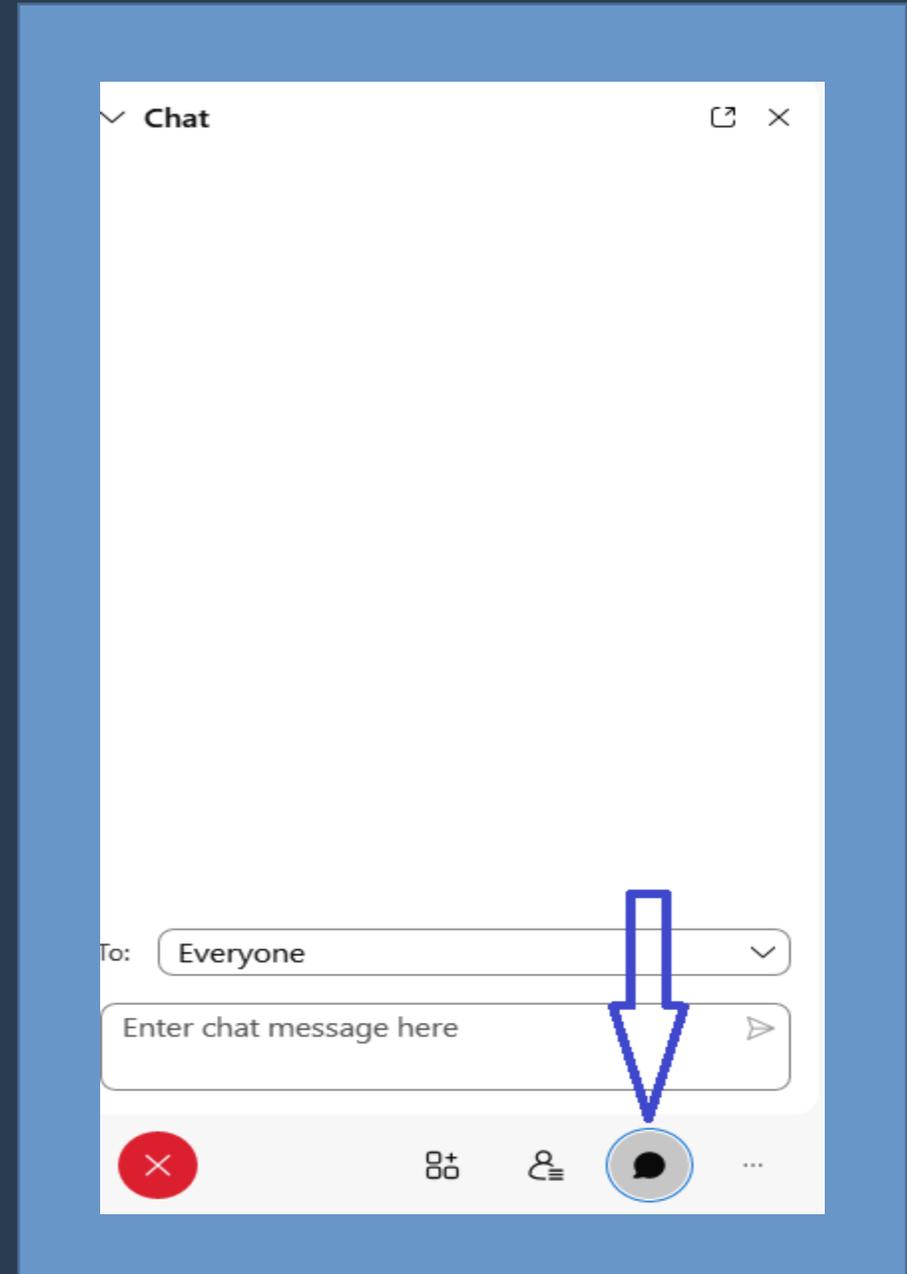
The CDT invites you to follow and participate in the public comment process

- A 30-day public comment process will be held in mid to late summer



Q&A on State Digital Equity Plan

- Type your questions in CHAT
- Only submit questions relevant to the presentation
- Avoid using acronyms



