

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

Resolution T-17514 Approval of thirty-five (35)
public housing infrastructure grants under the
California Advanced Services Fund

Agenda ID #15279
December 1, 2016 Meeting

**Comments of Cox California Communications LLC
On Draft Resolution T-17514**

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Dated: November 14, 2016

Cox’s Recommendations Regarding Draft Resolution T-17514

Cox Communications California LLC (“Cox CA”) recommends that the Commission modify the draft Resolution T-17514, as set forth in Exhibit A, attached hereto, to correct the following errors:

- Draft Resolution would approve funding for served projects at publicly supported communities where Cox CA currently offers and provides a variety of broadband service offerings (“Challenged Projects”);
- Draft Resolution relies on Resolution T-17515 even though that resolution is subject to a pending application for rehearing;
- Draft Resolution does not accurately apply existing law, nor does it address recently passed SB 745;
- Draft Resolution would approve the Challenged Projects which have per unit costs that exceed the amount the Commission approved for expedited review without adequate analysis and reasonable justification.

Cox CA recommends that the Commission deny funding for the following projects:

Applicant	Project	City and Zip Code	Units	Grant
Peoples' Self-Help Housing	Dahlia Court	Carpinteria, 93013	55	\$52,250
Peoples' Self-Help Housing	Dahlia Court II	Carpinteria, 93013	33	\$31,350
Peoples' Self-Help Housing	Isle Vista Apartments	Isla Vista, 93117	56	\$30,800
Peoples' Self-Help Housing	Ladera Street Apts	Santa Barbara, 93101	51	\$28,050
Peoples' Self-Help Housing	Storke Ranch Apts	Goleta, 93117	36	\$27,180
Peoples' Self-Help Housing	Victoria St Bungalows	Santa Barbara 93101	16	\$15,200
Peoples' Self-Help Housing	Villa La Esperanza	Goleta, 93117	83	\$53,950

Table of Authorities

Federal Cases

Markair, Inc. v. Civil Aeronautics Bd., 744 F.2d 1383 (9th Cir. 1984)4

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Southern Cal. Edison Co. v. Pub. Util. Comm'n, 85 Cal. App. 4th 1086 (2000).....4

California Public Utilities Code

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California Public Utilities Commission Resolutions

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Senate Bill 745 (2015-2016).....2

Assembly Bill 1299 (2013-2014).....4

Senate Energy Utilities and Communications Hearing, July 2, 20134

Pursuant to the Commission’s Rules of Practice and Procedure (“Rules”) and the Notice of Availability, dated October 28, 2016, Cox Communications California LLC (“Cox CA”) submits these timely comments on draft Resolution T-17514 (“Draft Resolution”).

The Draft Resolution recommends approval of grant funding in the amount of \$1,475,481 from the California Advanced Services Fund (CASF) Broadband Public Housing Account (BPHA) for 35 projects from nine applicants, including seven projects submitted by Peoples’ Self-Help Housing (PSHH) which Cox CA challenged. The Commission cannot approve the funding request of approximately \$238,780 for the seven applications that Cox challenged (“Challenged Projects”) as doing so would be contrary to applicable law and not in the public interest.¹

I. Background.

In April, PSHH submitted infrastructure grant requests for BPHA funding at PSCs that Cox CA serves.² The requests were included in the Communication Division’s (“CD”) list of “April 2016 Public Housing Infrastructure Grant Applications – Locations,” available on the Commission’s CASF site (“PSHH Applications”). The Draft Resolution would approve nine of the eleven PSHH Applications.

On April 25, 2016, Cox CA submitted a challenge to certain PSHH Applications on the grounds that it serves and has broadband service customers in the given PSCs. Cox CA showed that its service offerings were more robust than those proposed in the PSHH Applications. Cox CA’s challenge is attached hereto as Attachment B. In a letter dated July 1, 2016, the Communications Divisions denied Cox CA’s challenge to the PSHH Applications based on Resolution T-17515, Decision 14-12-039 and Section 281(h)³ (“CD Letter”).

On July 19, 2016, Cox CA submitted a letter to CD renewing the challenge in which it explained the reasons supporting its request, including the fact that Cox CA currently offers

¹ Cox CA is not taking a position on other requests since they are in areas that Cox CA does not serve and Cox CA cannot determine if the other requests also seek funding for overbuilding an existing provider.

