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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PM

R2008021

Order Instituting Rulemaking
Regarding Revisions to the
California Advanced Services Fund.

Rulemaking 20-08-021

ASSIGNED COMMISSIONER'S SECOND AMENDED SCOPING MEMO AND RULING

This Amended Scoping Memo and Ruling (Second Amended Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules). Specifically, this Second Amended Scoping Memo amends the adopted issues and schedule in Rulemaking (R.) 20-08-021 to include consideration of program changes to the California Advanced Service Fund (CASF) Broadband Adoption Account (Adoption Account),¹ the Rural and Urban Regional Broadband Consortia Account (Consortia Account),² and the Broadband Public Housing Account (Public Housing Account),³ to incorporate these program changes in the current Phase II of this proceeding. The schedule is amended to include additional milestones for the Broadband Loan Loss

¹ The Adoption Account Application Requirements and Guidelines were adopted in Decision (D.) 18-06-032, Appendix 1, and were modified in D.19-02-08 and D.21-09-004.

² The Consortia Account Application Requirements and Guidelines were adopted in D.18-10-032, Appendix 1.

³ The Public Housing Account Revised Application Requirements and Guidelines were adopted in D.20-08-005, Appendix 2.

Reserve Fund (BLLRF) program guidelines. Finally, the schedule is amended to notify parties that the Commission intends to address program modifications to the CASF Infrastructure Account and the CASF Line Extension Program in a future Phase III of the Rulemaking.

This Second Amended Scoping Memo provides notice and opportunity to comment on proposed rule modifications for the Adoption Account, Consortia Account, and the Public Housing Account. This Second Amended Scoping Memo also provides notice of and requests comment on Fiscal Year 22-23, 23-24, and 24-25 CASF Budget allocations. Finally, this Second Amended Scoping Memo contains questions for comment related to the BLLRF.

1. Background⁴

The goal of the CASF is “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 [...]”⁵

In July 2021, Governor Newsom signed Senate Bill (SB) 156 (Stats. 2021, Chap. 84 and 112) and Assembly Bill (AB) 164 (Budget Act of 2021), which, among other items, created new broadband infrastructure deployment programs and changed certain requirements of existing broadband deployment programs, including:

- Creation of a new open-access, statewide middle mile network deployment project;
- Creation of a new “Federal Funding Account” and appropriation of \$2 billion for broadband deployment

⁴ For a more detailed procedural background of this proceeding, *see* Scoping Memo and Amended Scoping Memos issued on October 26, 2020, and September 16, 2021.

⁵ Cal. Pub. Util. Code, § 281(a).

projects “to expeditiously connect unserved and underserved communities”;

- Modification of the eligibility requirements for the Public Housing Account, expanding application eligibility for grants beyond publicly served communities to include “low-income communities”;
- Allocation of funding for and a requirement that the Commission provide technical assistance to local governments and providers, to assist in developing grant applications, and to assist in preparing definitive plans for infrastructure deployment in each county and across contiguous counties; and
- Creation of a BLLRF in the State Treasury and appropriation of \$750 million to fund costs related to the financing of broadband infrastructure deployment infrastructure by a local government agency, nonprofit organizations, and Tribal governments.⁶

Pursuant to the August 2, 2021 Amended Scoping Memo in Rulemaking (R.) 20-09-001, implementation of the Federal Funding Account is within the scope of R.20-09-001 and a proposed decision on that program is anticipated to be released in March 2022. Commission obligations related to the state middle mile network development also occurred in R.20-09-001 and network planning is ongoing.

On September 16, 2021, I issued a ruling amending the scope in this proceeding (First Amended Scoping Memo) to include issues regarding development of the local agency technical assistance program and the loan loss reserve program required under SB 156. The First Amended Scoping Memo contained a staff proposal with proposed rules for a Local Agency Technical

⁶ California State Budget 2021-2022, <http://ebudget.ca.gov/2021-22/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf> (accessed on February 4, 2022), at 26-27.

Assistance program and set a schedule for the rulemaking anticipating a BLLRF staff proposal to be issued in the first quarter of 2022. The proposed decision adopting the Local Agency Technical Assistance program was issued on January 22, 2022, and was adopted at the February 24, 2022 Commission voting meeting.

The First Amended Scoping Memo further anticipated issuance of an additional amended Scoping Memo and ruling to address CASF program modifications after progress was made on developing the Local Agency Technical Assistance program and BLLRF. This Second Amended Scoping Memo amends the schedule for issues concerning development and administration of the BLLRF and directs parties to provide responses to questions concerning development of the BLLRF in Phase IIA. As noted above, SB 156 also contains general CASF program changes, and additional bills may further impact CASF program requirements. This Second Amended Scoping Memo incorporates additional issues concerning the CASF program changes in a Phase IIB of this proceeding.

To efficiently implement statutorily required and proposed CASF program rule changes, this Second Amended Scoping Memo amends the schedule of this proceeding as described in Section 4, below, and proposes program budget allocations, program modifications, and questions for party comment. Parties may provide comment in response to questions posed below as well as to the rule changes proposed below and in the attached appendices.

2. Phase IIA Issues: Broadband Loan Loss Reserve Fund

As noted above, SB 156 and AB 164 created and allocated continuous funding for the implementation of a BLLRF within the CASF. The Commission is required to make these funds available to:

fund costs related to the financing of the deployment of broadband infrastructure by a local government agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt.⁷

The Commission is authorized to adopt “eligibility requirements, financing terms and conditions, and allocation criteria, for infrastructure projects deployed using financing supported in whole or in part by” the BLLRF.⁸

Parties are invited to address the following questions:

Structure of Loan Loss Reserve and Other Credit Enhancement Mechanisms

1. What types of debt issuance, if any, should the Commission consider supporting by creating a loan loss reserve for potential losses? Are there differences between local agencies and nonprofits that warrant consideration of support of various forms of debt issuance? What other factors should the Commission consider when making this determination?
2. What proportion of project costs or types of projects costs, if any, should be supported by financing backed by loan loss reserve funds?
3. A potential goal of loan loss reserve funds is that the funding dedicated to loan loss protection is not needed to pay off principal or interest – that projects supported by

⁷ See Cal. Pub. Util. Code, § 281.2(a)(1).

⁸ Cal. Pub. Util. Code, § 281.2 (b).

the loan loss protection become self-sustainable and applicants do not default on the base financing instrument. Are there ways the Commission can structure loan loss protection to take advantage of this aspect of loan loss reserve funds?

4. Aside from loan loss protection, what other mechanisms of credit enhancement, if any, should the Commission consider adopting pursuant to the authorization set forth in Pub. Util. Code Section 281.2 (a)(1)?

Applicant and Project Eligibility Requirements

5. Under the authorizing legislation, the Commission “may require a local government agency or nonprofit organization to provide information demonstrating the agency’s or nonprofit organization’s ability to reasonably finance and implement the infrastructure project deployed” using financing supported by the BLLRF.⁹ What eligibility requirements, if any, should the Commission establish for local government agencies or nonprofit organizations to demonstrate this ability? Are there other requirements the Commission can or should adopt to ensure organizational ability and commitment to complete projects, (e.g., dedication of a certain amount of start-up project funding by the applicant)?
6. What project-specific information should the Commission require from applicants seeking loan loss reserve protection?
7. Should the Commission consider prioritizing projects eligible for loan loss protection based on service levels available in proposed project areas, low-income designations, redlining, the presence or absence of competition in the proposed project area, or other parameters?
8. What service standards, if any, should the Commission require from projects supported by loan loss protection?

⁹ Cal. Pub. Util. Code, § 281.2(c).

Should the Commission require projects to be open access or to deliver certain speeds to ultimate end users? How can the Commission ensure that projects supported by loan loss protection are “future proof” or that they will provide lasting benefits to applicants and their constituents?

Reporting Requirements

9. What BLLRF reporting would support the ability of the Commission and public to access information and monitor progress? Pub. Util. Code Section 281.2 (d) contains reporting requirements for local agencies and nonprofits that receive funds under the BLLRF, as follows:
 - Biannual progress reports identifying project milestones and percent completions to date and including other information as the commission may prescribe.
 - A completion report, including a full description of the completed project, comparison of approved versus actual costs of construction, speed test data for all areas served by the project, and other information as the commission may prescribe.
10. What, if any, additional ongoing reporting should be required of the BLLRF recipients?

Financing

11. Should BLLRF funds be kept in the fund, or deposited with the recipient? Why or why not?
12. How should interest earned on BLLRFs be treated? Should any interest earned on BLLRF funds be returned to the fund? How should interest be treated if BLLRF funds are kept in the fund?
13. For how long should BLLRF funds be allocated (*e.g.*, 10, 20 or 30 years)? Are any statutory or budgetary reforms necessary to accommodate these lengths of time?
14. Should BLLRF funds cover both the principal and interest of bond financing in the event of default? Why or why not?

15. Are there any other recommendations the Commission should consider when developing the BLLRF?

3. Phase IIB Issues

The issues to be determined or otherwise considered in Phase IIB of this proceeding are described in this section.

3.1. Public Housing Account

Appendix 1 of this ruling contains proposed changes to Broadband Public Housing Account Grant Rules. Parties are invited to provide comments on the proposed changes in Appendix 1 and to address the following questions.

Prior to SB 156, the Public Housing Account provided grants to finance up to 100 percent of the costs to install inside wiring and broadband network equipment in publicly supported communities that are unserved and that have not denied an Internet service provider (ISP) access to its property to provide broadband service to any unit.¹⁰

i. Expansion of Eligibility for Public Housing Account Grants and Program Definitions

The Public Housing Account rules limited applicant eligibility to unserved “publicly supported communities.”¹¹ However, SB 156 amended program rules to allow Public Housing Account funds to be available to low-income

¹⁰ See D.20-08-005, Appendix 2 at 4-5.