Non-BEAD Programs

Programs

Federal Funding Account Local Agency Technical Assistance

California Advanced Services Fund

- Broadband Adoption Account
- Broadband Infrastructure Grant Account
- Broadband Public Housing Account
- Rural and Urban Regional Broadband consortia Grant Account
- Line Extension Program
- Tribal Technical Assistance

Federal Funding Account

Last-Mile Federal Funding Account

SB 156 provided \$2 billion dollars for last-mile broadband infrastructure

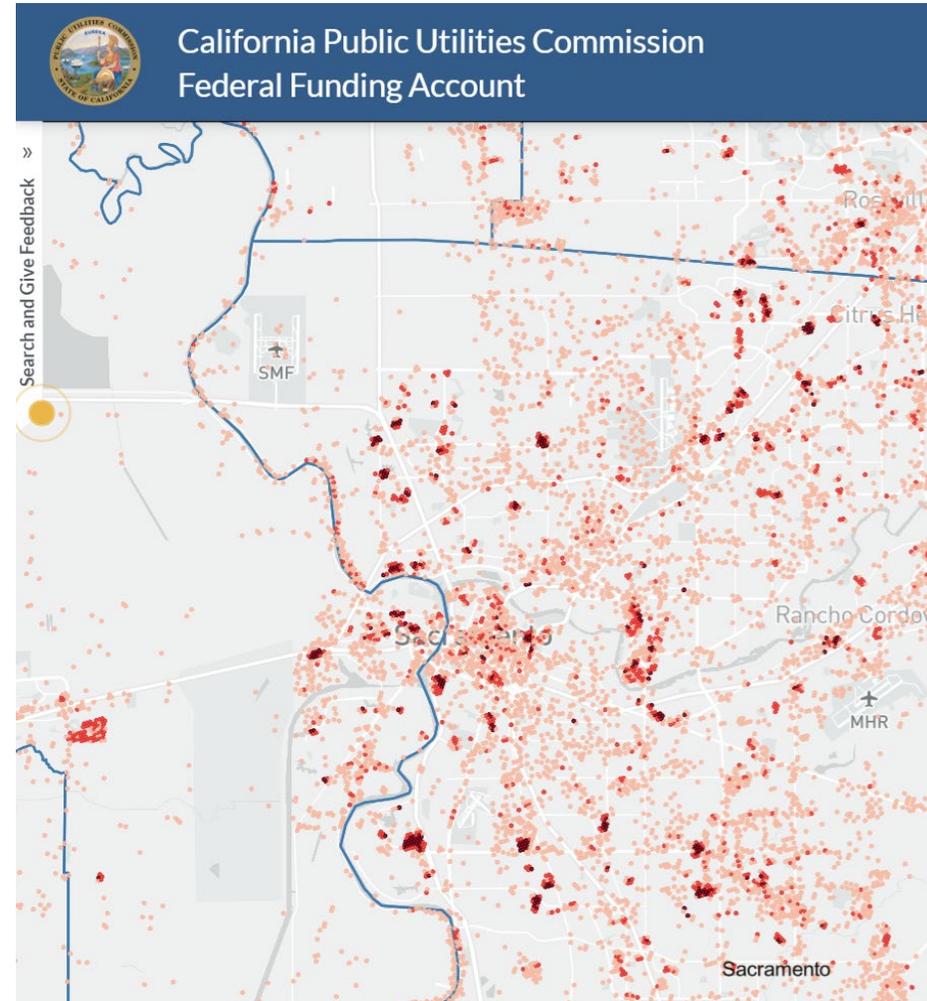
- Split evenly between urban and rural counties
- Per-county allocation is \$5 million, plus each county's share of California households without access to 100 Mbps broadband
- Application guidance and tools [have been released](#)
- Application platform will open very soon
 - Will remain open for 3 months
- Applications will be scored by staff based on criteria in D.22-04-055
 - Review the [Scoring Rubric](#) for detailed information on scoring, and refer to the [Decision](#) and [Appendix A](#) for additional context

FFA Application Criteria

- Criteria were established in 2022 following deliberative process
- 130 points total to be awarded based on several characteristics:
 - Percentage of matching funds (10 points)
 - Use of fiber technology (10 points)
 - Public and/or Tribal entity applicant (20 points)
 - Offering Lifeline (10 points) pricing commitments (10 points) or low-cost plan of \$40/month for 50/20 speeds (20 points)
 - Serving Disadvantaged Communities or Low-Income customers (20 points)
 - Applicant capacity (10 points), project planning and feasibility (10 points)
 - Leverages Statewide Middle Mile (10 points)
- Commission may still negotiate with applicants to determine exact terms of any award

