

Decision 11-06-038 June 23, 2011

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

Order Instituting Rulemaking to Consider Modifications to the California Advanced Services Fund Including Those Necessary to Implement Loan Program and Other Provisions of Recent Legislation.

Rulemaking 10-12-008  
(Filed December 16, 2010)

**DECISION IMPLEMENTING BROADBAND CONSORTIA GRANT**

**1. Introduction**

In this decision, we take another important step to promote the widespread availability of high-speed broadband advanced communications services through the California Advanced Services Fund (CASF) program. The CASF is designed to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies.<sup>1</sup> Specifically, we implement herein provisions of Senate Bill (SB) 1040 relating to the Rural and Urban Regional Broadband Consortia Grant Account (Consortia program). Through the Consortia program,

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<sup>1</sup> See California Pub. Util Code Sec. 281. The CASF was first established in Decision (D.) 07-12-054.

we promote more widespread availability of advanced communications services for all Californians by fostering increased broadband deployment and adoption.<sup>2</sup>

As previously noted in D.07-12-054, ubiquitous deployment of broadband is widely regarded as holding tremendous opportunities for consumers, technology providers, and content providers. These various public sectors will thus benefit from the Consortia grant program as funded activities lead to greater acceptance, adoption and deployment of broadband services within areas of California that are underserved or not served at all. The Consortia funding program will advance universal service policies aimed at bridging the “digital divide” as articulated in Pub. Util. Code § 709(c) and (d).

The Commission will administer the Consortia program, as set forth in SB 1040, through the application filing process outlined in this decision. Grants will be awarded to only one Regional Consortium per geographic region<sup>3</sup> to avoid duplication. The Commission, itself, will not organize Consortia but will select eligible Consortia among those submitting applications, and award grants by Commission resolution based on designated criteria set forth herein. It will

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<sup>2</sup> Broadband refers to the width of frequency bands used to transmit data or voice communications over the Internet. Depending on the width of the frequency band, information can be sent on many different frequencies or channels with broadband concurrently, allowing for advanced services, including video, to be transmitted at much faster speeds than would otherwise be available over a dial-up telephone connection to the Internet.

<sup>3</sup> A “geographic region” as used here means a regional area within California that consists of cities, counties, and/or unincorporated areas that have united to form a network of leaders representing public, non-profit, and/or for-profit entities that share common goals and objectives regarding broadband deployment and adoption. We define a “Regional Consortium” as a network of leaders in a geographic region that represents public, non-profit, and/or for-profit entities that share common goals and objectives.

be the responsibility of each Consortium applicant to assemble its own membership and to delineate its geographical region of responsibility. The Commission will approve Consortia Grant Account funding based upon various eligibility factors, as detailed below. The Commission will retain continuing oversight of grant disbursements to ensure that funds are spent on authorized functions that meet set objectives and timelines specified in grantees' applications.

To assist prospective applicants for Consortia grants in preparing their requests in a manner that meets Commission requirements, we have provided a series of sample attachments at the end of this decision that illustrate various key informational requirements and documents that must be properly completed with the application in order to be considered for approval. The purpose and contents of each of these forms and information requirements is discussed in detail below. The attachments provided at the end of this decision are summarized as follows:

- A. Action Plan and Work Plan Contents
- B. Sample of Action Plan Format
- C. Sample of Work Plan Format
- D. Requested Budget
- E. Affidavit Form
- F. CASF Consortia Application Checklist
- G. Consortium Scoring Criteria
- H. Consent Form
- I. Sample of Quarterly Report Format

## **2. Background**

The California Advanced Services Fund (CASF) was established in D.07-12-054 whereby \$100 million was allocated for purposes of awarding

financial assistance to qualifying broadband deployment projects. The Commission subsequently approved a significant number of qualifying broadband projects for funding under the CASF program.

Prior to SB 1040, the CASF was scheduled to sunset as of January 1, 2013. Senate Bill (SB) 1040 repealed the CASF sunset provision, however, and expanded the program significantly, increasing the CASF fund capacity from \$100 million to \$225 million. The additional funds are to be collected in annual \$25 million increments from 2011 through 2015. SB 1040 also created two new accounts, the Rural and Urban Regional Broadband Consortia Grant and the Broadband Infrastructure Revolving Loan accounts. Both of these accounts are entirely new and created to address unmet needs under the current CASF program. SB 1040 allocated funds as follows to these three accounts now established under the CASF:

- The Broadband Infrastructure Grant Account (\$100 million);
- The Rural and Urban Regional Broadband Consortia Grant Account (\$10 million) ; and
- The Broadband Infrastructure Revolving Loan Account (\$15 million).

The Commission instituted this proceeding to implement new funding provisions resulting from SB 1040 and to address other possible changes to the existing CASF program, including those suggested in a pending petition by the Commission's Division of Ratepayer Advocates (DRA) to modify D.07-12-054. Opening comments on the Order Instituting Rulemaking (OIR) were filed on January 21, 2011, with reply comments filed on February 14, 2011.

This interim decision is limited to the implementation of the Consortia program which is "to fund the cost of broadband deployment activities other

than the capital cost of facilities, as specified by the commission.” (Pub. Util. Code § 281(d).) Accordingly, we focus herein only on the comments relating to the Consortia Grant Account. The assigned Commissioner issued a scoping memo on April 19, 2011. A draft proposed plan to implement the administration of the Consortia Grant Account program was issued for comment on April 26, 2011. Comments were filed on May 9, 2011. Parties filing comments included telephone companies, cable companies, consumer groups, the California Emerging Technology Fund (CETF) regional partners, and other regional and community groups focused on broadband adoption and deployment.<sup>4</sup> These comments presented a spectrum of perspectives on how Consortia funds should be administered and distributed. We have reviewed the comments as appropriate in preparing the instant decision.

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<sup>4</sup> Telephone companies offering comments included: AT&T California and its affiliates, Verizon California Inc., Frontier Communications of California and its affiliates, DTS of CA, Inc. (DTS), and the Small LECs. DTS is a satellite-based provider that has sought authority to be a Small ILEC in all of the unserved areas of California.

The cable companies offering comments included: Cox Communications and Comcast Phone of California, LLC.

The consumer groups offering comments included: DRA, The Utility Reform Network (TURN), and Greenlining Institute.

Several significant comments were filed by regional groups associated with the CETF, including: the California Partnership for the San Joaquin Valley, the Sierra Economic Development Corporation, the Amador-Tuolumne Community Action Agency, Shepherds Crook Enterprises, the Contra Costa Council, CSU-Monterey Bay, Valley Vision, and the California Center for Rural Policy.

Other regional and community groups offering comments included: the Corporation for Education Network Initiatives in California, the Regional Council of Rural Counties, Spiral Internet/Nevada County Connected, and Camino Fiber Network Cooperative, Inc.

### **3. Overview of Parties' Positions**

As a basis for this decision, we have considered the comments from parties in response to the OIR, and in response to the Draft Proposal issued by ruling on April 26, 2011.

Various parties, including those representing regional Consortia (Consortia Parties), commented on what the Consortia's role with respect to CASF goals should be. Parties representing Consortia generally view the role of the Consortia grant program as assisting the Commission in evaluating and making recommendations on future CASF infrastructure applications to ensure that projects address regional priorities and achieve optimal cost effectiveness. Consortia parties proposed the following functions be covered by the regional Consortia grant program:

- a. Conduct information briefings for stakeholders and providers about CASF and the opportunity to apply for funds;
- b. Identify and convene interested parties to discuss options for infrastructure applications to CASF and to explore opportunities for coordinating use of assets to achieve the most cost-effective proposals;
- c. Provide regional data and information to all interested applicants to submit applications to CASF;
- d. Work with public agencies and private-sector industry clusters (and other prospective customers) to facilitate interaction with applicants to CASF;
- e. Review and comment on both CASF infrastructure grant and loan applications submitted from the region as a formal part of the Commission staff assessment and analysis of the projects; and
- f. Ensure policies are put in place by local governments throughout the region to promote broadband deployment and adoption.