¹¹ “Publicly supported communities” are defined in D.20-08-005, Appendix 2, as a publicly subsidized multifamily housing development that is wholly owned by either of the following:

- (i) A public housing agency that has been chartered by the state, or by any city or county in the state, and has been determined to be an eligible public housing agency by the United States Department of Housing and Urban Development.
- (ii) An incorporated nonprofit organization as described in Section 501 (c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501 (a) of that Code (26 U.S.C. Sec. 501(a)) and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as “low” or “very low” income according to federal poverty guidelines.

communities, “including, but not limited to publicly supported housing developments, and other housing developments or mobile home parks with low-income residents, as determined by the [C]ommission.”¹² The Commission is required to “approve projects for funding from the . . . Public Housing Account in a manner that reflects the statewide distribution of low-income communities.”¹³ The issues to be considered for the Public Housing Account rules are:

1. Aside from categorical inclusion of publicly supported housing developments, other housing developments and mobile home parks with low-income residents, how should the Commission define “low-income” for the purpose of program eligibility?
2. Is it reasonable to require communities to demonstrate that a majority of residents’ incomes are equal to or less the income thresholds used for the CARE program, (*i.e.*, equal to or less than 200 percent of the federal poverty guidelines) to establish that the community is low-income? Is there another method the Commission should consider establishing to determine that an applicant is or represents a low-income community? How can the Commission verify income eligibility?
3. Are the Public Housing Account definitions proposed in Appendix 1 reasonable? What modifications or additional definitions are needed and why?
4. How can the Commission ensure that approved projects reflect the statewide distribution of low-income communities?¹⁴ For example, should the distribution be reflected in the location or in the income level?

¹² Cal. Pub. Util. Code, § 281(i)(1) & (2).

¹³ Cal. Pub. Util. Code § 281 (i)(4).

¹⁴ Cal. Pub. Util. Code, § 281 (i)(4).

5. How can the Commission identify other low-income communities that would benefit from this program?
6. Prior to SB 156, eligibility was limited to unserved applicants, defined as “a housing development where at least one housing unit within the housing development is not offered broadband Internet service.”¹⁵ The Public Housing Account rules provided ISPs an opportunity to challenge an application by providing evidence to the Commission showing that the ISP serves or has offered to serve the applicant. However, SB 156 eliminated the requirement that applicants be unserved; rather, now a “low-income community may be an eligible applicant if the low-income community does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards, as determined by the commission, for the residents of the low-income community.”¹⁶
 - a. Should the Commission eliminate the challenge process, now that it is no longer required by statute and now that eligible entities are no longer required to be unserved? Why or why not?
 - b. How should the Commission verify that the low-income community does not have access to any broadband service provider that offers free service that meets or exceeds state standards? Would an attestation to that factual question be sufficient?

**ii. Modifications to Project
Speed Delivery Requirements**

Public Utilities Code Section 281 (i)(3) requires Public Housing Account grants to “finance projects to connect broadband networks that offer free broadband service that meets or exceeds state standards, as determined by the

¹⁵ D.20-08-005, Appendix 2 at 4.

¹⁶ Pub. Util. Code, § 281 (i)(3).

commission.” Public Housing Account rules allow staff to approve project proposals that, among other requirements, will provide for “download and upload data rate/speed capabilities for an average user within the property at a given time of peak and off-peak hours must meet at least 6 Mbps downstream and 1 Mbps upstream.¹⁷ However, recent legislation updated speed requirements for the Broadband Infrastructure Grant Account to require projects to deliver at least 100 Mbps download and 20 Mbps upload.¹⁸

7. What minimum speeds should the Commission require Public Housing Account funded projects to deliver?
8. Should the Commission prioritize 802.11ax projects over 802.11n projects?

iii. Modifications to Standards for Expedited (Ministerial) Review¹⁹

The Public Housing Account rules limit Ministerial Review approval to applications requesting no more than \$75,000 per project and cap per-unit costs for publicly supported communities.²⁰

9. Should the overall project budget cap be increased from \$75,000 to \$150,000 as shown in Section VII of Appendix 1? Is there justification for a higher or lower cap for applications processed via Ministerial Review?
10. Should the per-unit budget caps applied under Ministerial Review be increased as proposed in Appendix 1?

¹⁷ D.20-08-005, Appendix 2 at 8.

¹⁸ SB 156

¹⁹ The Public Housing Account Guidelines currently refer to these requirements as “Expedited Review” criteria. However, this document and the adopted guidelines will refer to these criteria as “Ministerial Review” criteria to better convey the non-discretionary nature of the review.

²⁰ D.20-08-005, Appendix 2 at 11.

11. Should the Commission apply per-unit cost caps to all Public Housing Account applicants as a criterion of Ministerial Review? Are there justifications for different caps to apply to different applicant types? If so, why?

**iv. Coordination and Overlap with Other
Broadband Subsidy or Social Service Programs**

Pub. Util. Code Section 281 (i)(5) requires the Commission to: consider the availability of other funding sources [...], any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

12. How should the Commission evaluate and weigh the availability of other funding sources for projects, potential financial contributions from project service providers, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program when considering project applications?
13. How can the Public Housing Account program be coordinated with other social service programs?
14. How can the Public Housing Account program be coordinated with ongoing telecommunications and broadband subsidy programs, such as the state and federal Lifeline programs and the Affordable Connectivity Program?
15. Could ongoing telecommunications and broadband subsidy programs, such as the state and federal Lifeline programs and the Affordable Connectivity Program, pay for the ongoing network interconnection and

maintenance costs of Public Housing Account projects?
What modifications to these programs would be required to enable this?

**v. Public Housing Account
Technical Requirements**

Current Public Housing rules define inside wiring as “[t]elephone wiring inside a residential unit or multi-dwelling unit (MDU) building.”²¹

Public Housing grantees may be reimbursed for the costs of inside wiring installation, as a subset of eligible project costs. However, given the Public Housing Account’s expansion in eligibility to include low-income communities and mobile home parks, some newly eligible applicants may have a need for “inside wiring” that is not found within a residential unit or an MDU building.

16. Given expansion of the types of entities eligible for Public Housing Account grants, is it necessary for the Commission to update the definition of “inside wiring?” If so, what should be included in the updated definition?
17. Existing Public Housing Account rules require wireless networking projects equipment to meet at least the 802.11n standard. Should the Commission update wireless networking project equipment standards to maintain the option for Public Housing Account applicants to use 802.11n standard equipment, while offering priority review to projects that will adopt 802.11ax (Wi-Fi-6/6E)? Should the Commission mandate use of 802.11ax (Wi-Fi-6/6E) equipment?
18. Should DSL networks still be eligible for funding? Do any other technical definitions or requirements (*e.g.*, “minimum point of entry,” *etc.*) in the Public Housing Account guidelines require updating?

²¹ D.20-08-005, Appendix 2 at 2, n1.

19. Are there any other Public Housing Account program modifications the Commission should consider at this time?

3.2. Adoption Account

Appendix 2 of this ruling contains proposed changes to Adoption Account Rules. Parties are invited to provide comments on the proposed changes in Appendix 2 and to address the following questions.

i. Modifications to Applicant and Project Eligibility Requirements

For the purposes of the Adoption Account, eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.²²

20. Is it reasonable to add additional criteria nonprofits must meet to be eligible for adoption grants, including, for example, that they must have existed for at least one year prior to eligibility? Is it reasonable to require that digital literacy project applicants must have at least one year's experience conducting such projects or must have completed at least one digital literacy project to be eligible, as proposed in Appendix 2? Is it reasonable to require broadband access project applicants to have at least one year's experience conducting such projects or to have completed one broadband access project to be eligible, as proposed in Appendix 2?
21. Is it reasonable to require broadband access projects to provide such access within 6 months of the CASF grant award approval for the project to be eligible for an Adoption Account grant?

²² D.18-06-032, Appendix 1 at 4.

22. Is it reasonable to require digital literacy training projects to have designated an in-person or virtual space for such training in its project application for the project to be eligible for an Adoption Account grant?

ii. Modifications to Standards for Expedited (Ministerial)²³ Review of Adoption Account Applications

a. Increase of Cap on Total Project Cost Proposal Eligible for Ministerial Review

Applications requesting \$100,000 or less are currently eligible for approval via Ministerial Review.²⁴ However, given other recommended program changes set forth in the attached Appendix 2, if adopted, projects may be funded at higher cost per participant rates than previously authorized.

23. Is it reasonable to increase the cap to \$150,000 or do other program changes suggest a different cap is more reasonable?

b. Cap on Per Participant Costs Under Ministerial and Resolution Review

Current rules do not provide criteria related to per-participant caps on Adoption Program budgets. In practice, staff has adjusted submitted project budgets per each application's proposed participant count, based on historical average cost-per-participant benchmarks, in order to standardize funding and constrain program expenditures. This practice is confusing to grantees who may not understand why projects are approved at amounts lower than requested and the practice undermines project success, particularly when the number of

²³ The Adoption Account Guidelines currently refer to these requirements as "Expedited Review" criteria. However, this document and the adopted guidelines will refer to these criteria as "Ministerial Review" criteria to better convey the non-discretionary nature of the review.

²⁴ D.18-06-032, Appendix 1 at 10.

participants varies widely. The lack of clarity on this process also requires additional staff time when processing payments due to questions from grantees.

24. Should the Commission adopt a per-participant cost cap for Adoption Projects? If so, what should be the cap? Should the cap be a soft cap for Ministerial Review, such that applicants with proposed cost-per-participant figures exceeding the Ministerial Review cap could be approved via resolution? Should the Commission adopt an overall cost-per-participant cap? If caps should be adopted, at what level(s)? See Sections 1.7, and 1.10 of Appendix 2 for proposed changes to the rules related to this question.