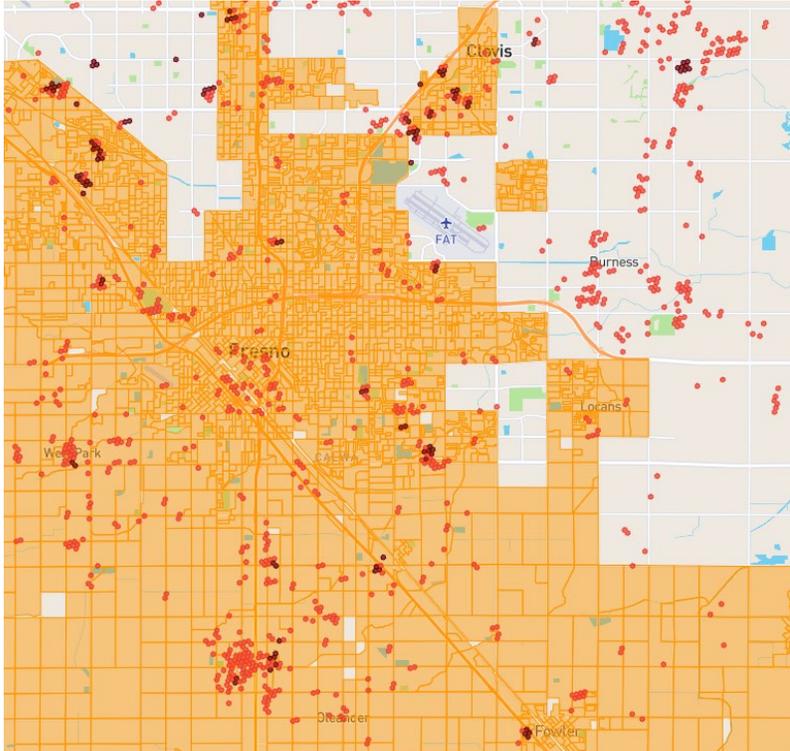
Federal Funding Account Map

- FFA has a specific eligibility map identifying presumed-eligible locations
 - Based on provider data validated against confidential subscriber data
- FFA map shows areas that count toward points for serving Disadvantaged Communities and Low-Income customers
- Applicant tool has more detailed map information