² Section 281 directs the Commission to develop, implement, and administer the CASF program, which includes four accounts identified in Section 281(c): (1) The Broadband Infrastructure Grant Account; (2) The Rural and Urban Regional Broadband Consortia Grant Account; (3) The Broadband Infrastructure Revolving Loan Account; and (4) The Broadband Public Housing Account.

³ All references herein are to the California Public Utilities Code, unless otherwise stated.

broadband services that exceed 6 Mbps downstream and 1.5 Mbps upstream at the given PSCs.⁴ Cox CA also requested that CD delay its consideration of the Challenged Applications until after the Commission considered an application for rehearing submitted by Charter with respect to Resolution T-17515⁵ and explained that the PSCs would not be harmed since residents at those locations have access to broadband service, including Cox’s low-cost Internet service offering, Connect2Compete.⁶ Cox CA’s renewed challenge is also attached hereto as Attachment B.

II. The Draft Resolution Errs in Relying on Resolution T-17515.

The Draft Resolution errs by relying on Resolution T-17515 and not considering the Legislature adopting SB 745 which clarifies that BPHA funding is limited to PSCs that are unserved. Approving infrastructure grant applications for projects at PSCs where residents already have access to broadband service violates the plain language of the governing statute as initially adopted and as recently modified by the Legislature.

A. SB 745 Clarifies BPHA funds are to be awarded to PSC that are Unserved.

The Legislature recently passed and the Governor signed SB 745 – Telecommunications: universal service: California Advanced Services Fund. SB 745 clarifies the intent of the Broadband Public Housing Account is to grant funding requests for infrastructure projects at “unserved” PSCs which is defined as housing development(s) where “at least one housing unit within the housing development is not offered broadband Internet service.”⁷

This clarification makes clear the Legislature’s intent and the Commission cannot approve the Challenged Projects since Cox CA offers services at those PSC.

B. Reliance on Resolution T-15715 will result in legal error.

The Draft Resolution relies on Resolution T-17515 and states that such resolution modified Decision 14-12-039 and delegated authority to staff to approve applications for PSCs

⁴ Cox CA challenged an additional location on the grounds that it was currently under construction.

⁵ See A.16-07-003, Application of Charter Communications, Inc. for Rehearing of Resolution T-17515 (hereafter “Charter Application”).

⁶ Cox’s Connect2Compete offers Internet service at 10mbps download speeds for \$9.95/month, a free rental of a Wi-Fi modem, purchase of a low-cost computer, digital learning and technical support, to qualified families with K-12 children who live in Public Housing, as well as K-12 families who receive Tenant-Based Vouchers, Project-Based Vouchers or Section 8 Project-Based Rental Assistance (PBRA), or who receive support from the Federal Free School Lunch program, Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP).

⁷ SB 745 (This text to be codified at Section 281(h)(3)(B)(ii)) See http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160SB745.

where existing broadband providers have deployed their networks and are serving customers. However, the Commission cannot rely on Resolution T-17515 for three reasons.

First, Resolution T-17515 is currently subject to a pending application for rehearing which establishes that the Commission cannot legally revise requirements adopted in Decision 14-12-039 via the resolution process. The Charter Application and parties' responses thereto (which are hereby, incorporated by reference) establish that when the Commission intends to modify a prior decision it must give notice to parties and provide them with a meaningful opportunity to be heard.⁸ The Commission did not provide notice that it intended to modify the expedited review criteria adopted in Decision 14-12-039, and thereby, the modifications in Resolution T-17515 are not lawful.

Second, as demonstrated in the Charter Application and responses thereto, Resolution T-17515 does not include a lawful interpretation of Section 281. The plain language of Section 281 limits funding for *any* CASF infrastructure grants – including BPHA grants - to unserved and underserved households.⁹ Resolution T-17515 interprets Section 281(h) too narrowly as nothing in that subsection indicates that infrastructure projects requesting funds to connect a broadband network to a publicly supported community will be treated differently than any other infrastructure project funded by CASF program.¹⁰ The Commission should not read a requirement in to Section 281(h) that does not exist and which is not consistent with prior Commission decisions.