- c. Authorization for Staff to Reject Applications Based on Failure to Meet Criteria for Ministerial Review

Current Adoption Account rules provide Ministerial Review criteria for staff approval of Adoption Account applications. However, there may be situations in which it would be reasonable to reject applications for reasons not listed under current Ministerial Review criteria.

25. Are there additional circumstances in which staff should be able to reject an Adoption Account grant application that are not currently provided for in Adoption Account Guidelines or proposed in Appendix 2? What mechanisms should be adopted to ensure there is transparency around staff's determinations based on the proposed changes set out in Section 1.10 of Appendix 2, if adopted?

iii. Adoption Program Budget Information

Existing rules cap grant reimbursement at 85 percent of eligible program costs.²⁵ This cap applies both to individual budget line items as well as to the

²⁵ D.18-06-032, Appendix 1 at 4.

overall adopted program budget.²⁶ Project budgets are approved by Commission staff, and changes to the amounts projected in each budget line currently must be approved by staff or the program would risk not being reimbursed for costs that differ from those projected, despite being reasonable costs.

26. In order to allow grantees flexibility in project implementation, should the Commission remove the 85 percent cap per budget line item (maintaining the cap on all approved costs)? Additionally, should the Commission allow grantees to make modifications to their approved budgets not to exceed authorized grant funding and to make changes to their milestone/activity timelines within the approved project timeline given that they provide the Commission notice of such changes? Is the proposed language in Section 1.15 of Appendix 2 clear? Are there other ways the Commission can increase budget flexibility for the benefit of Adoption grantee programs?

iv. Per Device Subsidy Levels

a. Take Home Devices

The Adoption Account caps reimbursement of eligible take-home devices to \$150 per device, limited to one computing device per eligible household, and limited to \$10,000 per application/project location.²⁷ The need for take-home devices may have increased since the time current rules were adopted. Further, inflation may have decreased the effectiveness of the per-device subsidy.

27. Should the Commission increase the allowable reimbursement amount for take-home devices? Is an increase in the amount eligible for reimbursement to \$300 per device and increasing the total amount available

²⁶ D.18-06-032, Appendix 1 n7.

²⁷ D.18-06-032, Appendix 1 at 5.

for reimbursement for eligible device costs to \$20,000 per application/project locations reasonable?

b. Classroom/Public Devices

Current rules cap reimbursement of eligible Adoption Account computing devices used in classrooms, community centers, and other public locations at \$750 per device, with a cap of 15 devices per designated space or project.²⁸

28. Should the Commission eliminate the cap on the number of devices per designated space or project in favor of a total device reimbursement amount? If so, is \$11,250 a reasonable limit? Would such a proposed change provide flexibility, and could this flexibility better serve participant needs?

v. Expansion of Eligible Program Costs

Current rules limit program costs eligible for reimbursement.²⁹ Currently, hotspots, switches, modems, and computer warranties are not considered costs eligible for reimbursement. However, it is possible that Adoption programs may have use for such items in the delivery of digital literacy and broadband access to

²⁸ D.18-06-032, Appendix 1 at 5.

²⁹ D.18-06-032, Appendix 1 at 4:

- a. Education and outreach efforts (including travel, up to 10% of approved grant amount) and materials;
- b. Acceptable Computing devices (does not include smartphones) within limits;
 - o In-Classroom computing devices
 - o Take-home computing devices (For Digital Literacy Projects only).
- c. Software;
- d. Printers;
- e. Routers;
- f. Provision of technical support for the computing devices subsidized through this program;
- g. Desks and chairs to furnish a designated space for digital literacy or broadband access;
- h. For Digital Literacy Projects, gathering, preparing, creating and distributing digital literacy curriculum; and
- i. Staff including digital literacy instructors, staff for monitoring the designated space, or staff for administering call centers (if applicable).

program participants, and that reimbursement therefore may be consistent with program goals.

29. Should the Commission expand eligible program costs to include hotspots, modems, switches and warranties for computers as reimbursable costs? Should there be caps for reimbursement on these items? If so, what should the caps be? Should reimbursement for these items be excluded from and authorized above the \$11,250 cap proposed for publicly used devices, as set forth in Appendix 2?
30. Are there costs other than those for modems, switches, hotspots and computer warranties that should be added to the list of costs eligible for reimbursement?

**vi. Application of Cap on Reimbursement
for Administrative Costs**

Existing rules do not cap reimbursement for Adoption Program administrative costs, defined here as “indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself,” consistent with other CASF program rules.³⁰ Existing rules prohibit funding for certain administrative and other costs: “Facility rent, utilities, internet service costs, food costs, lodging, marketing incentives for participation (gift cards, giveaways, etc.), certain classroom supplies and accessories, and other items not listed above are not eligible for reimbursement.”³¹

31. Should the rules be amended to limit reimbursement for administrative costs (as listed in the definition, above) to administrative costs representing 15 percent or less of the

³⁰ Cite to LATA Decision after adopted and other CASF rules with same limit.]

³¹ D.18-06-032, Appendix 1 at 4.

overall approved budget (for allowable expenses as listed in Section 1.5 of Appendix 2)? Are modifications to application requirements needed to effectuate changes to this requirement? *See* Section 1.5 of Appendix 2.

vii. Payment Schedules

Current Adoption Account rules tie project reimbursement to a reporting schedule that requires a Ramp Up report, a Year 1 report, and a Year 2 Completion Report.³² However, given the varied financial situations of the numerous types of Adoption Account grantees, a more flexible reimbursement schedule may be preferable.

33. Should the Commission separate the reporting requirements referenced above from reimbursement timelines, as proposed in Section 1.14 of Appendix 2? That is, should grantees continue to be required to submit the reports tied to the calendar year schedule noted above in order for the Commission to ensure that projects are rolling out in a timely fashion, while being allowed to submit requests for reimbursement of already-incurred costs outside of the reporting cycle, totaling no more than three requests for reimbursement in total?
34. Does the proposed revised payment scheme allow programs sufficient flexibility to request reimbursement when needed? Does the proposed revised payment procedure retain sufficient safeguards to ensure Adoption projects are implemented in a timely fashion and according to their respective authorized budgets?
35. Are there any other Adoption Account program modifications the Commission should consider at this time?

³² D.18-06-032, Appendix 1 at 11.

3.3. Consortia Account

Recent legislation established the Federal Funding Account, the Local Agency Technical Assistance Program, and a BLLRF, among other provisions.³³ Legislation related to the Federal Funding Account requires the Commission to implement a program to expeditiously connect unserved and underserved communities by applicable federal deadlines. Consortia activities could help in furthering CASF goals through activities related to the development of publicly owned broadband network projects supported by the BLLRF and/or the Local Agency Technical Assistance grant program. To fund Consortia members' work related to the new Federal Funding Account and other programs listed above, and to adopt other program improvements, this ruling proposes changing the rules of the Consortia Account as set forth in Appendix 3. Parties are invited to comment on the proposed changes in Appendix 3 and to address the following questions.

i. Allowable Consortia Activities

Current Consortia Account Rules include a list of allowable Consortia activities for funding, and many activities are categorically limited to Consortia assistance with CASF infrastructure grant applications.³⁴ However, implementation of the new programs listed above may benefit from Consortia involvement.

36. Should the Commission expand the scope of allowable Consortia activities by adding references to "broadband deployment projects" related to new programs created under SB 156 and AB 164, as set forth in Appendix 3?

³³ SB 156 and SB 4.

³⁴ D.18-10-032, Appendix 1 at 4.

37. Do the proposed allowable Consortia activities set forth in Appendix 3 encompass the roles Consortia should undertake with regards to new programs created under SB 156 and AB 164? If not, what modifications to allowable Consortia activities should the Commission adopt?

**ii. Annual Maximum Funding
Amount per Consortia Grant**

Current Consortia Account Rules cap funding at \$150,000 per year per Consortium.³⁵ However, additional opportunities for Consortia activities to support broadband deployment projects related to new programs created under SB 156 and AB 164 may require an increase in the annual maximum funding amount for each Consortia grant. Further, the cap has not been increased since the program's inception in 2011, and inflationary factors may also weigh in favor of increasing Consortia grant funding caps.

38. Should the Commission increase the annual funding cap per Consortia to \$200,000? Is the proposed annual funding cap reasonable, given the expansion of Consortia allowable activities and accounting for inflation? If not, why?

**iii. Clarifying Consortia Regional
Boundary Requirements**

Existing Consortia Account Rules define “Consortia regions” as “geographic boundaries for the 16 consortia regions, as identified by the Commission on or before January 1, 2017. *See* Map 1 of Appendix 2 for a map

³⁵ D.18-10-032, Appendix 1 at 2. On top of this award amount, Consortia may also receive “\$10,000 (per consortium for up to 5 representatives) for attendance to at least one of the annual public workshops as required by AB 1665.” Current rules further note that “[g]iven the program is operating with a limited amount of funding available, the Commission may award more grants of smaller amounts (proposals requesting less funding) and/or that offer services for less than three years.” *Id.*

and list of the consortia regions. Map 1 will also be available on the CPUC CASF page at <http://www.cpuc.ca.gov/casf/>.”³⁶

39. Should the Commission revise the definition of “Consortia region” to “a California region with boundaries largely consistent with county boundaries or the boundaries of multiple counties, or other geographic lines due to geographic characteristics/barriers, such as mountains and basins, for hard-to-serve areas, as long as the areas do not overlap with other Consortia regions?”
40. Is it reasonable to require Consortia boundaries to coincide with county boundaries in most cases? If so, in which cases should Consortia be authorized to have boundaries that do not coincide with county boundaries? How should applicants be required to demonstrate the reasonableness of proposed Consortia boundaries that do not coincide with county boundaries?
41. When requesting to represent only a portion of a county, what additional information, if any, should the consortium applicant provide to the Commission, other than the following: (1) its justifications and reasons for the request, with supporting data and facts (*e.g.*, shapefile geodata), (2) a clear definition of the areas within the county it wishes to represent, including a description of the area(s) and a map, (3) a jointly signed agreement letter with any other consortia representing the same county, and (4) demonstration that there will be no geographic overlap with other consortia, including a map showing no boundary overlap? Is this information sufficient to allow consideration of such proposals?
42. Are there any other Consortia Account program modifications the Commission should consider at this time?