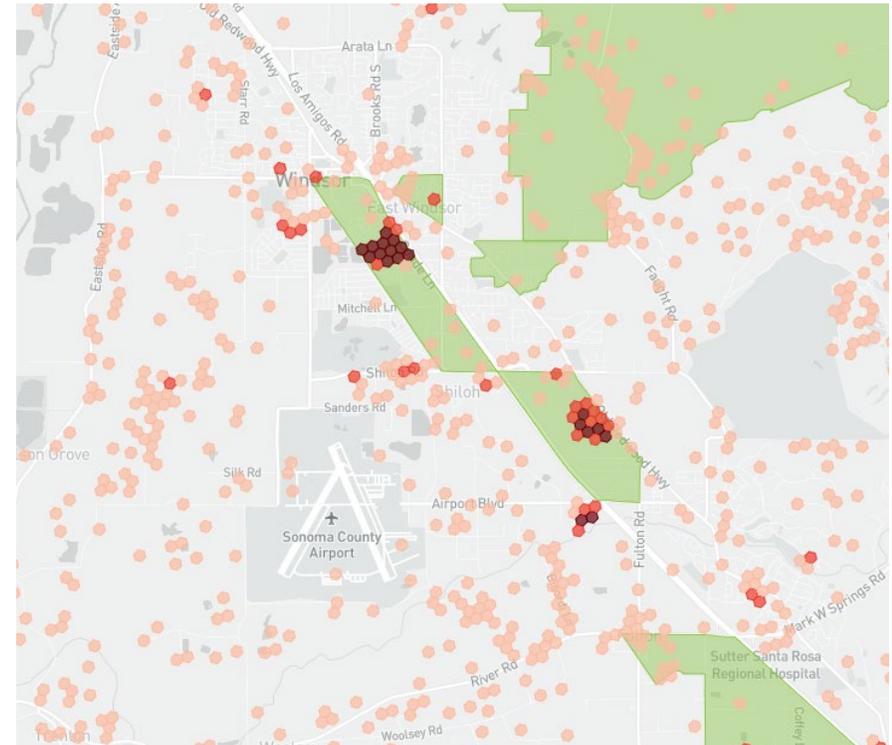


Equity Layers Highlight Need in Different Parts of California

Fresno with Disadvantaged Communities Layer



Windsor with Low-Income Areas Layer



Map Differences

	<u>CASF</u>	<u>FFA</u>	<u>FCC / BEAD</u>
Technology used to determine "Served" status	Fixed wireless	Fixed wireless	Fixed wireless
	DSL	DSL	DSL
	Cable (< DOCSIS 3.0)	Cable (< DOCSIS 3.0)	Cable (< DOCSIS 3.0)
	Cable (DOCSIS 3.0 or later)	Cable (DOCSIS 3.0 or later)	Cable (DOCSIS 3.0 or later)
	Fiber	Fiber	Fiber
Served speeds	> 25/3 Mbps	> 25/3 Mbps (reliable)	> 25/3 Mbps
Effect on number of unserved locations	Fewer unserved locations (more locations are considered served by various technologies)	More unserved locations (fewer locations are considered served by only two wireline technologies)	Fewer unserved locations (more locations are considered served by various technologies)
Fabric locations used to determine "Served" status	Mass Market - Residential	Mass Market - Residential	Mass Market - Residential
	Mass Market - multi-dwelling	Mass Market - multi-dwelling	Mass Market - multi-dwelling
	Mass Market - shared living quarters	Mass Market - shared living quarters	Mass Market - shared living quarters
	Non-Mass Market	Non-Mass Market	Non-Mass Market
Fabric version	Cost Quest Ver. 6 (FCC Ver. 2)	Cost Quest Ver. 6 (FCC Ver. 2)	Cost Quest Ver. 6 (FCC Ver. 2)
Effect on number of unserved locations	Fewer unserved locations (smaller universe of eligible locations)	More unserved locations (larger universe of eligible locations)	More unserved locations (larger universe of eligible locations)
Broadband Availability Data	June 2022 FCC Availability data at all serviceable locations	June 2022 FCC Availability data at all serviceable locations	June 2022 FCC Availability data at all serviceable locations
Validation Data	December 2021 Subscriber data at address level	December 2021 Subscriber data at address level	NO VALIDATION DONE BY FCC

Program Differences

	<u>CASF</u>	<u>Federal Funding Account</u>	<u>BEAD</u>
Eligibility:	<25/3	<25/3 (reliable*)	<25/3 (reliable**)
Location Type:	Households	Households, small businesses, etc.	Same as FFA
Matching Funds:	None	Match encouraged	25% match***
Deployment Req't:	100/20 Mbps	100/20 Mbps	100/20 Mbps
Applications Due:	June 1, 2023	Window opens in June	TBD
Affordable Plan:	Required	Required	Required