Moreover, the goals of the CASF program and the legislative history make clear that the BPHA legislation was intended to close the Digital Divide at PSCs. The sponsor of the BPHA

⁸ Section 1708. This statute states in full, “The commission may at any time, upon notice to the parties, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or decision shall, when served upon the parties, have the same effect as an original order or decision.”

⁹ Section 281(e) (and not the following subsections) states as follows: “(3) Notwithstanding subdivision (b) of Section 270, an entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved or underserved household, as defined in commission Decision 12-02-015, if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.”

¹⁰ For example, Section 281(f) indicates that moneys in the Rural and Urban Regional Broadband Consortia Grant Account may be allocated “to eligible consortia to fund the *cost of broadband deployment activities* other than the capital cost of facilities, as specified by the Commission.” Emphasis added.

legislation explained that the legislation was intended to address the concern that some broadband providers had ignored PSCs and *failed to connect* broadband infrastructure to them.¹¹ When questioned as to whether BPHA would fund overbuilding projects, he indicated that they would not.¹² The Commission erred in adopting Resolution T-17515 since it cannot adopt policies that either ignore or are not consistent with the primary intent of AB 1299 – which is to extend broadband access to consumers in California that lack such access.¹³

Third, adopting the Draft Resolution is contrary to the public interest. Cox CA is currently offering its services at the given PSCs and as such, waiting until the Commission considers the Charter Application does not raise any safety issues or access issues, and will not otherwise cause any harm. The Draft Resolution indicates that deployment of broadband will enhance access to government and e-health services and improve public safety, yet, that is not the case with the Challenged Projects, since residents at those locations already have access to broadband. The public interest also weighs against the Commission allocating public policy program moneys to overbuild existing (and in some cases, more robust) broadband service. Infrastructure projects funded by surcharges paid by California consumers should not be given to an entity that will use them to overbuild an existing network, especially those built through private investment. That type of regulatory policy is fiscally imprudent and would penalize a provider that made the infrastructure investment without public funds and give its competitor – a CASF funding recipient - an unfair competitive advantage.

III. The Draft Resolution Does not reasonably justify approving projects that do not meet the benchmark per unit costs.

The Draft Resolution seeks approval for projects that have per unit costs that exceed the amounts approved in D.14-12-039 for expedited approval (“Approved Range”). Specifically, the Draft Resolution does not provide adequate analysis or reasonable justification that allow the

¹¹ Charter Application, p. 5.

¹² Senate Energy, Utilities and Communications Committee, July 2, 2013. Testimony of Senator Bradford at approximately 32.13 at such committee hearing viewable at http://calchannel.granicus.com/MediaPlayer.php?view_id=7&clip_id=1463.

¹³ *Markair, Inc. v. Civil Aeronautics Bd.*, 744 F.2d 1383 (9th Cir. 1984); 1984 U.S. App. LEXIS 17769. See *Southern Cal. Edison Co. v. Pub. Util. Comm’n*, 85 Cal. App. 4th 1086, 2000 Cal. App. LEXIS 995 (stating “However, an agency’s interpretation of a regulation or statute does not control if an alternative reading is compelled by the plain language of the provision. The principle of agency deference does not permit the agency to disregard the regulation’s plain language.”).

Commission to approve projects which exceed the Approved Range by as much as \$350-500 per unit.¹⁴ For example, while it states that certain Challenged Projects will use Ruckus Wireless equipment which use the 802.11ac standard and that requires more expertise to install, the Draft Resolution does not fully explain why certain projects (i.e. Cypress Cove, Mayberry Townhomes, Banneker Homes and Ladera Street Apts) are close to the Approved Range and other projects are not (i.e. Arivn FLC, Dahlia Court II, Mariposa Town Homes).

Since California consumers pay surcharges to fund the BPHA, the Commission must ensure that such funds are used in a fiscally sound manner.

IV. Conclusion.

For all the reasons set forth above, Cox CA respectfully requests the Commission revise the Draft Resolution as set forth in Attachment A.

Dated: November 14, 2016

Respectfully submitted,

/s/ Margaret L. Tobias

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¹⁴ See Victoria Street Bungalows, Dahlia Court and Dahlia Court II.