Some parties suggest that the CETF or its partners should be part of the Commission's formal process of reviewing CASF grant or loan applications. The Small Local Exchange Carriers disagree, however, arguing that injecting these entities into the Commission's formal application review process would create confusion and possibly compromise the transparency of the Commission's review.

DRA believes that the Consortia program is duplicative of the role of the CETF, which was created by the Commission in 2005, after approving major telecommunications mergers. DRA agrees that if administered prudently, however, the Consortia program may facilitate further adoption of broadband services in California.

The CETF is a non profit organization dedicated to making grants to existing community based organizations in California who perform projects consistent with the CETF "digital-divide" goals. The Commission founded the CETF to achieve ubiquitous access to broadband by expanding adoption and use of broadband services. The CETF consists of \$60 million of apportioned ratepayer monies for the purpose of further developing broadband deployment and adoption in California.

DRA recommends that Consortia program grants be awarded only for proposed broadband projects, but not to further subsidize existing Consortia organizations. If regional Consortia are consulted for project recommendations, DRA believes Consortia should either be preexisting, or should seek funds from the CETF for core funding. Otherwise, the State and the Commission will oversee two identical programs that function independently of one another. DRA asserts that it is more practical for the Commission to administer the

Consortia program for project completion and to further broadband deployment and adoption, and advise parties to seek CETF funds for “core funding.”

Many community-based organizations filing comments argue that only one publicly supported Consortium covering any given geographic region should be funded and that only existing regional Consortium should be eligible for funding or at least be given preference. Many of these parties also argue for adoption of Consortia criteria developed by the CETF.

TURN states that although the CETF and the existing Regional Consortia have achieved important results in helping bridge the digital divide in California, these organizations do not have all the answers for solving the lack of broadband in many communities. TURN believes that limiting eligible Consortia to only one existing regional Consortium based solely on CETF criteria would inherently limit expansive public participation and creation of new regional Consortium. CETF follows a venture philanthropy grant making model whereby the CETF Board decides what should be funded. Given that monies paid by ratepayers fund the CASF, TURN argues that the process must promote inclusiveness, accountability, and transparency. CETF has no such requirements.

TURN recommends that once a Consortium is approved for funding, the Consortia should have the duty to invite to participate any members of the public who desires to do so. TURN recognizes that the details of what exactly such participation would have to be developed, but as a general rule, TURN believes that the Consortia should allow all to be heard, to have a voice in the work of the Consortia and that the Consortia’s processes, meetings, etc, should be noticed and public.

TURN also proposes that non-Commission-regulated entities that apply for CASF funds be required to submit to Commission jurisdiction as a condition



to receiving such funding. TURN argues that the Commission can require non-regulated entities to comply with conditions in order to receive CASF funding including consumer protections, quality standards any price caps, etc.

SB 1040 appropriates a total of \$10 million of funds to the Consortia grant program. Various Consortia Parties recommend that the Commission appropriate to each Regional Consortium \$150,000 per year and a total baseline funding of \$450,000 for three years.<sup>5</sup> Consortia Parties further request an additional \$2,000 per person (per diem) for up to five delegates annually to participate in the Regional Consortia Learning Community Summit. Various parties state that such a funding level was the original basis for projecting a need of \$10 million in the Consortia program.

DRA, in contrast to other parties, argues that suggestions to award \$2,000 per diem costs and \$150,000 minimum level “core funding” do not comport with the intent for broadband deployment and adoption. DRA does not believe that the CASF program funds were intended to support and fund all activities of regional Consortia. DRA contends that proposals to allocate monies for per diem costs and core funding would exhaust a significant portion of the Consortia grant fund before a single application is reviewed.

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<sup>5</sup> See Comments of Redwood Coast Connect, Steven M. Karp, at 5; Comments of Teri Murrison, at 7; Comments of Valley Vision, at 6; Comments of Arlene Krebs, CSU Monterey Bay at 2; Comments of Amador-Tuolumne Community Action Agency at 7; Comments of Redwood Coast Connect, Dero Forslund, at 6; Comments of Contra Costa Council, at 5; Comments of the California Center for Rural Policy, at 5; Comments of California Partnership for the San Joaquin Valley, at 10; Comments of Sierra Economic Development Corporation, at 3.

#### **4. Adopted Goals, Objectives, and Role of Regional Consortia**

As a basis for establishing the procedures and protocols for administering the Consortia grant program, we must first identify what are the relevant goals, objectives and roles of the program and its participants. We shall adopt appropriate goals, objectives, and membership of the Consortia grant program consistent with the statutory mandate specified in Pub. Util. Code § 281 which states:

Moneys in the Rural and Urban Regional Broadband Consortia Grant Account (Consortia program) shall be available for grants to eligible Consortia to fund the cost of broadband deployment activities other than the capital cost of facilities, as specified by the Commission. An eligible Consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, K-12 education, health care, libraries, higher education, community-based organizations, tourism, parks and recreation, agricultural, and business, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

Consistent with this statutory language, the membership of Consortia can be quite broad, encompassing the range of community interests that share the common purpose of promoting greater deployment and adoption of broadband. SB 1040 specifies eligibility criteria for a Consortium, but authorizes the Commission to provide further guidance in regards to administration of funds, delegation of authorities, and objectives of the Consortia. The procedures we adopt herein provide the requisite guidance. We are further guided by the broad purposes for which the CASF program has been administered to date.

We will not adopt a rigid definition of a “geographic region” prescribing minimum or maximum sizes of individual consortia. Similarly, we will not

predetermine or mandate the precise number of consortia to receive CASF grants. Given the range of variations in demographics and broadband needs among diverse regions within California, we recognize that a one-size-fits-all policy for establishing regional consortia is not practical or desirable. While we adopt general standards and guidelines in this decision to govern the formation and membership of eligible consortia, the details regarding the size and membership of each consortium should be worked out within each local region. In this regard, the regional consortia previously formed through the CETF may offer a useful point of reference to local entities contemplating formation of a CASF consortia. In any event, we anticipate awarding grants to multiple consortia of varying sizes and demographic characteristics consistent with the general standards and principles adopted in this decision.

We recognize the primary role of the CASF Consortia Grant Account program as helping to bridge the “digital divide.”<sup>6</sup> Funding designated to regional Consortia activities shall be designed to promote regionally appropriate and cost-effective broadband deployment, access, and adoption within a given region. A regional Consortium will serve as the umbrella organization, coordinating efforts across public, private, and community-based parties as set forth in SB 1040, to close gaps and leverage opportunities aimed at increasing broadband deployment, access, and adoption. Grant funds will be used to promote ubiquitous broadband deployment and to advance broadband adoption in unserved and underserved areas by:

- o Increasing sustainability of broadband infrastructure and projects

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<sup>6</sup> As set forth by the Legislature in Public Utilities Code Section 709.