³⁶ D.18-10-032, Appendix 1 at 3; *Id.* At Attachment 2.

3.4. Fiscal Years 2022-2023, 2023-2024, 2024-2025 CASF Fund Allocations Staff Proposals

Staff proposes allocating a total program budget of \$86.357 million across the individual CASF accounts as shown in the table below for fiscal year 2022-2023. This total program budget is proposed because it will allow the Commission to allocate program funds without increasing the CASF surcharge in fiscal year 2022-2023. The Commission has a proceeding open to reform its public purpose program surcharges to ensure surcharge collection is equitable and does not unfairly burden particular customer groups.³⁷ This proposal would allow the Commission to address surcharge reform before increasing the CASF surcharge to the amount necessary to collect the full budget authorized by law.

The proposed allocations below were calculated by applying historical funding allocation proportions to the total budget amount, while relatively increasing funding for the Public Housing Account, Adoption Account, and Consortia Account due to recent expansions in eligibility or expansions in the scope of reimbursable costs for each of those programs, described above.

\$000s	FY 2022-2023 Allocation of CASF Budget ³⁸						Total
	Adoption	Consortia	Line Extension	Infrastructure	Public Housing	Tribal Technical Assistance	
Allocation (%)	24.80%	14.7%	1.5%	42.5%	13.8%	2.8%	
Allocation (\$)	\$18,000	\$10,710	\$1,063	\$30,838	\$10,000	\$2,000	\$72,611 ³⁹

³⁷ See R.21-03-002.

³⁸ The numbers may not add up to 100% due to rounding and due to the removal of \$13,746,000 annually for internal program administration costs.

³⁹ This proposal assumes that \$13.746 million of the total \$86.357 million are State Operations Funds the CPUC uses to administer the program.

39. Parties are invited to provide comment on the proposed fiscal year 2022-2023 CASF account allocations, which will be formally adopted in a forthcoming decision.

The proposed allocations below were calculated by applying similar budget proportions as used for fiscal year 2022-2023 above to the total budget amount authorized by statute.

\$000s	FY 2023-2024 Allocation of CASF Budget						Total
	Adoption	Consortia	Line Extension	Infrastructure	Public Housing	Tribal Technical Assistance	
Allocation (%)	24.80%	14.7%	1.5%	42.5%	13.8%	2.8%	
Allocation (\$)	\$33,791	\$20,029	\$2,044	\$57,908	\$18,803	\$3,815	\$136,390 ⁴⁰
\$000s	FY 2024-2025 Allocation of CASF Budget						Total
	Adoption	Consortia	Line Extension	Infrastructure	Public Housing	Tribal Technical Assistance	
Allocation (%)	24.80%	14.7%	1.5%	42.5%	13.8%	2.8%	
Allocation (\$)	\$33,791	\$20,029	\$2,044	\$57,908	\$18,803	\$3,815	\$136,390 ⁴¹

40. While the Commission does not intend to issue a decision on future years' budget allocations in this Phase of the Rulemaking, parties may provide comment on the proposed fund allocations for Fiscal Years 2023-2024 and 2024-2025, above, which assume a \$150 million total annual program budget. Parties will have another opportunity for formal input on these allocations before they are finalized.

⁴⁰ This proposal assumes that \$13.746 million of the total \$150 million budget are State Operations Funds the CPUC uses to administer the program.

⁴¹ This proposal assumes that \$13.746 million of the total \$150 million budget are State Operations Funds the CPUC uses to administer the program.

4. Need for Evidentiary Hearing

This Second Amended Scoping Memo preliminarily determines there are no issues of material disputed fact. Accordingly, evidence is not needed.

5. Schedule

The following schedule is adopted here and may be modified by the assigned Commissioner or Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the rulemaking. Based on this schedule, Phase I and Phase II of the proceeding will be resolved within 18 months after the issue date of this Amended Scoping Memo.

Phase IIA Schedule - BLLRF

Event	Date
Opening Comments on BLLRF Questions	April 1, 2022
Reply Comments on BLLRF Questions	April 22, 2022
BLLRF Staff Proposal	No later than August 1, 2022 ⁴²
Workshop on Staff Proposal	Q3 2022
Comments on Staff Proposal	Q3 2022
Reply Comments on Staff Proposal	Q3 2022
Proposed Decision on BLLRF	Within 90 Days of Reply Comments

Phase IIB Schedule - CASF Rule Changes

Event	Date
Responses to questions and comments on proposed rule changes set forth in Appendices 1-3	March 18, 2022
Reply Comments to response to questions and comments on proposed rule changes set forth in Appendices 1-3	March 24, 2022
Proposed Decision	April 15, 2022

⁴² The Commission hopes to issue a staff proposal on this issue sooner than August 1, 2022, if possible.

Final Decision	May 19, 2022 Voting Meeting
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Phase IIIA Schedule – CASF Infrastructure Account Rule Changes

Event	Date
Infrastructure Account Staff Proposal	Q2 2002
Proposed Decision	Q3 2022
Final Decision	Q3 2022

Phase IIIB Schedule – CASF Line Extension Program Rule Changes

Event	Date
Line Extension Program Account Staff Proposal	Q3 2002
Proposed Decision	Q4 2022
Final Decision	Q4 2022

6. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission’s ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties’ request, the assigned ALJ can refer this proceeding to the Commission’s ADR Coordinator. Additional ADR information is available on the Commission’s website.⁴³

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

⁴³ See D.07-05-062, Appendix A, § IV.O.

7. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the previous determination in the September 16, 2021 ruling that this is a quasi-legislative proceeding. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

8. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the issue date of this Amended Scoping Memo.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is

correct and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4⁴⁴.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, unless the ALJ orders otherwise. The ALJ orders parties to provide only electronic copies of filed or served documents to the ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices

⁴⁴ The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

Commissioner Darcie L. Houck is the assigned Commissioner and Valerie U. Kao is the assigned Administrative Law Judge in this proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is not needed.
4. The category of the proceeding is quasi-legislative.

This order is effective today.

Dated March 1, 2022, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner

Appendix 1~~2~~

APPENDIX 12
Broadband Public Housing Account
Revised Application Requirements and
Guidelines

I. Background

Senate Bill (SB) 156 was signed into law on July 20, 2021.¹ SB 156 made significant changes to the Broadband Public Housing Account (BPHA) that require funds be made available for grants and loans to finance projects to build broadband networks offering free broadband service for residents of low-income communities.

~~AB 1299 (Bradford) was signed into law on October 3, 2013. AB 1299 expanded the CASF Program by adding a fourth account, the Broadband Public Housing Account (BPHA), dedicated to broadband access and adoption in publicly supported communities (PSCs).~~

~~In 2016 the Legislature passed SB 745 (Hueso). SB 745 extended the date when remaining funds from the BPHA are transferred back to other CASF Accounts from December 31, 2016, to December 31, 2020. SB 745 further limited the Commission's awarding of grants for BPHA infrastructure projects to only unserved housing developments.~~

~~In 2017, the Legislature passed AB 1665 (Garcia) that authorized PSCs eligible for funding via the BPHA, only after all funds available for the BPHA have been awarded, to submit a CASF application for funding from the Broadband Infrastructure Account and/or Broadband Adoption Account.~~

II. ~~Amount Available for~~ Grants Funding

~~The BPHA provides \$20 million for grants and loans to finance infrastructure projects connecting PSCs with broadband Internet. The Account provides \$5 million for adoption projects for residents in PSCs. To date, the \$5 million allocated for grants for PSCs has been fully committed. Therefore, the Commission can no longer accept applications for these~~

¹ SB 156 is codified at Pub. Util. Code section 281 et seq.

~~projects unless the statutory cap is raised. However, eligible PSCs can apply for funds for broadband adoption projects from the CASE Broadband Adoption Account.~~

The Commission will award grants to finance up to 100 percent of the costs to install inside wiring¹ and broadband network equipment but will not finance operations and maintenance costs [through this program](#).

The Commission will reimburse the following project-related expenses after a review of the project progress or completion reports and supporting documentation:

- All broadband networking equipment (hardware and software), wireless access points, wireless bridge(s), modem(s), switches, router(s), and firewall(s) for network security but not personal computers, laptops, handheld or human interface devices.
- Low voltage contracting work including the installation of inside wiring, network cabinets, NEMA boxes², conduits, patch panels, cable tray or ladders, and other cabling requirements to provide power and connectivity for the broadband network equipment funded as part of the project. Major rehabilitation, demolition or construction work will not be funded.
- Broadband network engineering and designing documentation.
- Hardware warranty of broadband network equipment as needed.
- Installation, provisioning, and configuration labor costs at the Minimum Point of Entry (MPOE), MDFs (Main Distribution Frame), IDFs (Intermediate Distribution Frame), WAPs (Wireless Access Point), Wireless Bridges such as P2P and P2MP (Point to Point and Point to Multi-point) Radios, Switched Ethernet, and xDSL (Digital Subscriber Line) modems.
- Taxes, shipping and insurance costs (if applicable) that are directly related to broadband network equipment deployed under the BPHA.