Exhibit A

Text on page 2

Table 1 on page 2 should be revised as follows:

Applicant	Project	City and Zip Code	Units	Grant
Peoples' Self Help Housing	Dahlia Court	Carpinteria, 93013	55	\$52,250
Peoples' Self Help Housing	Dahlia Court II	Carpinteria, 93013	33	\$31,350
Peoples' Self Help Housing	Isle Vista Apartments	Isla Vista, 93117	56	\$30,800
Peoples' Self Help Housing	Ladera Street Apts	Santa Barbara, 93101	51	\$28,050
Peoples' Self Help Housing	Storke Ranch Apts	Goleta, 93117	36	\$27,180
Peoples' Self Help Housing	Victoria St Bungalows	Santa Barbara 93101	16	\$15,200
Peoples' Self Help Housing	Villa La Esperanza	Goleta, 93117	83	\$53,950

Revised Findings

3. Based on its review, CD determined that the 28 projected listed in Table 1 ~~all 35 projects~~ meet eligibility requirements. CD recommends that these 28 projects be approved. Projects that Cox CA challenged should not be approved since those PSCs are already served. ~~further determined that all 35 projects qualify for funding under D.14-12-039.~~

Revised Ordering Paragraphs

1. The Commission shall award the requested grant amounts requested for the projects listed in Table 1:

- \$125,250 to Community Housing Works for two projects;
- \$85,050 to the Central Valley Coalition for Affordable Housing for one project;
- \$168,908 to the Housing Authority of the County of Kern for four projects;
- \$89,003 to the Housing Authority of the County of Santa Barbara for three projects;
- \$129,650 to Surf Development Company for four projects;
- \$45,900 to The Banneker Homes for one project;
- \$351,405 to Napa Valley Community Housing for nine projects;
- \$125,025 ~~363,805~~ to Peoples' Self-Help Housing for two ~~nine~~ projects; and
- \$116,510 to EAH Housing for two projects.

The total grant award is \$ 1,236,701 ~~4,475,481~~. All awards are based on the descriptions of the projects as described herein and are predicated on commitments to install and operate broadband infrastructure as expressed in its application and compliance with the requirements in as specified in D.14-12-039.

2. Grant payments of up to a total of \$ 1,236,701 ~~4,475,481~~ for these public housing projects shall be paid out of the CASF Public Housing Account in accordance with the guidelines adopted in D.14-12-039, including compliance with CEQA.

Exhibit B

April 25, 2016

California Public Utilities Commission
CASF Team, Communications Division
E: CPUC_Housing@cpuc.ca.gov

To Whom It May Concern:

Cox Communications California LLC (“Cox CA”) hereby submits this challenge in response to certain proposals submitted by Peoples’ Self-Help Housing (“Applicant”). Pursuant to Decision 14-12-039, Cox CA submits this challenge on the grounds that Applicant is requesting CASF funding to offer services in publicly-supported housing communities that Cox CA (and likely other providers) currently serve or that appear to be currently under construction.

Specifically, this challenge concerns the following projects listed by identification number (“ID”) in the “April 2016 Public Housing Infrastructure Grant Applications – Locations,” which is available on the Commission’s CASF Public Housing webpage (“CASF Website”): ID 570 – Casas Las Granadas (Santa Barbara); ID 577 – Dahlia Court (Carpinetria); ID 578 – Dahlia Court (Carpinetria); ID 580 – Isle Vista Apartments (Isle Vista); ID 581 – Jardin de las Rosas (Santa Barbara); ID 585 Ladera Street Apartments (Santa Barbara); ID 603 – Storke Ranch Apartments (Goleta); ID 609 – Victoria Hotel (Santa Barbara); ID 610 – Victoria Street Bungalows (Santa Barbara); and ID 611 – Villa La Esperanza (Goleta) (collectively, “Challenged Applications”).

The application information available on the CASF Website for these properties indicates that all of these properties are currently be served by Cox CA, as well as another provider. However, for ID 581 – Jardin de las Rosas, it is Cox CA’s understanding that this location is currently under construction, so residents are not yet living in it. As such, it’s not clear that this location would qualify for CASF funding at this time. Accordingly, as discussed in more detail below, Cox CA submits that the Challenged Applications should not be awarded CASF funding.

Cox Communications California LLC

Cox CA provides cable television and broadband services to California consumers located in portions of Santa Barbara included in the Challenged Applications. Cox CA offers broadband services that exceed 6 Mbps downstream with 1.5 Mbps upstream. Therefore, none of the locations included in the Challenged Applications are unserved and qualify for expedited treatment, and moreover, none should be eligible for CASF funding generally.