- Promoting broadband deployment (availability) for residences in California
- Promoting broadband access and adoption (knowledge of service options and ability to utilize services as well as subscription of services) for residences in California
- Increasing the rate of broadband adoption by facilitating the impact of consumer education, outreach, and training
- Supporting those community-based parties, especially anchor institutions, that are working to increase deployment, access, and adoption

The CETF partners or any other external Consortia grantees will have no formal role in the Commission's review of CASF applications for infrastructure loans or grants. The CASF review and approval function must remain exclusively under Commission authority. While Consortia may certainly work with grant recipients and may offer input on proposed CASF infrastructure grant projects, a Consortium grant shall not be used for construction of infrastructure facilities.<sup>7</sup>

As noted by TURN, most of the Consortia members will consist of entities that are not licensed carriers, and thus are not otherwise subject to Commission jurisdiction. Such entities may not necessarily be familiar with Commission processes and rules. Accordingly, it is important that all Consortia receiving CASF grant funds recognize and acknowledge that by receiving a CASF grant from the Commission, the Consortia members agree to comply with the terms,

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<sup>7</sup> Since this decision focuses only on the Consortium program, we make no prejudgment concerning whether or how individual consortium members may separately qualify for CASF infrastructure grants or revolving loans. Those issues will be addressed in a subsequent decision to be issued in this proceeding.

conditions, and requirements of the grant and thus submit to the jurisdiction of the Commission with regard to disbursement and administration of the grants. CASF funds are collected from California telecommunications ratepayers, and thus ratepayers are entitled to consumer protections ensuring that CASF funds are administered in a responsible and cost-effective manner. We have included appropriate controls in our adopted processes to ensure that the Commission retains oversight and enforcement tools necessary to carry out its responsibilities in administering this program.

We conclude that Consortia funding should not be limited only to existing Consortia, but should be open both to existing and newly formed Consortia. We recognize, however, that the expertise offered by the CETF Consortia partners may offer valuable advantages in terms of meeting the goals of the CASF consortia program. Our intention is also to avoid duplication with respect to funding sources and program activities, however. Thus, we shall limit CASF grants only to one Consortium per geographic region. Such a limitation is fully consistent with the statute establishing funding for “Regional Broadband Consortia.”<sup>8</sup> We shall also likewise require that any CASF grants be limited and apply only to activities and programs that are not already covered by funding from any other public or private sources.

We agree with TURN’s proposal that the Consortia’s processes, meetings, etc., should be widely noticed and open to public scrutiny. We believe, however, that participation by members of the public should be separate and distinct from the formal membership of the Consortia, itself. Thus, we disagree with TURN

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<sup>8</sup> The use of “regional” in P.U. Code 281(d) indicates legislative intent to limit the Consortia by geography. *See, Webster’s Third New International Dictionary.*

that the Consortia should unilaterally be free to add or subtract members from its official membership list submitted to the Commission as part of its application process. The Commission will review and approve Consortia applications, in part, based upon consideration of the membership making up the Consortia. In order to maintain appropriate oversight of the Consortia funding, therefore, any change in the official Consortia membership must be subject to Commission pre-approval as discussed in Section 10.

#### **5. Amount of Grant Funding Allocations**

The total Consortia program appropriation as authorized in SB 1040 is \$10 million. The majority of parties support a base funding of \$150,000 per Consortium per year over a three-year period as a standard for awarding grants. Various parties note that setting a core funding level of \$150,000 per year and \$450,000 for three years was the original basis for projecting a need of \$10 million in the Consortia Account as enacted by SB 1040. However, instead of using a base of \$150,000 as a core standard, the Commission plans to initially award grants based only upon the budgeted level of program activities approved for each Consortium, subject to a maximum funding cap of \$150,000 per year per Consortium. The initial round of consortia applications may request funding covering up to a three-year period, capped at no more than \$450,000 per consortium. Where an application seeks multi-year funding, however, the application must still present separate year-by-year annual workplans and budgets.

Various parties state that a modified approach is warranted within Los Angeles County in view of its concentrated population whereby grants may be requested in lesser amounts by smaller sub-regional Consortia. We agree that a modified funding approach is warranted for the Los Angeles County region, to

allow for grants funding separate sub-regional Consortia that are partners of a larger regional Consortium. Therefore, for the Los Angeles region, we shall require the larger regional Consortium to be the umbrella organization submitting one application on behalf of all partnering sub-regional consortia. Each sub-regional consortium's action plan, work plan, budget, key contact information, and members will be consolidated into the application submitted by the larger regional Consortium with whom they are partners.

Consortia applicants will bear responsibility to identify the separate grant amounts requested for any sub-regional consortia partners, taking into account the smaller scope of a sub-region's planned activities, and recognizing that the nature of deployment and adoption issues in major served urban areas within the Los Angeles metropolitan region is very different from unserved and underserved rural areas in need of infrastructure. Each sub-regional Consortium must reflect such differences in budget and funding requests for its sub-region. In any event, the overall combined grant limits for all Los Angeles sub-regional consortia shall not exceed the established caps of \$150,000 per year and \$450,000 for three years.

Depending on the number and size of given sub-regional Consortia, the requested size of grants should thus be reduced accordingly in relation to grants for larger regional Consortia. Application requirements specified in this decision applicable to regional Consortia shall also apply to sub-regional Consortium. In addition, a sub-regional Consortium application must clearly identify its partner relationship with a larger regional Consortium.

The disbursement of funds at any time is subject to Commission discretion, including a review-and-approval process of each grantee through regular site visits, progress reports on a quarterly basis or as needed, supporting

invoices and receipts, and execution of and compliance with a signed Consent Form. A sample Consent Form is included as Attachment H. Before the Commission releases any awarded CASF Consortia Grant Account funds to the Grantee, the Grantee must complete and execute the Consent Form and return it to the Communications Division. As the sample Consent Form states, it binds the Grantee to the terms, conditions, and requirements of both the Decision and the resolution awarding the grant.

In addition to the base grant, several parties also propose supplemental funding of \$2,000 per person for up to five delegates annually to participate in a "Regional Consortia Learning Community Summit." As proposed by various parties, the purpose of this summit would be for the various regional consortia to gather as one large "learning community" to exchange information and ideas among themselves as to lessons learned and best practices to achieve common broadband adoption and deployment goals. We agree that a periodic gathering of all regional consortia to exchange information and ideas could be useful, and hereby adopt the proposal. The summit shall be hosted by the Commission's Communications Division. Specific information concerning the specific scheduling, location, and agenda for the first summit meeting will be posted on the Commission's website. We expect that the first "learning community" summit will be scheduled at the conclusion of the first year of CASF consortia funding activity.

The Commission will consider supplemental funding in addition to the base grant capped at \$2,000 per person for up to five delegates annually as long as an applicant utilizes the additional funds exclusively for broadband access, adoption, and sustainability, such as participation in learning summits, workshops, conferences, and/or training to share best practices, to promote



team-building among Consortia, and to facilitate networking across geographic regions. Applicants are required to provide supporting documentation of collective anticipated costs per person as part of its Action Plan and Work Plan with its application. Any actual reimbursement will be subject to the State of California Administrative Manual requirements for cost ceilings and documentation to support reimbursement of per-diem expenses incurred in connection with state-related business.

The actual amount of the award of individual grants and supplemental funding should be determined in relation to the broadband needs for the geographic and demographic region represented by the given regional Consortium seeking funding. As noted above, the specific amount of grant funding requested must be limited to the costs of eligible activities that the Consortium expects to incur, supported by an attached budget that collectively details the expected costs of proposed Consortium program activities. An applicant is required to keep detailed records, i.e., invoices and receipts, of each program element as specified below. These program elements must, in turn, be supported by an attached Action Plan and Work Plan, as well as execution of a Consent Form as previously discussed.

Our adopted limits on grant funding will help to ensure that a wide range of regions throughout California to have the opportunity to share in the \$10 million Consortium funding program. By further limiting the actual annual funding limit to the Commission-approved budgeted level of planned activity in a given region, we will maintain assurance that funds are allocated in a fair and cost-effective manner.