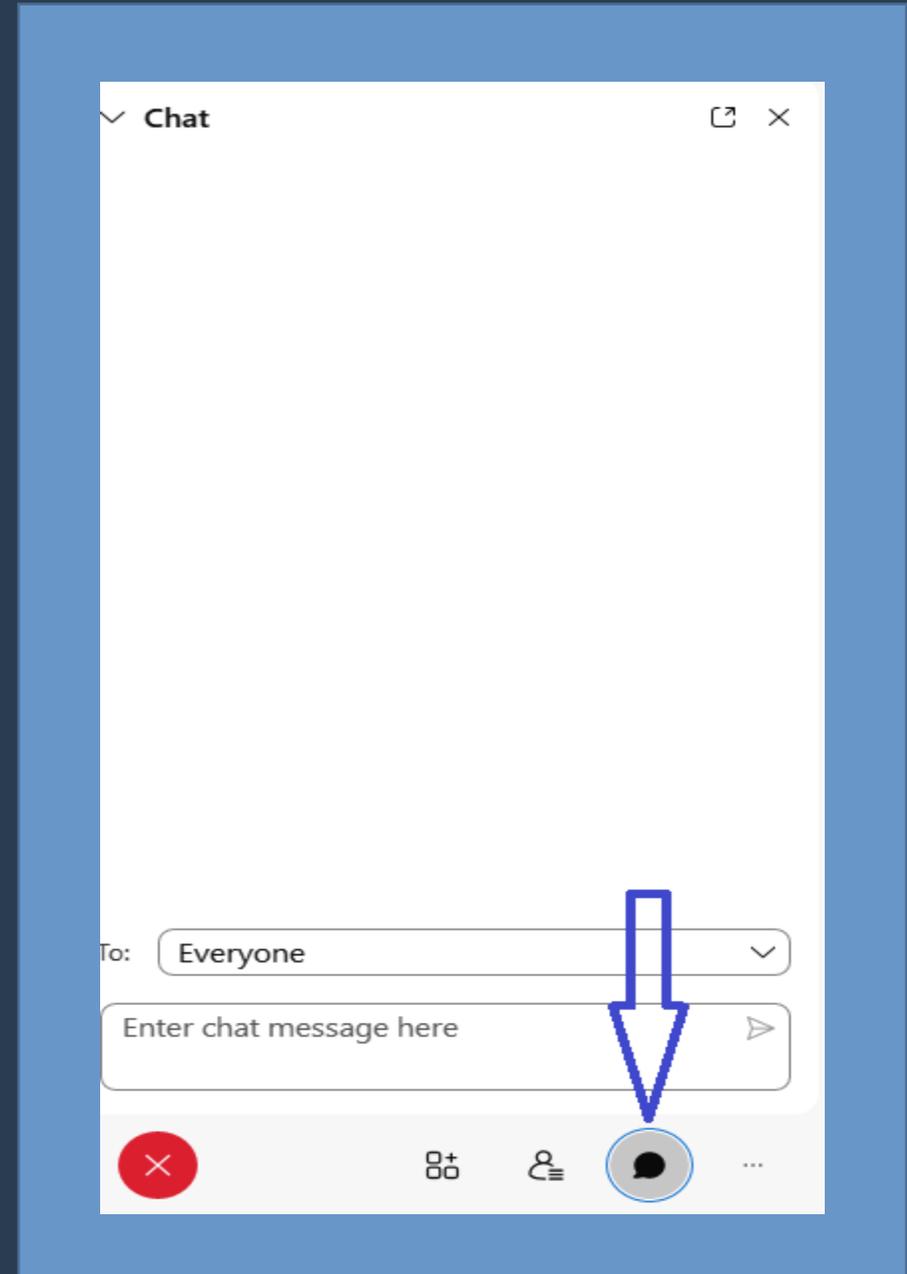
* As defined in D.22-04-055

** As defined in BEAD NOFO, Page 15

*** Refer to BEAD NOFO on federal match rules; state program rules forthcoming in rulemaking

Q&A on FFA

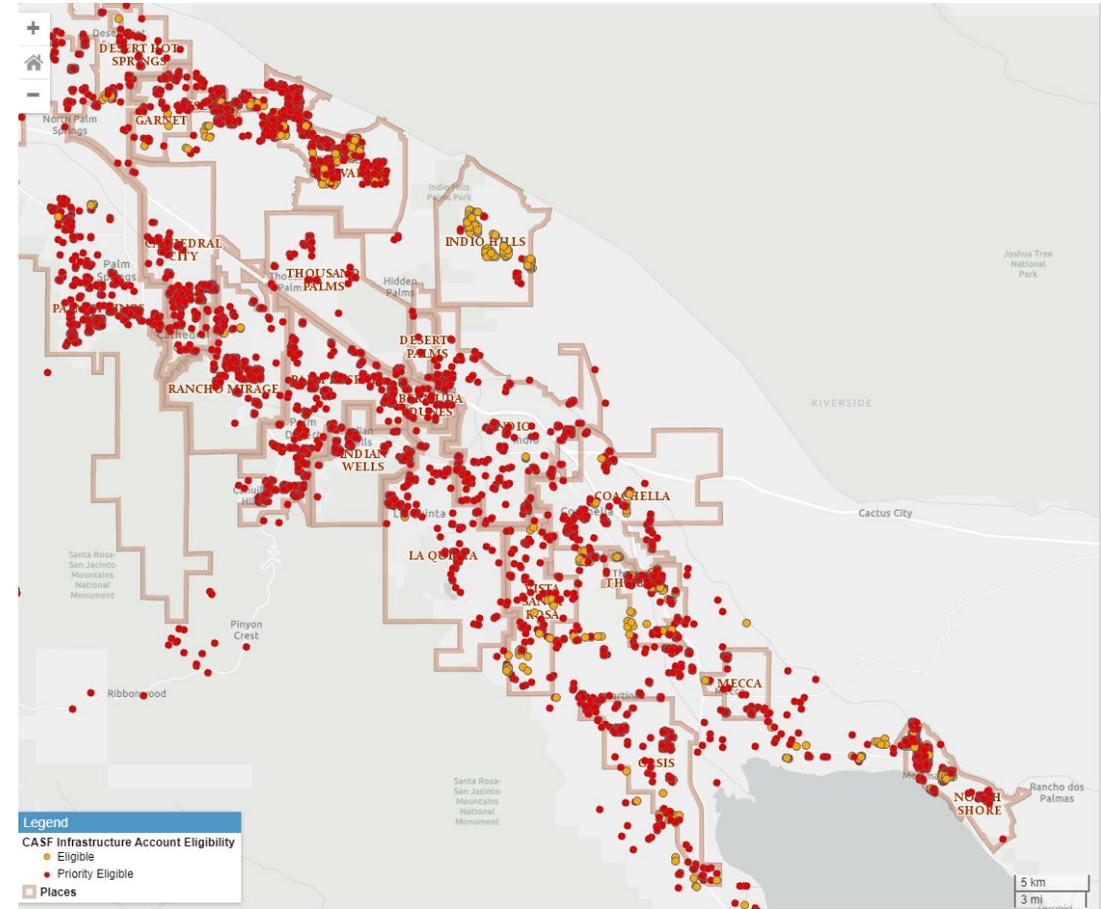
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California Advanced Services Fund (CASF)

Overview of CASF Programs

- Provide grants for expanding broadband infrastructure deployment, coordination, and adoption
- Funded by surcharge on phone bills, with statutory authority to operate through 2032
 - Current surcharge brings in about \$73 million per year, but statute allows up to \$150 million
- Use the [California Interactive Broadband Map](#) for eligibility and to see funded projects



California Advanced Services Fund (CASF)

	What It Funds	Eligibility	Application Timeline
<u>Broadband Adoption Account</u>	Digital literacy and broadband access projects. May also fund community outreach and call centers that will increase broadband access and adoption	Local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion	July 1, 2023 (and every January 1 and July 1, until funds are exhausted)
<u>Broadband Infrastructure Grant Account</u>	Costs directly related to the deployment of infrastructure; costs to lease access to property or for Internet backhaul services; and provider upgrades to existing facilities to provide for interconnection	Entities with a CPCN, wireless carriers registered as WIR, facility-based broadband service providers, local agencies, eligible Tribes	June 1, 2023
<u>Broadband Public Housing Account</u>	Costs to install inside wiring and broadband network equipment	Publicly supported housing developments and farmworker housing	July 1, 2023 (and every January 1 and July 1, until funds are exhausted)

California Advanced Services Fund (CASF)

	What It Funds	Eligibility	Application Timeline
<u>Regional Broadband Consortia Grant Account</u>	Activities to facilitate the deployment of broadband services by assisting CASF infrastructure grant applicants in the project development or grant application process or assisting broadband deployment projects related to programs created under SB 156 and AB 164	Includes local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts	June 1, 2023 and on an as needed basis
<u>Line Extension Pilot Program</u>	Costs of connecting to an existing or proposed facility-based broadband provider	Low-income customer residing at the location to be served; a representative, including a facilities-based broadband provider may apply on behalf of eligible applicant(s)	Applications may be submitted at any time until funds are exhausted
<u>Tribal Technical Assistance</u>	Tribal market studies, feasibility studies, and/or business plans, which support Tribes in their pursuit of improved communications	California Tribes with or without federal recognition, that demonstrate Tribal leadership support are eligible for technical assistance grants	Applications may be submitted at any time until funds are exhausted