Cox CA submits that its broadband services are generally available to all of the residents in the Challenged Applications (other than Jardin de las Rosas as this location is currently under construction). The number of customers subscribed to Cox High Speed Internet service at the properties included in the Challenged Applications is listed in Attachment A, which Cox CA

submits on a confidential basis for review by the Commission only.¹ Indeed, in Santa Barbara County, Cox CA offers internet access speed as fast as 300 Mbps download with 20 Mbps upload capabilities. In addition, Cox CA submits billing documents and a declaration concerning a network speed test conducted within 24 hours of this submission which show that Cox CA offers and provides broadband Internet service at speeds equal to or great than those proposed by the applicant. Cox CA billing information, attached hereto, is designated as CONFIDENTIAL and is set forth in Attachment 2.

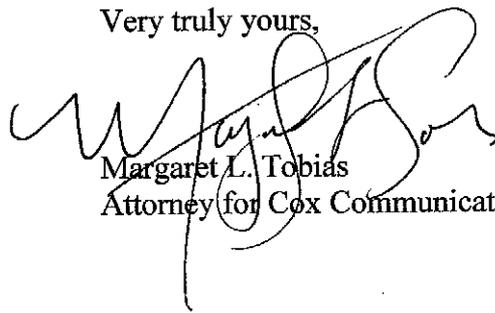
Decision 14-12-039 and the Challenged Applications

In Decision 14-12-039, the Commission implemented AB 1299 which created the Broadband Public Housing Account to support the deployment of broadband infrastructure and adoption programs in eligible publicly-supported housing communities. Decision 14-12-039 included two attachments – Appendix A included Staff’s proposed recommendations for the then-new program and Appendix B included the application requirements and guidelines.

Staff Recommendation No. 6 provides that a potential funding site will be considered “wired” if broadband Internet service at any speed is available at that location.² Since it is currently offering and providing services at the locations identified in the Challenged Application (other than the location under construction), Cox CA submits that these applications should not be funded.

Cox CA respectfully requests that Staff consider the issues raised herein when reviewing the Challenged Applications. Please let me know if you have any questions concerning this challenge or need additional information related to Cox CA’s services and/or communities served.

Very truly yours,



Margaret L. Tobias

Attorney for Cox Communications California, LLC

¹ Information about the number of Cox customers at any given location is Cox CA’s confidential and proprietary information, and if such information were publicly disclosed, Cox CA would be placed at a competitive disadvantage.

² D.14-12-039, Appendix A, p. A-28.

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 1, 2016

Margaret L. Tobias
Attorney for Cox Communications California, LLC.
marg@tobiaslo.com

Subject: ***Cox Communications' April 25, 2016 Challenges to CASF Public Housing Account Projects.***

Dear Ms. Tobias:

Based on Resolution T-17515 (issued on June 10, 2016), the Communications Division (CD) denies Cox Communications' challenges for the following projects since the reasons stated in the challenges provided were not supported in D.14-12-039 or in P.U. Code Section 281(h).

Applicant	Project	Address	St	City	Zip
Peoples' Self-Help Housing	Casas Las Granadas	21 E Anapamu	CA	Santa Barbara	93101
Peoples' Self-Help Housing	Chapel Court	681 Ash Ave	CA	Carpinteria	93101
Peoples' Self-Help Housing	Dahlia Court	1300 Dahlia CT	CA	Carpinertia	93013
Peoples' Self-Help Housing	Dahlia Court II	1305 Dahlia CT	CA	Carpinteria	93013
Peoples' Self-Help Housing	Isle Vista Apartments	6660 Abrego RD	CA	Isla Vista	93117
Peoples' Self-Help Housing	Jardin de las Rosas	510 N Salsipuedes St	CA	Santa Barbara	93010
Peoples' Self-Help Housing	Ladera Street Apartments	322 Ladera St	CA	Santa Barbara	93101
Peoples' Self-Help Housing	Storke Ranch Apartments	6842 Phelps Rd	CA	Goleta	93117
Peoples' Self-Help Housing	Victoria Hotel	24 E Victoria St	CA	Santa Barbara	93101
Peoples' Self-Help Housing	Victoria Street Bungalows	210 W Victoria	CA	Santa Barbara	93101
Peoples' Self-Help Housing	Villa La Esperanza	131 S Kellog Ave	CA	Goleta	93117

Please contact CD analyst Bill Goedecke at (415) 355-4999 (William.Goedecke@cpuc.ca.gov) or me if you have any questions.