~~¹Telephone wiring inside a residential unit or multi dwelling unit (MDU) building.~~

² The National Electrical Manufacturers Association defines standards used in North America for various grades of electrical enclosures typically used in industrial applications.

For wireless networking projects, equipment must meet at least the 802.11 standard³ or the 802.11ax (Wi-Fi 6/6E) standard.⁴ For wireline networking projects, equipment must meet at least ~~ADSL2+ standard~~⁴ DOCSIS 3.1,⁵ VDSL,⁶ or the 10BASE-X standard.⁷

III. Definitions

~~“Project” is a publicly subsidized multifamily housing development that is requesting funds under one application from the BPHA.~~

A “dwelling unit” is a structure or the part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household. Also referred to as a residential unit throughout.

“Inside wiring” means telephone wiring inside a residential unit or multi-dwelling unit (MDU) building. This inside wiring definition excludes any inside telephone wiring installed in a residential unit or multi-dwelling unit (MDU) building not owned by a mobilehome park.

³ A widely used wireless computer networking protocol standard by IEEE (The Institute of Electrical and Electronics Engineers) for Wi-Fi communication that operates on 2.4 GHz and 5 GHz frequency bands.

⁴ Wi-Fi standard, also known as Wi-Fi 6/6E, that operates on 2.4 GHz, 5 GHz and 6 GHz frequency bands, maintained by the Institute of Electrical and Electronics Engineers IEEE 802.11 working group. https://www.ieee802.org/11/Reports/tgax_update.htm⁴ ~~G.992.5 is an ITU-T (International Telecommunication Union – Telecommunication) standard for asymmetric digital subscriber line (ADSL) broadband Internet access with a maximum theoretical download speed of 24 Mbit/s and an upload speeds of 3.3 Mbit/s can be achieved.~~

⁵ The Data Over Cable Service Interface Specification (DOCSIS) is a widely used broadband data transfer standard using cable systems, originally used to transmit cable television signals (CATVS), for Internet Protocol (IP) data services. Originally released by CableLabs in 2013, DOCSIS is an internationally accepted telecom standard by the ITU Telecommunication Standardization Sector (ITU-T). ~~Classic Ethernet is a family of first generation 10 Mbit/s Ethernet standards. 10 represents its maximum throughput of 10 Mbit/s, BASE indicates its use of baseband transmission, and X indicates the type of medium used.~~

⁶ Very high-speed digital subscriber line (VDSL) is digital subscriber line (DSL) technology providing data transmission of up to 52 Mbit/s and 16 Mbit/s per ITU Telecommunication Standardization Sector (ITU-T) G.993.1 standard, faster than the earlier standards of asymmetric digital subscriber line (ADSL) G.992.1, G.992.3 (ADSL2) and G.992.5 (ADSL2+).

⁷ Fast Ethernet is a variation of Ethernet standards that carry data traffic at 100 Mbps, under the IEEE 802.3u standard by the Institute of Electrical and Electronics Engineers (IEEE). 100 represents its maximum throughput of 100 Mbit/s, BASE indicates its use of baseband transmission, and X

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indicates the type of medium used.

A “low income community” is a publicly supported housing development, public housing development, other housing development (including mobilehome parks), or other community that can demonstrate that the majority of its residents have incomes that are equal to or less than 200% of the federal poverty guidelines.

A “minimum point of entry” (MPOE) is either the closest practicable point to where the wiring crosses a property line or the closest practicable point to where the wiring enters a multiunit building or buildings.

A “mobilehome park” means any area or tract of land where two or more lots are rented or leased, held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative, condominium, or other form of resident ownership, to accommodate manufactured homes, mobilehomes, or recreational vehicles used for human habitation, as defined under the Mobilehome Parks Act, Cal. Health & Safety Code section 18214.

An “other housing development” means a multi-dwelling housing development, other than publicly supported housing development, with low-income residents.

“Project” means the work to connect a broadband network to a low-income community, including but not limited to, a publicly supported housing development, other housing developments, or mobilehome park with low-income residents, is a publicly subsidized multifamily housing development that is requesting funds for a grant under one application from the BPHA.

A “service connection” means wire or cable or wireless transmission equipment, and associated supporting structure, from the point of connection from the provider’s distribution facilities to the customer premises network interface device. A service connection serves only the property on which it is located.

For the purposes of the BPHA, the “state standard” for broadband service is a network that is able to provide a minimum or reliable 25 Mbps download and 3 Mbps upload service.

~~“Publicly subsidized” means either that the housing development receives financial assistance from the United States Department of Housing and Urban Development (HUD) pursuant to an annual contribution contract or is financed with low income housing tax credits, tax exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants and the rent of the occupants, who are lower income households, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.~~

~~“Publicly supported community” (PSC) is a publicly subsidized multifamily housing development that is wholly owned by either of the following:~~

~~(i) A public housing agency that has been chartered by the state, or by any city or county in the state, and has been determined to be an eligible public housing agency by the United States Department of Housing and Urban Development.~~

~~(ii) An incorporated nonprofit organization as described in Section 501 (c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501 (a) of that code (16 U.S.C. Sec. 501(a)) and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as “low” or “very low” income according to federal poverty guidelines.~~

A “minimum point of entry” (MPOE) is either the closest practicable point to where the wiring crosses a property line or the closest practicable point to where the wiring enters a multiunit building or buildings.

~~An “unserved” housing development is a housing development where at least one housing unit within the housing development is not offered broadband Internet service.⁶ All units within a housing development are offered broadband internet service if an ISP already provides access to all units.⁷~~

⁶Pub. Util. Code, § 281(i)(3)(B)(i) and (iii).

⁷The applicant must attest that the project meets this definition and the ISP must demonstrate,

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~~in the challenge process, that the ISP already provides access to all units on the property in question.~~

IV. Eligible Applicants

An applicant is eligible for a BPHA award if it is a low-income community as defined in Section III above and if it does not have access to any broadband service provider that offers free broadband service that meets or exceeds state standards for the residents of the community, also as defined in Section III.⁷

~~CASF Broadband Public Housing Account funding is limited to an eligible publicly supported community (PSCs) owned by either of the following two entities:~~

- ~~a. A public housing agency that has been chartered by the State, or by city or by county in the State, and has been determined to be an eligible public housing agency by the United States Department of Housing and Urban Development.~~
- ~~b. An incorporated nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501(a) of that code (16 U.S.C. Sec. 501(a)) and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as "low" or "very low" income according to federal poverty guidelines.~~

~~Non-profit housing developers involved in limited partnerships with for-profit entities participating may also be eligible since the IRS considers an exempt organization's participation as a general partner in a limited partnership with for-profit limited partners as consistent with the organization's exempt status under Internal Revenue Code Section 501(c)(3).~~

~~For PSCs applying for infrastructure funds, a PSC may be eligible for funding only if the PSC can verify to the Commission that the PSC has not denied a right of access to any broadband provider that is willing to connect to a broadband network to the facility for which the grant or loan is sought⁸ and the publicly supported community is unserved as defined in Section III.~~

⁷ Pub. Util. Code § 281(i)(3).

⁸ ~~Pub. Util. Code, § 281(i)(3)(A).~~

V. Information Required from Applicants

~~In order to be reviewed,~~ Applicants must submit the following information to the Commission for each proposed project. Application forms can be found on the CASF BPHA webpage. Applications and supporting material must be

submitted online ~~with a hard copy mailed to the CASF Housing Account Coordinator and one sent to the Office of Ratepayer Advocates.~~ Staff will post a list of applications submitted by the deadline on the CASF webpage.

Applicants are required to provide the following information as part of their respective applications. Applications that do not include each item listed below will not be considered for approval.

~~A. Infrastructure Project Application~~

~~Applicants must complete and submit a project application form. Staff will post all project summaries on its website after the date of application submission and will notify the CASF Distribution List⁹ of the submission(s), allowing ISPs three weeks from the date of posting the application to challenge an application as discussed in Section VIII.~~

A public housing agency applying for BPHA funds must include in its submission the Annual HUD Contributions Contract and HA Code, allowing staff to verify its certification along with its most recent HUD Public Housing Assessment System (PHAS) score.

Non-profit applicants must submit an IRS letter approving the applicant's status as a 501(c)(3) entity incorporated for the purposes of providing affordable housing, which must include the applicant's Tax Identification Number, along with an award letter from a public agency such as the California Tax Credit Allocation Committee (TCAC), proving its receipt of public funding for affordable housing purposes.

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~~⁹The CAFE Distribution List is maintained by Staff and is generally used for informal CAFE matters (e.g. draft resolutions, notice of applications/project summaries.) The CAFE Distribution List is available at <http://www.cpac.ca.gov/General.aspx?id=8246>.~~

~~For PSCs applying for infrastructure funds, the Commission shall award grant only to housing developments that are unserved as defined in Section III.~~

~~Applications must contain the following information.~~

1. Funds Requested

The applicant must indicate the amount of funding requested.

2. Project Location

The applicant must include a physical address for each project location along with an image of the location on the map. The Commission will accept a screenshot image from online maps or similar images.