Before the end of the initial CASF Consortia Grant Account funding period, the Commission's Communication Division will post a schedule for a

new round of application filings to award remaining unencumbered Consortia grant funds. The Commission will establish this new round of application filings to allow those who initially applied but were not successful in securing grants another opportunity to participate in the grant program. In addition, previously awarded Consortia grant recipients may file applications at that time for renewed funding of additional activities. The Commission will consider how efficiently and cost-effectively any previously granted Consortia funds were spent as a basis for awarding of any new and/or additional funding.

## **6. Application Filing Guidelines, Timelines, and Requirements**

### **6.1. Timeline and Submission Process**

We recognize the need to begin issuing grants under the CASF Consortia program on an expedited basis so that the benefits of the program can begin to be realized. Accordingly, prospective Consortia may begin submitting applications for CASF Consortia grants upon adoption of this decision. Applications must be submitted to the Commission within 60 calendar days from the effective date of this decision in order to be reviewed and acted upon in the first round of grant approvals. Completed applications should be submitted in the format specified below. Applications received after 60 calendar days will be reviewed and acted upon in a subsequent round of approvals.

The Consortia applications will not be formally filed with the Commission's Docket Office, but will instead be submitted through the procedures set forth below. Since these applications are not to be filed with the Commission's Docket Office, they will not be assigned formal proceeding number(s), but will be tracked separately by the Commission's Communications Division.

Completed applications for Consortia grants must be submitted as follows:

1. Via an electronic format at the Commission's website at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CASFConsortiaGrant.htm> ; and
2. Via U.S. mail in the form of a paper copy mailed separately to the CPUC Communications Division, Attention: CASF Consortia Grant Account, 505 Van Ness Ave., Third Floor, San Francisco, CA 94102.

## **6.2. Public Notice of Consortia Application Information**

The Commission will post the name of each Consortium that submits an application for a grant, its contact information, and region(s) proposed to be covered within 14 days from the submission deadline on the CASF Consortia Grant Account webpage at

[http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CA\\_SFConsortiaGrant.htm](http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CA_SFConsortiaGrant.htm). Otherwise, given that multiple applicants may

potentially be competing for the same grant money, we will not post the full contents of each application on the webpage. However, parties seeking to review the contents of a Consortium application may contact the respective Consortium to request an electronic or paper copy for review.

In the opening comments, both DRA and TURN raise the issue of transparency in the application process. This issue has been raised previously by both parties in the processing and award of CASF infrastructure grants and has been responded to by the Commission repeatedly, in responses to comments of parties in the approved CASF grant resolutions.

TURN states that the CASF process was shrouded in confidentiality and that the Commission's approach to rewarding grants was a "black-box" with interested parties and the public at-large having no ability to understand the nature of the applications nor the approach and analysis used by Commission

staff to pick grantees.” DRA likewise states that the Assigned Commissioner’s Ruling inexplicably fails to acknowledge this issue or adopt any of DRA’s recommendations and procedures to promote public awareness and participation in the grant application process. Thus, DRA requests that the Consortia grant applications and signed affidavits be made publicly available by either posting on the Commission’s website and/or e-mailing them to the service list for this proceeding. DRA believes the Commission should also allow an opportunity to comment on the Consortia applications before a draft resolution comes before the Commission.

We disagree with TURN claim that the CASF process of awarding grants was a “black box” with the public and other interested parties not made aware of the nature of the applications nor the approach and analysis used by Commission staff to pick grantees. While it is true that the specifics of the applications other than the Census Block Groups (CBs), ZIP Codes, and maps of the areas proposed for CASF infrastructure grant funding are not made public prior to the issuance of the draft resolution for public comment, i.e., served to parties on the service list and posted on the Commission website, the Commission followed the process set forth in Resolution T-17143. The Commission has already addressed the rationale for not revealing all information relative to the application in various decisions and approved funding resolutions.

We disagree with claims that the public and other parties are not aware of the process and analysis used by the Commission staff to pick grantees. The Commission issued Resolution T-17143 to ensure that all applicants submit a standard set of documents and meet the requirements specified. Staff evaluates the applications according to the process outlined in said resolution. Further,

each draft funding resolution explains the process followed in reviewing the application and is made available to parties on the service list and posted on the Commission's website to give parties the opportunity to comment before the Commission votes on the resolution.

We find no merit in making the Consortia application and affidavit public, i.e., served on the service list and posted on the website, i.e., before a draft resolution comes before the Commission. If the intent is to afford the public an opportunity to comment on a proposed Consortia award and to know the identity of any party receiving its funding and representing its interests, the 30-day comment period on the draft resolution satisfies this concern regarding notice and comment.

### **6.3. Forum to Seek Additional Assistance with Procedural Questions**

Although this decision lays out the CASF application requirements in reasonable detail, as specified herein, we recognize that questions may remain concerning the proper preparation and submission of applications. We will thus provide a forum for submitting such questions electronically via the e-mail addresses referenced below. Responses to inquiries will be posted on the CASF website. Accordingly, prospective applicants may contact the CASF Consortia Grant Administrator for questions on the application process at:

[CASF Consortia Grant Application Questions@cpuc.ca.gov](mailto:CASF_Consortia_Grant_Application_Questions@cpuc.ca.gov)

and for Consortia Grant Account program questions at:

[CASF Consortia Grant Administrator@cpuc.ca.gov](mailto:CASF_Consortia_Grant_Administrator@cpuc.ca.gov)

#### **6.4. Documents and Information Required from Applicants**

Each application must be accompanied by the items set forth the checklist in Attachment F. We describe the contents in further detail below:

##### **6.4.1. Information Requirements**

At a minimum, each Consortium application shall provide the following required information:

- A. Identification (i.e., name, contact information, etc.) of each Consortium member, including which, if any members are telecommunications carriers that are certificated by or registered with the Commission, identifying their Utility Identification number in such instances.
- B. Background, description, and role each member<sup>9</sup> of the Consortium will play in the proposed Consortium project.
- C. Governing board structure in place that provides for direct representation from affected cities, counties, and tribes; the application must describe the governing board structure.
- D. Identification and description of the geographical regions/population groups/community interests to be covered by the proposed Consortium project to include a map, list of CBGs and ZIP Codes.

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<sup>9</sup> As prescribed in Public Utilities Code Section 281, eligible consortium members may include, as specified by the Commission, representatives of organizations, including, but not limited to those listed below. The Commission will give consideration to all consortia, both new and pre-existing, that are committed to pursuing projects consistent with the objectives stated in Public Utilities Code Section 281(a). Consortium members should include and be supported by a significant cross-section of stakeholders/representatives of community anchor institutions such as city and county government, community service districts, health care, primary and higher education, public safety, libraries, community-based organizations, tourism, parks and recreation, agriculture, and other business groups.

- E. Description of existing and past projects including:
  - (1) budget, timelines, and funding source; (2) demonstration that there will be no overlap and/or duplication of such projects (i.e., provide description of geographic region served and geographic region that will be served, etc.); and
  - (3) best practices learned from said projects.

#### **6.4.2. Action and Work Plan Requirements**

Each Consortium applicant must submit an Action Plan and Work Plan as part of the application. The Action Plan and the Work Plan will serve as the tools in the initial review of the applications.<sup>10</sup> The Action Plan is an outline of the Consortium's priorities as they relate to the region's needs for broadband deployment, access, and adoption. The Work Plan should include more detailed functions and activities related to implementing the Action Plan.

The Action Plan and Work Plan documents are to be tailored to fit the needs of a given region's constituents and geography, incorporating core responsibilities, including goals, measurable deliverables, expected outcomes, and specific timeline milestones as they relate to broadband deployment, access, and adoption.