Sincerely,

Robert Wullenjohn, Program Manager
Broadband, Video, and Market Branch
Communications Division

Cc: Davis Foley, People's Self-Help Housing
Michael Amato, CD Acting Director
Selena Huang, Program and Project Supervisor, CASF
Bill Goedecke, Analyst, CASF
Stacie Castro, Attorney, CASF

July 19, 2016

Via Email

Mr. Robert Wullenjohn
E: robert.wullenjohn@cpuc.ca.gov
Program Manager, Broadband, Video and Market Branch
Communications Division
California Public Utilities Commission

Dear Mr. Wullenjohn:

On April 25, 2016, Cox Communications California, LLC (“Cox CA”) submitted a challenge to certain proposals submitted by Peoples’ Self-Help Housing (“PSHH Applications”). Cox CA is in receipt of your July 1, 2016 letter, which states that the Communications Division denies Cox CA’s challenge based on Resolution T-17515, issued on June 10, 2016 (“CD Letter”). The CD Letter also states that Cox CA’s challenge is denied on the grounds that it is not supported by Decision 14-12-039 and California Public Utilities Code, section 281(h). Cox hereby responds to state that it disagrees with the CD Letter’s findings and Resolution T-17515.

Resolution T-17515 denied challenges that Charter Communications (Charter) submitted in response to certain public housing infrastructure grant applications at other publicly supported communities (“PSCs”) where Charter provides broadband Internet access service. Cox CA understands that Charter submitted an application for re-hearing of Resolution T-17515 on July 11, 2016, on the grounds that funding requests approved in Resolution T-17515 are not consistent with the governing statute and that public funds from the Public Housing Infrastructure Grant program should not be used to overbuild Charter’s existing network. Cox CA strongly agrees with Charter’s analysis, and will be filing in support of its Application for Rehearing.

The Broadband Public Housing Account, which funds infrastructure projects consistent with the CASF program generally, is intended to bring broadband to communities that have no or low speed broadband connections. The Commission’s interpretation of the BPHA in Resolution T-17515 turns the governing statute on its head by allowing public funds – comprised of surcharges paid by consumers - to be used in an anti-competitive manner to overbuild a provider that invested private funds to serve a PSC. Not only is that approach not allowed or envisioned by the BPHA, it is not a reasonable or wise use of public funds. Cox submits that similar projects, like those in the PSHH Applications should not be approved until Charter’s pending rehearing application has been addressed.

Additionally, Cox objects to CD approving the PSHH Applications under the expedited review and approval process because these projects do not meet the given criteria set forth in Decision 14-12-039 (or as revised in Resolution T-17515). For example, as stated in its challenge, Cox CA understands one of the proposed projects is currently under construction (i.e. Jardin de las Rosas), and it is not clear that this site qualifies for funding generally, (see Cox CA Challenge, page 1, paragraph 3), but it certainly should not be deemed to qualify for review under the expedited review criteria.

Further, projects may be approved via the expedited review if they either connect (a) 51-100 PSC units and have a proposed project cost of \$450 per unit or less; or (b) 101 PSC units or more with proposed and have a project cost \$300 per unit or less. (See D.14-12-039, Appendix B, p. B-13).¹ The expedited review criteria does not specifically address projects at PSCs with 50 or less units. Of the 10 built-locations included as part of the PSHH Applications, at least six have 50 or fewer units (and the still-under-construction Jardin de las Rosas has 40 units). Accordingly, none of these PSSH Applications qualify for expedited review and approval by CD. Moreover, none satisfy the \$600 per unit cost that the Commission approved for projects connecting 50 units or less. (Decision 14-12-039, p. 20). As such, it is not clear they should be approved at all.