3. Key Project Contact Information

- First name
- Last name
- Physical mailing address
- Email ID
- Phone number(s)

4. Key ~~PSC~~ Management Contact Information

- Position title
- First name
- Last name
- Email ID
- Phone number(s)

5. Key Vendor Contact Information (if the applicant already has identified its vendor)

- First name
- Last name
- Company name
- Physical mailing address
- Email ID
- Phone number(s)

6. Assertion of ~~Un~~served Community Need for Affordable Broadband Service that Meets State Standards

The applicant must attest to whether or not the ~~housing development~~ low-income community that will be connected through the proposed project has access to a broadband service provider that offers the community residents free broadband service that meets or exceeds state standards ~~is unserved~~, as defined in Section III. ~~The applicant also must verify that it has not denied an ISP access to its property in order to provide broadband service to any unit. An applicant's previous denial of access for cause (e.g., the ISP's service cost to the resident or the applicant were unreasonably high) does not constitute a denial of a right of access.~~

7. Proposed Project Description

An applicant must provide a detailed description of the broadband project that will be funded under the CASF BPHA program, including but not limited to the elements listed below.

Detailed broadband project plan proposal that includes:

- The type of technology that will be used on the project with all technical specifications, network topology, schematic diagram, engineering, and design documentation.
- Project plan showing the number of residential units in the ~~PSC~~ low-income community to be connected.
- Entities that will provide broadband Internet service on the project site (E.g., The type of Internet service and the bandwidth offered by a named ISP)
- Download and upload data rate/speed capabilities for an average user within the property at a given time of peak and off-peak hours must meet at least ~~6~~ 25 Mbps downstream and ~~1~~ 3 Mbps upstream.
- Project budget outlining all the budget costs, both actual line items and the matching funds.

Actual budget cost line items funded by the grant that includes:

- The cost for all eligible equipment as listed in Section II.
- The cost for low voltage contracting work as described in Section II.

- Broadband network engineering and designing cost with required supporting documentation.
- The cost of any required hardware warranty of broadband network equipment.
- The cost of installation, provisioning, and configuration labor as described in Section II.
- Any applicable taxes, shipping, and insurance costs that are directly related to broadband network equipment deployed under the BPHA.

Matching funds to be provided by the applicant that includes:

- Monthly recurring Internet bandwidth cost for the five-year project period, post-project completion.
- Operations and Maintenance (O&M) cost to ensure the network and broadband services are operational for at least five years post completion of the project.

Project milestones with a delineated deployment schedule that includes:

- A commitment timeline to complete the project within 12 months of Commission approval of the application.
- The schedule identifying major prerequisites such as a detailed project plan with a timeline including low voltage construction, network installation, provisioning and configuration, testing, submission of closeout package with project completion report, and any other milestones that can be verified by the Commission staff.
- While developing the schedule, the applicant must include the timeline required for California Environmental Quality Act (CEQA) or other relevant government agency permit review, if needed.

8. Organizational Chart and Background

The applicant must submit an organizational chart showing the parent organization, subsidiaries, and affiliates.

9. Economic Useful Life of Assets to be Funded

The applicant must identify the expected economic useful life of the

assets funded by the BPHA grant.

10. **Commitment to Providing Free Services** **Proposed Billing**

The applicant must attest to offering free broadband service that meets or exceeds state standards to residents of the low-income community(ies).

~~An applicant must commit to charging residents no more than \$20 per month per residential unit for broadband Internet service.~~

~~11. Financials~~

~~Applicants must submit the most recently prepared annual reports and audits that it submitted to the HUD, in the case of chartered public housing authorities, or another government entity, in the case of non-profits submitted to the HUD, California Tax Credit Allocation Committee, etc.~~

11. ~~12.~~ Permitting Compliance

The applicant should state whether the project is statutorily or categorically exempt from CEQA requirements and cite the relevant authority, as applicable. If a project does require review under CEQA, the grantee must provide the Proponent's Environmental Assessment (PEA) prior to the first 25 percent payment. The PEA submission should include information on any land crossing sites requiring discretionary or mandatory permits or environmental review pursuant to CEQA (include the type of permit required, the name of the permitting agency/agencies and the Lead Agency if an environmental review is required).

Additionally, applicants must include any applicable permit review timeline in its construction schedule, with a reference to the government agencies that will issue the permits. Grantees must provide staff with proof of permit approvals before seeking reimbursement.

12. Affidavit

An applicant must submit an affidavit, under penalty of perjury, containing at minimum the following attestations ~~that to the best of their knowledge all the statements and representations made in the application information submitted is true and correct~~ (the final form of

which will be made available on the Commission's website~~Attachment A~~):

- Applicant agrees that by receiving a CASF grant, the grantee agrees to comply with the terms, conditions, and requirements of the grant and thus submits to the jurisdiction of the Commission with respect to the disbursement and administration of the grant.
- Applicant agrees to abide by the CASF program rules the Commission established as well as all other applicable state and federal rules and regulations concerning broadband services.
- Additionally, an applicant must also agree to abide by ~~the CASF program rules established by the Commission,~~ Commission's Rules of Practice and Procedure and statutes, and be subject to Public Utilities Code sections 2108 and 2111. ~~and to submit quarterly reports and annual recertification or audit documents.~~

13. Applicant-Specific Documents Required

A public housing agency applying for BPHA funds must include in its submission the Annual HUD Contributions Contract and HA Code, allowing staff to verify its certification along with its most recent HUD Public Housing Assessment System (PHAS) score.

Non-profit applicants must submit an IRS letter approving the applicant's status as a 501(c)(3) entity incorporated for the purposes of providing affordable housing, which must include the applicant's Tax Identification Number, along with an award letter from a public agency such as the California Tax Credit Allocation Committee (TCAC), proving its receipt of public funding for affordable housing purposes.

~~B. Adoption Project Application~~

~~To date, the \$5 million allocated for grants for PSCs has been fully committed. Therefore, the Commission can no longer accept applications for these projects unless the statutory cap is raised. However, eligible PSCs can apply for funds for broadband adoption projects from the Broadband Adoption Account.~~

VI. Submission and Timelines

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Applicants must electronically file their completed applications using the Commission's FTP file server (<https://kwftp.cpuc.ca.gov>). ~~and mail hard copies to:~~

- ~~1. California Public Utilities
Commission Communications
Division
Attn: California Advanced Services Fund, Housing Coordinator~~
- ~~2. California Public Utilities
Commission Office of Ratepayers
Advocates
Re: California Advanced Services Fund~~

Since applications are not filed with the Commission's Docket Office, they will not be assigned proceeding number(s).

Applications may be submitted at any time ~~until all funds available for BPHA infrastructure projects have been awarded~~. However, staff will consider applications submitted on or before each deadline listed below as a batch.

Staff shall notify an applicant by a letter specifying reasons for rejection should an application fails to meet the BPHA eligibility criteria.

Deadlines:

- ~~• September 1, 2020~~
- ~~• October 1, 2020~~
- [July 1, 2022](#)
- [January 1, 2023](#)
- [July 1, 2023](#)
- [January 1, 2024](#)
- [July 1, 2024](#)

Any deadline falling on a holiday or a weekend will be extended to the following business day. ~~Staff will notify the CASF Distribution List when all funds available for BPHA infrastructure projects have been awarded, and an eligible PSC may submit an application for funding from the Infrastructure account using the same criteria set forth here.~~

Additionally, after each deadline, staff will post [notice of all applications](#)

received on the Commission's website ~~all applications on its website to~~

~~give ISPs three weeks from the date of posting to challenge the application (See Section VIII).~~

VII ~~Expedited~~ Ministerial Review

The Commission assigns staff the task of approving applications that meet all of the following criteria:

BPHA Infrastructure Projects

- Applicant meets the eligibility requirements under Pub. Util. Code, § 281(i)(1), § 281(i)(2) and (i)(3).
- Applicant attests that no broadband service provider offers free service that meets state standards, as defined in Section III, to the subject low-income community ~~the housing development is “unserved” as defined in Section III, which is a housing development where at least one housing unit within the housing development is not offered broadband Internet service.~~¹⁰
- ~~Applicant declares that it has not denied an ISP access to its property to provide broadband Internet service and no ISP challenged this statement.~~
- ~~The application is not challenged.~~
- Applicant requests a grant of less than \$150,000 ~~75,000~~ in BPHA infrastructure grant funds per project.
- For projects connecting 50 ~~PSC~~ units or less, the proposed project costs ~~\$600~~ \$750 per unit or less.
- For projects connecting 51-100 ~~PSC~~ units, the proposed project costs ~~\$450~~ \$500 per unit or less.
- For projects connecting 101 ~~PSC~~ units or more, the proposed project costs ~~\$300~~ \$375 per unit or less.
- ~~The buildings included in the application meet standards for acceptable basic living conditions as determined under HUD’s Uniform Physical Condition Standards or similar guidelines provided by other housing funding agencies in the State.~~
- Applicant must attest that it expects the property to be in residential use ~~as public housing~~ for at least the next 10 years.
- The property qualifies for an exemption pursuant to CEQA Guidelines.

¹⁰ Pub. Util. Code, § 281(i)(3) ~~(B)(i) and (B)(ii).~~

- For wireless networking projects, the equipment must meet at least 802.11n standard or 802.11ax standard.
- For wireline networking projects, the equipment must meet at least ~~ADSL2+~~ DOCSIS 3.1, VDSL, or 100 BASE-X standard.
- Applicant attests it will operate and maintain project equipment, broadband technology, and internet services for at least five years after successful completion of the project and that it has sufficient funds to do so. In addition, the Applicant attests that it will acquire the necessary hardware warranty and service agreement to support the operation of the proposed network for the five-year period.
- The proposed project network is capable of providing broadband internet service speeds of at least ~~6~~ 25 Mbps downstream and ~~1~~ 3 Mbps upstream (supported by submitted documentation).
- Applicant will not charge residents directly ~~no more than \$20-per-month per residential unit~~ for broadband internet services.
- Applicant has signed an affidavit agreeing that the statements and representations made in the application are true and correct, to abide by the CASF program rules established by the Commission, Commission rules of practice and procedure and statutes, and Pub. Util. Codes, §§ 2111 and 2108.
- Applicant agrees to complete the project within 12 months from the date of the Commission approval.
- Applicant has an identified ~~ISP~~ interconnection source ~~and its~~ with required internet bandwidth capacity at the MPOE (Minimum Point of Entry).
- Applicant agrees to secure project funded hardware to prevent theft and vandalism.