The Action Plan should represent the viewpoints of its consensus of stakeholders and anchor institutions, and it should be aimed at increasing broadband deployment, access, and adoption in the Consortium's respective region. The Action Plan should reflect the priorities of the Consortium's members for broadband deployment, access, and adoption, and should set forth

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<sup>10</sup> Specific information that should be included in both the Action and Work Plans are shown in Attachment A, and sample Action Plan and Work Plan format is shown in Attachment B and Attachment C, respectively.

overall Consortium program goals, outcomes, metrics<sup>11</sup>, and strategies to accomplish said goals.

The Work Plan is an expansion of the Action Plan that shows how each priority in the Action Plan will be carried out. The Work Plan should include more detailed functions and activities related to implementing the Action Plan. The Work Plan should include a timeline identifying milestone dates for completion of key Work Plan activities proposed to be funded; the timeline shall describe each of the quarterly milestones to be accomplished. A Work Plan for each funding year is to be submitted, e.g., Work Plan Year 1, Work Plan Year 2, Work Plan Year 3. A sample Work Plan format is shown in Attachment C.

#### **6.4.3. Budget Requirements**

A proposed budget detailing the expected costs to be covered by the Work Plan including explanation of how any other costs related to the Work Plan, if any, will be funded, e.g., matching funds from other sources, is required as part of the application. The requested amount of Consortia grant funds should be based upon and consistent with the budget presented in the application. A yearly budget must be submitted for each funding year. A sample Budget format is included in Attachment D.

Each applicant's proposed consortium budget must expressly exclude any costs for activities or programs within the consortia region that are separately funded from any other sources in order to ensure that CASF grants do not duplicate funding from any other sources. The proposed consortium budget must be accompanied by a description of any existing broadband adoption or

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<sup>11</sup> Metrics is a measurement used to gauge quantifiable components of performance,

*Footnote continued on next page*



deployment activities funded by any other state or federal grants within the same region, together with confirmation showing that the CASF consortium budget does not duplicate any other sources of funding. For example, CETF has previously received federal grants for broadband awareness and adoption in various California regions. The consortium application must therefore identify any such CETF grants that cover the region within which the CASF consortium grant would apply, and show that the requested CASF consortium funding would not duplicate any CETF grant funding.

#### **6.4.4. Assignment of a Fiscal Agent**

Each regional Consortium must retain at least one Fiscal Agent with lead responsibility and legal authority to represent the Consortium for purposes of sponsoring the application, and for administration of Consortium activities, including receipt and disbursement of Consortium grant funds. In any event, the Fiscal Agent must affirmatively agree, on behalf of the Consortium, to comply with the Commission's directives and conditions relating to the review, approval, and administration of any Consortia application grants. This requirement is to provide assurance that Consortium members or contractors retained by the Consortium are capable and committed to delivering on the commitments to be funded.

The Fiscal Agent may be a local public institution e.g., city, county, academic institution, tribal government, etc., as defined under Section 50001 of the Government Code, or a town, as defined by Section 21 of the Government Code. The Fiscal Agent may also possibly be a certificated telecommunications

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e.g., survey of 150 community-based organizations, etc.

carrier. The Fiscal Agent must submit a letter stating its commitment to act as a Fiscal Agent for the Consortium. The letter must include:

- The name and contact information of the responsible party within the agency, including the person responsible for the administrative tasks, if different.
- Affirmation that the work outlined in the Consortium Work Plan will be completed and verification by an Attestation Report prepared by an independent, licensed Certified Public Accountant will be submitted annually to the Communications Division. The letter must also state the Consortium's acceptance of the Fiscal Agent's rights, duties, and responsibilities.

Any subsequent change in the Fiscal Agent must first be approved by the Commission resolution.

#### **6.4.5. Affidavit of Application's Truth and Accuracy**

As part of the application, an applicant's Fiscal Agent must sign an affidavit, under penalty of perjury, that to the best of their knowledge all the statements and representations made in the Consortium application are true and correct.<sup>12</sup> A sample Affidavit form is provided in Attachment E.

DRA recommends that the Affidavit include a clause that the Regional Consortia members and associated Fiscal Agent agree to comply with Rule 1.1 of the Commission's Rule of Practice and Procedures and that the Commission incorporate language comparable to that of an application for Certification of Public Convenience and Necessity. We concur with DRA's recommendation, and thus shall require Regional Consortia to certify within the affidavit that:

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<sup>12</sup> Rule 1.1 of the Commission's Rules of Practice and Procedure.

No member, officer, director, partner of a Consortium or its Fiscal Agent has: 1) filed for bankruptcy; 2) was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; nor 3) has been found either civilly or criminally liable by a court of appropriate jurisdiction for violation of § 1700 et. seq. of the California Business and Professions Code, or for any action which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

If the Consortium fails to perform in good faith, or in accordance with the expectations set forth in its Action Plan, Work Plan, and Consent Form, as affirmed in the affidavit, the Commission may withhold subsequent grant disbursements or suspend or terminate the Consortium grant, as warranted.

#### **7. Basis for Review and Award of Consortia Grants**

An evaluation team comprised of Communications Division staff will assess all completed applications in each of the following areas: (1) Regional Consortium Representation and Endorsements; (2) Regional Consortium / Members' Experience; (3) Action Plan; (4) Work Plan; and (5) Budget.

We agree with TURN's recommendation that the applicant secure endorsements from critical stakeholders other than governmental institutions. Letters of endorsements should also be obtained from community-based organizations, schools, hospitals, libraries, businesses and consumers. This additional requirement will address DRA's concern that the application be made public since the regional Consortium applicant will have to disclose to the affected community / area its intent to apply for a Consortia grant to obtain the community support/endorsements.

Applicants will be objectively evaluated on how well they meet the goals of the CASF Consortia program. This scoring method will be used on all

completed applications submitted by the given deadline. Judgment will be rendered in the form of a numerical score. All applicants will be assigned a score.

Those applicants who meet a minimum score of 70 points (out of a possible 100 points) will be considered for funding. Funding will be reserved to only one Regional Consortium per region. If said scoring criteria threshold is not met in any region(s), no award will be disbursed for said region(s) and as a result, a second application process for said region(s) will be required and announced to the service list and posted on the Commission website at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CASFConsortiaGrant.htm>.

Where multiple Consortia apply for the same region only the applicant in a region who has the highest score will be considered for an award. The scoring criteria and the points allocated to each criterion are shown in Attachment G.

The Commission will issue approval of qualifying Consortia applications, together with the grant amount per Consortium, through a Commission resolution(s). The Commission's grant of any award is subject to satisfaction of the conditions set forth in this decision, and any additional conditions that may be specified in the Commission resolution approving a grant. Each grant is made expressly only to the Consortium grantee as identified in the Commission resolution. The grantee may not assign the project in whole or in part, except as expressly provided by the Commission's approval as discussed in Section 10.

#### **8. Oversight of Consortia Activities Subsequent to Grant Approval**

The Commission authorizes the Communications Division to implement administrative controls necessary to assure that funds disbursed to a Consortium are administered efficiently and cost-effectively consistent with the stated purposes and objectives for which the funds are to be used. The

Communications Division and the CASF Consortia Grant recipient will determine the project start date. The Commission will not begin to pay for the Consortium's activities until a start date has been established and until Communication Division receives a signed Consent Form.