CASF – Public Housing Account Revisions

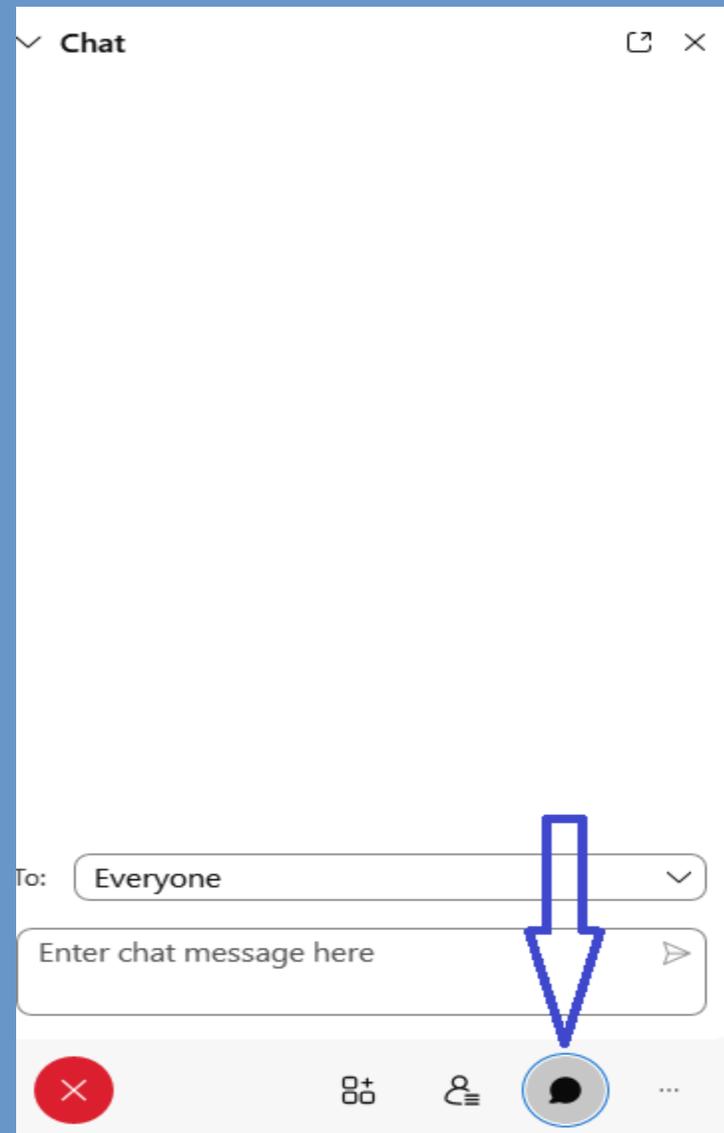
- CPUC issued a staff proposal in April to
 - Expand eligibility to mobile home parks, Tribal housing, and multi-dwelling buildings with primarily low-income residents
 - Define “Low-Income” as 250% of Federal Poverty Level, 80% State or County Median Income, or enrolled in public assistance
 - Allow funding of “Internet Extension” projects beyond inside wiring
 - Raise per-unit cap for ministerial review
- Staff proposal comments were due in May, anticipate a Proposed Decision later this year
 - If new rules were adopted, earliest application window with new rules would close on January 1, 2024

Learn More About CASF Programs

- Consult the CPUC's websites for CASF
 - [Infrastructure Grant Account](#)
 - [Adoption Account](#)
 - [Public Housing Account](#)
 - [Consortia Account](#)
 - [Line Extension Program](#)
 - [Tribal Technical Assistance](#)
- Follow CPUC Rulemaking 20-08-021 to comment on rule changes, see announcements of awards
 - Including recent [revised staff proposal](#) for Loan Loss Reserve Program
 - CASF Distribution List; send request to: CASF_Adoption@cpuc.ca.gov
- Reach out to the [Regional Broadband Consortia](#) in your area

Q&A on CASF, FFA, BEAD, or Related Topics

- Type your questions in CHAT
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