Applications not meeting the above ~~expedited~~ ministerial review criteria may only be approved by the Commission via Resolution.

The Commission assigns to staff the task of rejecting applications that meet any of the following criteria:

- The applicant has previously had a Commission grant award rescinded for violation of Commission or program rules;
- The applicant has made false statements to the Commission or to the

Federal Communications Commission (FCC).

- The applicant submitted an incomplete application and has not responded to a follow-up request sent to the designated contact on the application to provide missing material.

All applications shall be approved, denied, or marked for further review by the Commission through a Resolution.

The Communications Division Director will notify grantees of awards made via ministerial review by letter. Award letters will be regularly posted to the Commission's website.

~~VIII.—Challenge Process~~

~~ISPs have three weeks from the date of the posting the application to the BPHA website to challenge the application. An ISP who challenges an application on the grounds that it already provides broadband internet service access to 100 percent of the residents at the property or it was denied a right of access in~~

--- *Application Requirements and Guidelines* ---
Rules adopted by Decision 20-08-005

~~question must submit documentation evidence no later than three weeks from posting of the application. To the extent that any information submitted is claimed to be confidential, the submitter must provide a public redacted version, in addition to the confidential version, and comply with the confidentiality requirements in G.O. 66-D including providing the requisite confidentiality declaration to the Communication Division (CD). The challenger must also provide public notice of the challenge to the CASF Distribution list.~~

~~The ISP must provide the following information to justify their challenge:~~
~~For 100 percent residents already served~~

- ~~• The number of customers living on the property that subscribed to its service, billing documents and speed tests to prove that it provides broadband Internet service at speeds of at least 6 Mbps downstream and 1 Mbps upstream to each residential unit.~~
- ~~• A backhaul capacity test report(s)⁺⁺ proving that it has an adequate capacity to serve all the residents with broadband internet service with a minimum speed of 6 Mbps downstream and 1 Mbps of upstream to all residential units.~~

~~For denial of right of access~~

- ~~• Written documentation showing who made the denial, the date of the denial, and the reason for the denial. i.e., letters, e-mails or other written documentation.~~

~~CD will investigate all submitted challenges. Incomplete challenges or challenges submitted after the deadline will be deemed denied. CD will inform the applicant of the challenges submitted on its application and provide the challenger's name and information submitted. Applicants may rebut the challenge by providing sufficient documentation showing that services are not available to 100 percent of the residents. CD will base its decision on the materials submitted. If it is found that the ISP who is challenging the application cannot prove it can serve 100 percent of the residents, then the challenge will be rejected,~~

⁺⁺ Reports showing capacity test results of backhaul network (SONET/SDH, T1, T3, OC3, OC12, IP and Ethernet backhaul over Fiber, Microwave, and Satellite) to ensure that the ISP transmission network is capable of serving a reliable and committed data rate/internet speed in the served area to a growing number of residential units.

~~and the application may be considered by resolution. If it is found that the ISP can serve 100 percent of the residents, then the application will be denied. CD will inform the applicant and the challenger of the outcome of its decision.~~

VIII. ~~IX.~~ Project Status and Reporting

~~Infrastructure~~ [BPHA](#) project grantees are required to submit a project status report within six months of the project award date if the project has not been completed, irrespective of whether the grantee requests reimbursement or payment. The project status report must include the following:

- Project Plan and deployment schedule showing major milestones with planned and actual completion dates.
- Any variance between planned and actual dates need to support with proper reasoning.
- Project Risk Mitigation plan.¹²
- Budget Plan with a cost line item matched with the application.

Grantees must certify that each project status report submitted is true and correct under penalty of perjury.

~~Infrastructure~~ [BPHA](#) project grantees must submit a project completion report with all required supporting documentation in order to receive final payment. The project completion report contains, total project cost, project cost summary breakdown, project milestone deployment details, CalSPEED¹³ test results, bill of materials (BOM), invoices supporting BOM, network and low-voltage engineering and design documentation, installation and commissioning checklist, provisioning and configuration files, as-built documentation with pictures showing labels and annotations, and project expenses summary. The project completion report template can be found on the BPHA website.

¹² Plan that identifies, evaluates, selects, and implements options in order to balance the BPHA project cost and schedule implications associated with risk response or mitigation plan by setting risk at acceptable levels given program constraints and objectives.

¹³ CalSPEED is an open source, non-proprietary, network performance measurement tool and methodology created for the Commission, funded originally via a grant from the National Telecommunications and Information Administration

~~Infrastructure~~ [BPHA](#) project grantees are required to maintain the broadband network for a period of five years after the network is installed and internet services turned on for residential use. From the date broadband network and internet services are turned on the grantees are required to submit a KPI (Key Performance Indicator) report¹⁴ ~~every quarter~~ [bi-annually](#) for a period of five years. The KPI report and its supporting system data can be submitted through an online portal that can be found on the Commission website under the CASF BPHA hyperlink.

The KPI report includes the following:

1. Monthly Percentage Uptime of network and internet services
2. Monthly Bandwidth Utilization by the residents (the amount of internet data transferred or the usage in gigabytes on the network)
3. Monthly Number of Unique User Devices Logged-in by the residents to access the broadband network for internet services

To support the above KPI report information, the grantee must submit the system data obtained from the network.

IX. ~~X.~~ Sale or Transfer of Assets

~~Infrastructure~~ [BPHA](#) project grantees must notify the Commission about any proposed sale or transfer of ownership of the project property that occurs prior to the completion of the five-year requirement. The grantee must require the new owner to assume grant obligations of operating and maintaining the broadband internet services for the remaining period of the five years term. The grantee shall notify the Director of the Communication's Division in writing of its intent to sell or transfer its assets within five days of becoming aware of these plans.

The grantee shall also provide documentation, including an affidavit, stating that the new entity or owner will take full responsibility and ownership to comply with the terms of the CASF grant award. The new entity shall agree in writing to such.

¹⁴ KPI report is to measure the broadband network service performance and to keep proper checks and balances on the BPHA program goals and objectives.

X. ~~XI.~~ Payment Terms

~~Infrastructure~~ BPHA project grantees are eligible to request the payment for the expenditures incurred during the first six months if the grantee submits a six- month project status report and certifies that the status report is true and correct under penalty of perjury.

Grantees shall submit final requests for payment no later than 90 days after completion of the project. If the grantee cannot complete the project within the 12-month timeline, the grantee must notify the ~~Commission or~~ Director of Communications Division as soon as they become aware that they may not meet the project timeline. In the event the grantee fails to notify the ~~Commission or~~ Director of Communications Division, the Commission may withhold or reduce payment.

Grantees must submit the project status and completion reports with all required supporting documentation for the staff to review in order to receive payment.

Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred and work done on the project in accordance with the approved CASF funding budget included in the grantee's application.

Payment in full can be made for the entire project upon review of the submitted project completion report and supporting documentation and after staff approvals.

The payments will be made in accordance with, and within the time specified in California Government Code § 927 et seq.

Grantees are required to maintain records such as files, invoices, and other related documentation for three years after final payment. Grantee shall make these records and invoices available to the Commission upon request and agree that these records are subject to a financial audit by the Commission at any time within three years after the final payment made to the Grantee.

The Commission has the right to conduct any necessary audit, quality check, verification, and discovery during project implementation and post-project completion to ensure that CASF funds are spent in accordance with the terms of approval granted by the Commission. Invoices submitted will be subject to financial audit by the Commission at any time within 5 years of the release of the final payment.

If any portion of reimbursement is found to be out of compliance, grantees will be responsible for refunding any disallowed amount along with appropriate interest rates determined in accordance with applicable Commission decisions.

XI. ~~XII.~~ Execution and Performance

The ~~infrastructure~~ [BPHA](#) project grantee shall start the project within 30 days upon grant approval and complete the project execution within a 12-month timeframe. Should the grantee or Contractor fail to commence work within 30 days of grant approval, the Commission or Director of Communications Division, upon five

(5) days written notice to the CASF recipient, reserves the right to terminate the award. If the grantee is unable to complete the proposed project within the required 12-month timeframe, it must notify the Commission as soon as it becomes aware of this prospect. The Commission reserves the right to reduce or withhold payment failure to satisfy this requirement. Grantees must operate and maintain the network for a minimum of five years after it has been installed.

The grantee must complete all the performance on the project before the termination date in accordance with the terms of approval granted by the Commission. In the event that the grantee fails to complete the project or subsequently operate and maintain the network service in accordance with the terms of approval granted by the Commission and compliance with CASF program guidelines, the grantee must reimburse some or all of the CASF BPHA funds that it has received.

Material changes in the entries for this application, such as discontinuing operation or bankruptcy, or change of name (DBA¹⁵), change of address,

telephone, fax number or email address must be reported immediately by a letter to the CPUC, Director of the Communications Division, 505 Van Ness Avenue, San Francisco, CA 94102.

**XII. ~~XIII. Consent form or Compliance-
Changes Pursuant to CASF
Performance Audit~~**

All grantees are required to sign a consent form within 30 days from the date of the award agreeing to the terms stated in the resolution or award letter authorizing the CASF award. The agreement will provide the name of the grantee, names of officers, and must be signed by the grantee. Should the grantee not accept the award through failure to submit the consent form within 30 calendar days from the date of the award, the Commission will deem the grant null and void. The proposed wording of the consent form will be made available on the BPHA website. ~~is in Attachment B to this document.~~

XIII. Penalties

Grantees must agree to the following language in ~~the~~an affidavit ~~found in Attachment A to this Decision.~~

If [Grantee Name] violates the terms and conditions of a CASF award or other program and project compliance requirements, it shall be subject to Public Utilities Code sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Public Utilities Code sections 2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.