Grant funds will be disbursed in accordance with, and within the time specified in, California Government Code Section 927. The Commission's Communications Division has the authority to initiate any necessary audit, verification, and discovery of Consortium members relating to grant funding activities to ensure that CASF Consortia grant funds are spent in accordance with the Commission's adopted rules and standards. Each Consortia grantee shall maintain books, records, documents and other evidence sufficient to substantiate expenditures covered by the grant, according to generally accepted accounting practices. Each Consortia grantee shall make these records available to the Commission upon request and agrees that these records are subject to a financial audit by the Commission at any time within three years after the Grantee incurred the expense being audited. A Consortia grantee shall provide access to the Commission upon 24 hours notice to evaluate work completed or being performed pursuant to the grant.

The Grantee must use the grant funds solely for the approved project as described in the Grantee's Commission-approved Action Plan and Work Plan. Each Consortia grantee shall complete the project in accordance with and within the project performance period set forth in the Commission-approved Action Plan and Work Plan, unless the Commission or Commission staff has granted an extension or modification in writing. Grantee's performance and completion of the project must comply with all applicable laws and regulations.

## **9. Disbursement of Grant Funds**

The Commission's Fiscal Office is directed to administer all accounting and record keeping necessary for the Commission to oversee Consortia grant funds. Once an application for a grant is approved, actual disbursements will be made in the form of progress payments to the Fiscal Agent. All requests for progress payments and reimbursements must be supported by documentation, e.g., receipts, invoices, quotes, etc.

The grantee may request reimbursement of start-up costs equivalent to a maximum of 10% of the total award. Such payment requests should also be supported by documentation, e.g., receipts, invoices, quotes, etc. Start-up costs include administrative expenses, e.g., rental of building, hiring of personnel, purchase of office supplies, etc. Subsequent disbursements are on a progress report-review basis and are to be made at the following intervals: 15%, 25%, 25%, and 25%.

In order to receive a progress payment, the Consortium must first submit the Quarterly Progress Report to the Communications Division, together with all requests for payment and reimbursement supported by relevant invoices receipts, etc. A sample of a Quarterly Progress Report is included in Attachment I. Quarterly Progress Reports shall be based upon the approved Action Plan, Work Plan, Consent Form, timelines, milestones, and costs identified in the application. Further, the Quarterly Progress Report shall indicate the actual date of completion of each task/milestone as well as problems/issues encountered and the actions taken to resolve these problems/issues. The Quarterly Progress Report will be submitted and certified under penalty of perjury. As noted above, all requests for payment and

reimbursement must be supported by appropriate supporting documentation, e.g., receipts, invoices, quotes.

All performance specified under the terms of any award shall be completed on or before the termination date of the award, as per the signed Consent Form between the recipient and Commission. A project completion report will be required before full payment showing that all activities in the Work Plan have been accomplished. The final disbursement will be equal to the outstanding balance due under the Consortium grant or actual expenditures, whichever is less. The grantee's final payment report, including all documentation and receipts, should be submitted no later than 60 days after project completion.

#### **10. Execution and Performance**

Should the recipient or its contractor fail to commence work at the agreed upon time, the Commission, upon ten business days written notice to the CASF Consortia Grant Account recipient, may terminate the award.

In the event that the CASF Consortia Grant Account recipient fails to complete the project, in accordance with the terms of approval granted by the Commission, the recipient will be required to reimburse some or all of the CASF Consortia Grant Account funds that it has received.

Any changes to the substantive terms and conditions underlying Commission approval of the Consortium grant (e.g., changes to Action Plan, Work Plan, budget or designated Fiscal Agent, etc.) must be communicated in writing to the Communications Division Director at least 30 days before the anticipated change, and may be subject to approval by either the Director or by Commission resolution before becoming effective.

## **11. Publicity and Acknowledgment**

Any publications, studies, or reports made possible or derived in whole or in part from the project and any news articles, brochures, seminars, or other promotional materials or media through which the Grantee publicizes the Project will acknowledge the CASF's Consortia program in the following manner:

"Funding for this project has been provided in full or in part through a grant by the Rural and Urban Regional Broadband Consortia Grant Account of the California Advanced Services Fund, a program administered by the California Public Utilities Commission."

## **12. Comments on Proposed Decision**

The proposed decision of Commissioner Peevey in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on June 13, 2011, and reply comments were filed on June 20, 2011. We have reviewed the comments and made appropriate refinements in finalizing this decision.

In its comments on the Proposed Decision, California Broadband Policy Network (CBPN) notes that the Commission's President serves as the Chairman of the Board of Directors of the CETF. CBPN therefore suggests that the Commission's President recuse himself from the Consortia Grant review process. We have considered this request and see no reason for the President to recuse himself from the grant review process. Such recusal would be necessary if the CETF were to apply for a grant. However, due to conflicts concerns, CETF will not be able to apply for any grant under this decision. Accordingly, there will be no reason for the Commission's President to recuse himself from reviewing the grant applications.



### **13. Assignment of Proceeding**

Michael R. Peevey is the assigned Commissioner and Thomas R. Pulsifer is the assigned ALJ in this proceeding.

#### **Findings of Fact**

1. Pursuant to SB 1040, the Rural and Regional Broadband Consortia Account was established, providing an appropriation of \$10 million for grants to eligible Consortia to cover the cost of broadband deployment activities other than the capital costs of facilities, as specified by the Commission.

2. Ubiquitous deployment of broadband holds tremendous opportunities for consumers, technology providers, and content providers, and is important to the continued health and economic development in California.

3. The activities and programs expected to be performed by regional Consortia under the criteria adopted in this decision, offer the potential to promote greater deployment and adoption of broadband advanced communications services within areas that are underserved or not served at all, consistent with universal service policies aimed at bridging the “digital divide” as articulated in Pub. Util. Code §§ 709(c) and (d).

4. For purposes of qualifying for a grant under the CASF Consortia program, the Consortia membership criteria are set forth in Pub. Util. Code § 281.

5. The procedures and policies adopted in this decision governing the submission of applications and awarding of grants under the Consortia program are appropriate to ensure that the grant funds disbursed pursuant to Commission action are spent in a responsible and cost-effective manner consistent with adopted program goals.

6. A grant funding cap of \$150,000 per year per Consortium, and a three-year cap of \$450,000 per Consortium, provides a reasonable upper limit on

disbursements, given the total fund appropriation size, and subject to Commission approval of lesser amounts, depending on the size of a given Consortium budget.

7. The amount of any CASF grant awarded to a Consortium may vary depending on the size of the budget submitted with the application, and subject to the Commission's review and approval of requested grant amounts.

8. It is reasonable to provide for supplemental grant funding capped at \$2,000 per person for up to five delegates annually as long as an applicant utilizes the additional funds exclusively for broadband access, adoption, and sustainability, such as participation in learning summits, workshops, conferences, and/or training to share best practices, to promote team- building among Consortia, and to facilitate networking across geographic regions. All applicants are required to provide supporting documentation of collective anticipated costs per person as part of its Action Plan and Work Plan with its application.

9. The scoring criteria and weighting factors set forth in Attachment G provide a reasonable set of objective standards by which to select and rank applications and to award grants for the Rural and Regional Broadband Consortia Account.

### **Conclusions of Law**

1. The Commission has the responsibility and authority to establish procedures and controls necessary to implement funding through the Rural and Regional Broadband Consortia Account in accordance with the directives of SB 1040, as codified by Pub. Util. Code § 281.

2. Pursuant to SB 1040, Consortia grants must be used for purposes other than funding capital costs of broadband facilities. Separate provisions relating to

CASF grant and loan accounts for the funding of broadband capital costs should be addressed in a separate decision in this proceeding.

3. The procedures and requirements adopted in this decision for administering the Consortia program are consistent with SB 1040 objectives to promote wider availability of advanced communications services through greater deployment and adoption of broadband.