Additionally, the PSHH Applications for PSCs that have more than 50 units (and none of the challenged PSHH projects have more than 100 units), it does not appear that they satisfy the criteria allowing for expedited review and approval by CD. For example, PSSH seeks (i) \$52,250 for 55 units at Dahlia Court II – for a \$950.00 per unit project cost; (ii) \$30,800 for 56 units at Isle Vista Apartments – for a \$550.00 per unit project cost; (iii) \$28,050 for 51 units at Ladera Street Apartments - for a \$550 per unit project cost; and (iv) \$53,950 for 83 units at Villa La Esperanza – for a \$650 per unit project cost. (See Attachment 1 – listing each challenged PSC, the PSHH reported number of units at each PSC, PSHH’s grant funding request and the corresponding cost per unit). All of these projects exceed the \$450 cost per unit required for expedited review. (See D.14-12-039, Appendix B). Accordingly, Cox objects to CD’s approving the PSHH Applications without a Commission resolution.

Finally, Cox recommends CD delay consideration of the PSHH Applications until after rehearing of Resolution T-17515 is resolved, as doing so is in the public interest. For example, it will ensure that CD prudently manages CASF surcharges paid by consumers and not grant projects that are subject to a hearing application currently pending before the Commission.

Further, consumers at the locations covered by the PSHH Applications will not be harmed since those buildings are already wired and served by Cox CA (except for the one under construction) and residents may subscribe to a number of Cox CA service offerings, including those under \$20.00 per month, such as Cox CA’s Connect2Compete low-cost service offer aimed at increasing broadband adoption in low-income households with school aged children. (See attached press release of the U.S. Department of Housing and Urban Development announcing its partnership Cox Communications). Cox CA’s Connect2Compete program also

¹ Resolution T-17515 did not address or change this criteria.

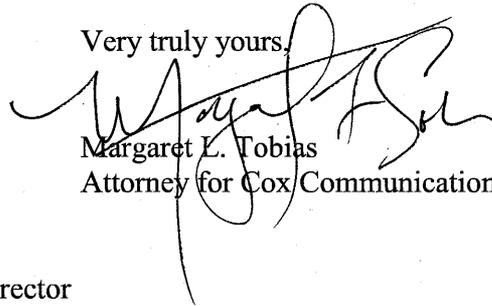
Mr. Robert Wullenjohn
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Page 3

includes free modem rental or low cost purchase, and low cost computer and offers free digital literacy training.

For all the reasons discussed above, PSHH Applications cannot be approved on an expedited review basis. Since Cox understands that CD will provide written approval for the PSSH Applications, Cox requests that the CD refrain from doing so. Cox respectfully requests that CD confirm that it has not yet provided any such approval. If in the alternative, CD has in fact processed such approval, then Cox respectfully requests a copy be sent to my attention (via email: marg@tobiaslo.com no later than July 22, 2016.

Please let me know if any questions about the matters discussed above.

Very truly yours,



Margaret L. Tobias
Attorney for Cox Communications California, LLC

cc: Michael Amato, CD Acting Director
Selena Huang, Program and Project Supervisor, CASF
William Goedecke, Analyst, CASF
Stacie Castro, Attorney, CASF
Esther Northrup, Cox
Davis Foley, People's Self-Help Housing

Cox Communications California, LLC
Challenge to Public Housing Infrastructure Grant Applications
Attachment 1 - PSSH Grant Request -Cost Per Unit

ID	Applicant	Location	Number of Units included in PSSH Application	PSSH Grant Request	Cost Per Unit
570	Peoples' Self-Help Housing	Casas Las Granadas	12	15,000.00	1,250.00
572	Peoples' Self-Help Housing	Chapel Court	28	37,800.00	1,350.00
577	Peoples' Self-Help Housing	Dahlia Court	55	52,250.00	950.00
578	Peoples' Self-Help Housing	Dahlia Court II	33	31,350.00	950.00
580	Peoples' Self-Help Housing	Isle Vista Aparments	56	30,800.00	550.00
581	Peoples' Self-Help Housing	Jardin de las Rosas*	40	24,000.00	600.00
585	Peoples' Self-Help Housing	Ladera Street Apts	51	28,050.00	550.00
603	Peoples' Self-Help Housing	Storke Ranch Apts	36	27,180.00	755.00
609	Peoples' Self-Help Housing	Victoria Hotel	28	16,800.00	600.00
610	Peoples' Self-Help Housing	Victoria St Bungalows	16	15,200.00	950.00
611	Peoples' Self-Help Housing	Villa La Esperanza	83	53,950.00	650.00

* This site is under construction