4. An evaluation team comprised of the Commission's Communications Division staff should be assigned responsibility to assess all completed applications in each of the following areas: (1) Regional Consortium Representation and Endorsements; (2) Regional Consortium / Members' Experience; (3) Action Plan; (4) Work Plan; and (5) Budget.

5. Consortia applications should be subject to approval by Commission resolution based on the results of the Communications Division review in accordance with the scoring criteria set forth in Attachment G.

6. Applicants should be required to secure endorsements from critical stakeholders other than governmental institutions. Letters of endorsements should also be obtained from community-based organizations, schools, hospitals, libraries, businesses and consumers.

7. Applicants should be required to submit an Action Plan and Work Plan with the Consortia application. The Action Plan should conform to the requirements in Attachment A and B, outlining the Consortium's priorities as they relate to the region's needs for broadband deployment, access, and adoption. The Work Plan should conform to the requirements of Attachment A and C and include more detailed functions and activities related to implementing the Action Plan.

8. An applicant's proposed grant amount should not exceed the cap of \$150,000 per year and the cap of \$450,000 over three years. The applicant should be required to present a proposed budget detailing the expected costs to be covered by the Work Plan including explanation of how any other costs related to the Work Plan, if any, will be funded, e.g., matching funds from other sources, is required as part of the application. The requested amount of Consortia grant funds should be consistent with the budget presented in the application.

9. By executing a consent form prior to receiving grants of CASF funds, a Consortium agrees to the terms, conditions, and requirements of this Decision and the resolution awarding the grant and effectively comes under the jurisdiction of the Commission with respect to all matters relating to the administration of the CASF grant.

10. The administrative controls on approving Consortium grants and disbursement of grant funds as set forth in this decision are necessary and appropriate to enable the Commission to retain oversight of the Consortia program and to ensure that funds are spent in a cost-effective and responsible manner consistent with program goals.

11. Because CETF will not be able to apply for any grant under this decision due to conflicts concerns, there will be no reason for the Commission's President to recuse himself from reviewing the grant applications.

12. The procedures and requirements set forth in this decision as incorporated in the ordering paragraphs below should be adopted and implemented in order to enable grant funds to be disbursed consistent with the relevant statutory requirements.

**O R D E R**

**IT IS ORDERED** that:

1. The Commission hereby authorizes eligible Consortia to apply for grants pursuant to the Rural and Urban Regional Broadband Consortia Account subject to annual funding caps of \$150,000 and three-year caps of \$450,000, in accordance with Public Utilities Code Section 281 and the ordering paragraphs below. Each applicant for a consortium grant shall bear primary responsibility for assembling its own membership and delineating its geographic region of responsibility consistent with the standards and requirements set forth in this decision. The initial round of consortia applications may request funding covering up to a three-year period, capped at no more than \$450,000 per consortium.

2. In the case of the Los Angeles region, smaller sub-regional consortia that are partners of a larger regional Consortium, the larger regional Consortium must serve as the umbrella organization submitting one application on behalf of all partnering sub-regional consortia. Each sub-regional consortium's action plan, work plan, budget, key contact information, and members will be consolidated into the application submitted by the larger regional Consortium with whom they are a partner.

3. The requested amount of sub-regional Consortia grants shall be reduced in proportion to their smaller scale compared with larger regional Consortia. A sub-regional Consortia application shall clearly delineate its relationship and interaction with the larger regional Consortium. Consortia applicants shall bear responsibility to develop and propose a grant amount applicable to sub-regional

consortia partners, consistent with the principles and standards set forth in this decision. In any case, the combined total size of grants for all Los Angeles sub-regional consortia shall not exceed \$150,000 for one year or \$450,000 for three years.

4. The Commission's Communications Division is directed to schedule and host on at least an annual basis a Regional Consortia Learning Community Summit. All consortia receiving California Advanced Services Fund grants shall be required to attend the Summit. The purpose of the Summit is to provide a forum for all consortia to gather and exchange information and ideas on best practices to enhance the effectiveness of consortia programs. The first Summit shall be scheduled and posted on the Commission's website at the conclusion of the first year of Consortia funding.

5. A Consortium shall be eligible for seeking supplemental funding up to \$2,000 per person for up to five delegates to participate annually in the Regional Consortia Learning Community Summit. Any actual reimbursement for such expenses will be subject to the State Administrative Manual requirements for cost ceilings and supporting documentation for per-diem expenses.

6. The adopted grant funding caps shall constitute an upper limit on possible authorized grant amounts. The actual grant amount requested in a Consortium application shall reflect the specific level of budgeted activities planned by the Consortium, as reflected in the budget information required to be attached to the application.

7. Eligible applicants are authorized to begin submitting applications for California Advanced Services Fund Consortia grants beginning on the effective date of this decision.

8. At a minimum, each Consortium application shall provide the following required information and documents itemized in the attachments to this decision, including:

- A. Identification (i.e., name, contact information, etc.) of each Consortium member, including which, if any members are telecommunications carriers that are certificated by or registered with the Commission, identifying their Utility Identification number in such instances.
- B. Background, description, and role each member of the Consortium will play in the proposed Consortium project.
- C. Governing board structure in place that provides for direct representation from affected cities, counties, and tribes; the application must describe the governing board structure.
- D. Identification and description of the geographical regions/population groups/community interests to be covered by the proposed Consortium project to include a map, list of Census Block Groups and ZIP Codes.
- E. Description of existing and past projects including: (1) budget, timelines, and funding source; (2) demonstration that there will be no overlap and/or duplication of such projects (i.e., provide description of geographic region served and geographic region that will be served, etc.); and (3) best practices learned from said projects.

9. Each application must include an Action Plan and Work Plan which provide at a minimum, the information and disclosures set forth in Attachment A, B, and C hereto. A Work Plan must be submitted for each funding year, e.g., Work Plan Year 1, Work Plan Year 2, Work Plan Year 3.

10. Each application must include a budget of planned activities, a designated Fiscal Agent, and an affidavit attesting to the application's truth and

accuracy. A budget must be submitted for each funding year, e.g., Budget Year 1, Budget Year 2, Budget Year 3.

11. Any proposed consortium budget must expressly exclude any costs for activities or programs within the consortia region that are separately funded from any other sources in order to ensure that California Advanced Services Fund (CASF) grants do not duplicate funding from any other sources. Any proposed consortium budget must be accompanied by a description of any and all existing broadband adoption or deployment activities funded by any other state or federal grants or by any other sources within the region covered by the consortium application, together with supporting detail necessary to confirm that the CASF consortium budget does not duplicate any such funding.

12. Applications must be submitted to the Commission as specified in Section 6.1 above, and received within 60 calendar days from the effective date of this decision in order to be considered in the first round of grant approvals. Applications received after 60 calendar days shall be reviewed and acted upon in a subsequent round of approvals.

13. The Commission's Communications Division shall post the name of each Consortium that submits an application for a grant, its contact information, and region(s) proposed to be covered within 14 days from the submission deadline on the California Advanced Services Fund Consortia Grant Account webpage.

14. The Commission's Communications Division is authorized to conduct the review and evaluation of eligible Consortia grantees in accordance with the scoring and evaluation criteria set forth in Attachment G.

15. Before the end of the initial California Advanced Services Fund Consortia Grant Account funding period, the Commission shall establish a schedule for a new round of application filings to award remaining unencumbered consortia



grant funds. The same eligibility criteria, filing requirements, and scoring protocols adopted for the initial filing round shall apply for the subsequent round of filings. Any previously awarded consortia grant recipients seeking renewed funding for additional activities shall be considered based on how efficiently and cost-effectively any previously granted consortia funds were spent.

16. All the applicants shall be assigned a score in accordance with Appendix G criteria. Those applicants that meet a minimum threshold scoring criteria of 70 points (out of a possible 100) shall be eligible for funding. Where multiple applicants seek funding in the same region, the highest ranking applicant shall be considered eligible to receive a grant.

17. The disbursement of funds awarded by grant shall be subject to the requirements and protocols for the production of periodic progress reports and supporting documentation for payment reimbursement in accordance with the requirements set forth in Section 9 above.

18. Consortia applicants receiving awards shall be bound by the requirements and obligations set forth in the Commission's resolution authorizing such award, including Action and Work Plan, budget, the completed consent form (as shown in Attachment H), and completed affidavit, swearing or affirming to the statements as show in Attachment E to this decision.

19. Should the Consortium Grant recipient or its contractor fail to commence work at the agreed upon time, the Commission, upon ten business days written notice to the California Advanced Services Fund Consortia Grant Account recipient, reserves the right to terminate the award.

20. In the event that the California Advanced Services Fund (CASF) Consortia Grant Account recipient fails to complete the project, in accordance with the

terms of approval granted by the Commission, the recipient will be required to reimburse some or all of the CASF Consortia Grant Account moneys that it has received, as may be directed by subsequent Commission order.

21. Any changes to the substantive terms of the terms and conditions underlying Commission approval of the Consortium grant, (e.g., changes to Action Plan, Work Plan, budget or designated Fiscal Agent, etc.) must be communicated to the Communications Division Director at least 30 days before the anticipated change, and may be subject to approval by either the Director or by Commission resolution before becoming effective.

This order is effective immediately.

Dated June 23, 2011, in San Francisco, California.

MICHAEL R. PEEVEY  
President  
TIMOTHY ALAN SIMON  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
MARK J. FERRON  
Commissioners

## **ATTACHMENT A**

### **ACTION PLAN AND WORK PLAN CONTENTS**

The Action Plan and Work Plan are to be tailored to fit the needs of a given region's constituents and geography, incorporating core responsibilities, including goals, measurable deliverables, expected outcomes, and specific timeline milestones as they relate to broadband deployment, access, and adoption. Below are required core responsibilities that should be included and reflected in an Action Plan. Following the Action Plan is a list of activities that should be included in a Work Plan. The Work Plan should include all activities designed to implement the Action Plan goals. Sample forms illustrating the format of an Action Plan and Work Plan are included as Attachments B and C.

Action Plan Core Responsibilities that should be included:

- Broadband deployment
  - Conduct open information briefings for stakeholders and providers about CASF.
  - Identify and convene interested parties to discuss options and facilitate the thorough preparation and submission of infrastructure applications and to explore opportunities for coordinating use of community resources to achieve the most cost-effective proposals where most needed.
  - Recommend prioritization of broadband infrastructure projects.
  - Solicit local community participation in the form of broadband access and adoption workshops open to the public and used to define infrastructure needs and areas of accountability.
  - Facilitate open party meetings to encourage area-specific proposals and to promote cooperation with public-private entities in application preparation.
  - Provide regional data and information to all interested applicants.

- Work with public agencies and private-sector industry clusters (and prospective customers) to facilitate interaction between them and CASF applicants.
  - Review and comment on applications submitted to CASF from the region in the course of assessment of the infrastructure grant projects.
  - Identify opportunities and top priorities for application of broadband infrastructure and deployment through research, analyses, and recommendations on cost-effective projects within their regions.
- Broadband access and adoption
- In urban areas, create services e.g. telehealth, online training and education, and common areas, e.g. popular neighborhood hot spots such as coffee houses, bookstores, gyms, and community centers, that spur broadband use.
  - Promote new regional projects to assess the needs for broadband technologies in the region, including critical gaps of broadband availability.
  - Elicit support from local governments throughout the region to establish and implement policies to promote deployment and adoption.
  - Develop initiatives and public awareness, education, and outreach campaigns to stimulate the demand for broadband services.
  - Work with grant/loan recipients to coordinate demand stimulation efforts through the CASF infrastructure grant program.
  - Propose innovative projects to achieve the goal to increase subscribership in undersubscribed areas or targeted populations.
  - Provide education and training so all potential users know how to assess the technology and use it.
  - Advance broadband adoption levels throughout the community by working with anchor institutions.

Work Plan activities designed to implement the Action Plan goals that should be included:

- A community development approach that focuses on the strengths and capabilities of its residents and associations in implementing Action Plan goals.
- Education, training, and outreach to promote broadband access and adoption.
- A plan and schedule for Consortium and stakeholders to meet, e.g. holding regular open meetings, roundtable discussions, and conference calls.
- Activities to assist in developing cost-effective CASF infrastructure grant applications, e.g. gathering market data and undertaking of studies to identify opportunities and priorities for application of broadband deployment, access, and adoption.
- Studies to identify performance metrics, looking at actual performance versus potential performance, e.g. addressing the questions of “Where are we” and “Where do we want to be”.
- Contracting with technical consultants (if applicable).

**(END OF ATTACHMENT A)**

## ATTACHMENT B

### Sample of Action Plan Format

[Name of Regional Consortium]

[Name of Project]

**ACTION PLAN**

**---EXAMPLE SECTIONS---**

#### I. Executive Summary

- An overview of your consortium
- An overview of your project
- Summarize your key points

#### II. Vision Statement

- A picture of your consortium in the future
- Your framework for strategic planning

#### III. Background

- History of your consortium
- Inception of your project
- Importance of your project

#### IV. Organizational Structure

- Design of your consortium's allocation of authority, roles and responsibilities, communications (how information flows between different levels), etc.

#### V. Activities

- A description of your consortium's actions in achieving goals and objectives

#### VI. Investment Strategy

- A description of the ways in which your consortium will maximize investments

#### VII. Broadband Deployment, Access, and Adoption

- How will your consortium achieve broadband deployment (assist in broadband infrastructure projects), access (getting information out on broadband availability, services, etc.), and utilization/adoption (getting residents to subscribe to broadband services)

VIII. Budget and Expenditures

- Include itemization of budget items and expenditures including documentation (receipt, invoices, quotes, etc.)

IX. Next Steps

- Your consortium's project plans and activities in the future (e.g., what does your consortium plan to accomplish within the next three-to-five years)

X. Appendix

**(END OF ATTACHMENT B)**

**ATTACHMENT C**  
**Sample of Work Plan Format**  
**[Name of Regional Consortium]**  
**[Name of Project]**  
**WORK PLAN – [MONTH, YEAR]**

Activity(ies)	Timeline	Responsible Party(ies)	Performance Measure(s)
Identify, recruit, and train community-based organizations (CBOs) to conduct outreach <ul style="list-style-type: none"> <li>• Identify CBOs and develop database</li> <li>• Secure commitments for CBO participation</li> <li>• Train CBO officers</li> <li>• Convene meetings and facilitate planning</li> </ul>	1/1/11 – 12/21/11 <ul style="list-style-type: none"> <li>• Identify CBOs and develop database: 1/1/11-1/8/11</li> <li>• Secure commitments: 1/9/11-2/9/11</li> <li>• Train CBO officers: 1/9/11-4/29/11</li> <li>• Convene meetings: 1/9/11-12/15/11</li> </ul>	<ul style="list-style-type: none"> <li>• Joseph Lee, Community Relations Manager</li> <li>• Stephanie Singh, Marketing Director</li> <li>• Ashley Marino, CIO</li> </ul>	<ul style="list-style-type: none"> <li>• Reach at least 80% of CBOs in region</li> <li>• Train CBO officers or designated representatives</li> <li>• Conduct two meetings per month</li> <li>• Conduct one conference call per week</li> </ul>

**(END OF ATTACHMENT C)**