Submit completed applications online at
<https://kwftp.cpuc.ca.gov> ~~with hard copies mailed separately to:~~

~~Communications Division
Attn: California Advanced Services
Fund California Public Utilities
Commission 505 Van Ness Ave.
San Francisco, CA 94102~~

¹⁵ A DBA "Do Business As" is also known as a "fictitious business name," "trade name," or "assumed name."

~~Office of Ratepayer Advocates
Re: California Advanced Services
Fund California Public Utilities
Commission 505 Van Ness Ave.
San Francisco, CA 94102~~

~~Attachment A~~

~~ATTACHMENT A-~~
~~NOTARIZED~~
~~AFFIDAVIT~~

Name of Publicly Supported Community
(PSC) _____

My name is _____. I am _____ [Title]
of _____ [PSC]. My personal knowledge of the facts
stated herein has been derived from my employment with
_____ [Company]

I swear or affirm that I have personal knowledge of the facts stated in this
Application for the California Advanced Services Fund (CASF), I am
competent to testify to them, and I have the authority to make this
Application on behalf of and to bind the Company.

I further swear or affirm that _____ [Grantee Name]
agrees to comply with all federal and state statutes, rules, and regulations,
covering broadband services and state contractual rules and regulations, if
granted funding from the California Advanced Services Fund.

I swear or affirm that I agree to comply with Rules 1.11 and 2.2 of the
California Public Utilities Commission's Rules of Practice and Procedure and
CASF program requirements.

I swear or affirm that by receiving a CASF grant, [Grantee Name] agrees to
comply with the terms, conditions, and requirements of the grant and thus
submits to the jurisdiction of the Commission with respect to the
disbursement and administration of the grant.

I swear or affirm, under penalty of perjury, and under Rule 1.1 of the
California Public Utilities Commission's Rules of Practice and Procedure, that,
to the best of my knowledge, all of the statements and representations made in
this Application are true and correct.

If _____ [Grantee Name] violates the terms and conditions
of a CASF award or other program and project compliance requirements, it

~~shall be subject to Public Utilities Code sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Public Utilities Code sections~~

~~2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.~~

~~Adoption project applicants **only**: I attest that the _____ [PSC]
_____ is wired and broadband Internet service is available to all PSC units on the property.~~

~~_____
_____ Signature and title~~

~~_____
_____ Type or print name and title~~

~~**SUBSCRIBED AND SWORN** to before me on the _____ day of _____, 20____. Notary Public I
My Commission expires _____~~

~~(END OF ATTACHMENT A)~~

Attachment AB

ATTACHMENT AB
Consent Form

Name of Grantee:

The Grantee identified above hereby acknowledges receipt of the California Public Utilities Commission Resolution T-__ or Approval Letter dated _____ and agrees to comply with all grant terms, conditions, and requirements set forth in the Resolution or Approval Letter.

The undersigned representative of _____
_____(Name of Grantee) is duly authorized to execute this Consent Form on behalf of the Grantee and to bind the Grantee to the terms, conditions, and requirements set forth in California Public Utilities Commission Resolution T-_____ or Approval Letter.

Dated this _____ day of _____, 20____.

Signature:

Printed Name: _____ Title: _____

Name of Organization or Company: _____

Business Address (street address, suite or apt number, city, state and zip code)

Telephone Number (include area code): _____

Email Address: _____

R.20-08-021 COM/DH7/mef

(END OF ATTACHMENT A**B**)

Appendix 2~~1~~

APPENDIX ~~2~~¹
California Advanced Services Fund
Broadband Adoption Account
Application Requirements and
Guidelines

1.1. Background

On October 15, 2017, Governor Brown signed AB 1665,¹ directing the Commission to create the new Broadband Adoption Account within the California Advanced Services Fund (CASF). Moneys in the Broadband Adoption Account are available to the Commission to award grants to increase publicly available or after-school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. Moneys in the Broadband Adoption Account shall not be used to subsidize the costs of providing broadband service to households.²

~~1.2. Amount Available for Grants~~

~~Twenty million dollars will be available through the Broadband Adoption Account, although some may be used for publicly supported communities (PSCs) otherwise eligible to apply for funding from the Broadband Public Housing Account (BPHA) if all monies in that account are exhausted.~~

~~No more than \$7.5 million will be awarded in each application window. Applicants that are not awarded a grant in the application window they applied for may reapply in any future application window.~~

1.2. ~~1.3~~ Preference

~~AB 1665~~ Pub. Util. Code section 281 requires the Commission to give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

Applicants must complete a “Preference Checklist,” and the Commission will

¹ AB 1665 is codified at Public (Pub.) Utilities (Util.) Code § 281.

² Pub. Util. Code, § 281 (j)(~~5~~⁶).

prioritize projects for funding based on preferences met ~~(e.g. number of preferences checked)~~.

~~1.3.~~ **1.4 Definitions**

~~“Basic Internet Skills”² may include the following:~~

~~a. Computer Basics~~

- ~~i. How to use the mouse and keyboard~~
- ~~ii. How to use the operating system and important services such as email~~

~~b. Internet Basics~~

- ~~i. How to use the browser~~
- ~~ii. How to search the internet~~
- ~~iii. How to evaluate information sources~~

~~c. Internet Safety Basics~~

- ~~i. How to identify a scam~~
- ~~ii. How to maintain online privacy~~
- ~~iii. How to protect your online identity~~

Communities with demonstrated “low broadband access” for the Adoption Account are defined as communities or areas having low broadband subscription rates (a.k.a., low broadband adoption) relative to the statewide average³ including communities facing socioeconomic barriers to broadband and adoption.

“Communities facing socioeconomic barriers to broadband adoption” include low-income communities, communities with a high percentage of ~~residents~~ community members with limited English Proficiency, communities with a high percentage of ~~residents~~ community members with limited educational attainment, or communities with some other demonstrated disadvantage which affects broadband adoption.⁴

²~~“NTIA Broadband Adoption Toolkit,” published May 2013, draws on the experience of the recipients of grants from the Broadband Technology Opportunities Program and provides examples of grants. Available at https://www2.ntia.doc.gov/files/toolkit_042913.pdf.~~

³ According to the annual survey conducted for the California Emerging Technology Fund (CETF), as of ~~July, 2016~~ 2021, California has an overall adoption rate of ~~84~~91% (<https://www.cetfund.org/wp-content/uploads/2021/03/Statewide-Survey-on-Broadband-Adoption-CETF-Report.pdf>). <http://www.cetfund.org/node/9318>).

⁴ California Broadband Report, A Summary of Broadband Availability and Adoption in California as of June 30, 2011, Pages 22-28, show correlation of factors relative to adoption. See <http://www.cpuc.ca.gov/General.aspx?id=5753>

“Low-income communities” include those communities with a median household income at or below the California Alternate Rates for Energy (CARE) program income limits for a household of four.⁵ “Communities” can be geographically defined by a political or US Census geographic extent (such as a city or county boundary, or a census tract/block or designated place), by location (such as a public housing complex or senior center) or by the class or category of people served (such as disadvantaged youth). Income information provided by the applicant must be for the designated community.

A project is located in a "rural" area if it meets one of the following criteria; it is located in one of the following:

- a. an area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
- b. a city with a population of 40,000 or less or in a non-urban area; or
- c. an unincorporated area of a county and is not in an urban area.

1.4. 1.5 Eligible Applicants

~~Pursuant to AB 1665,~~ For the purposes of the Adoption Account, eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.⁶

Nonprofit organizations are eligible applicants if they have existed for more than one year.

Digital literacy project applicants are eligible applicants if they have at least one year's experience conducting digital literacy training or if they have completed at least one digital literacy training project.

Broadband access project applicants are eligible applicants if that have at least one year's experience conducting broadband access projects or if they have completed at least one broadband access project.

~~Further, AB 1665 authorizes Publicly supported communities (PSCs) to be eligible to submit an application for funding from the Broadband Adoption Account only after all funds available for adoption projects from the BPHA have been awarded.⁶~~

⁵ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincomerates/>.

⁶ Pub. Util. Code, § 281 (j)(2).

~~⁶ Pub. Util. Code, § 281 (i)(4)(A).~~

No adoption grant recipient can charge for classes (funded by a grant) or make a profit of any kind from the grant funds.

1.5. 4.6 Eligible Projects

Digital Literacy Projects & Broadband Access Projects

Digital inclusion projects may include digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption, ~~consistent with the adoption projects of the Public Housing Account.~~

Broadband Access projects may include those that provide free broadband access in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations. The Commission may also fund community outreach, such as analysis, comparison of Internet plans within the community, and call centers that will increase broadband access and adoption.

Broadband access projects must make such broadband access available within six months of being selected for a CASF grant.

Digital literacy projects must have an identified in-person and/or virtual space for digital literacy training identified and the applicant must commit to providing at least 8 hours of digital literacy training to each participant through digital literacy classes, one on one tutoring or self-paced instruction.

The Commission may fund up to 85 percent of the eligible program costs⁷ and may reimburse the following:

- a. Education and outreach efforts (including travel, up to 10% of approved grant amount) and materials;
- b. Acceptable Computing devices (does not include smartphones) within limits and inclusive of computer warranty;
 - o In-Classroom computing devices
 - o Take-home computing devices (For Digital Literacy Projects only).
- c. Software;
- d. Printers;
- e. ~~Routers~~ Network routers, switches, modems, and cabling deployed for the purpose of establishing a space for broadband access or digital literacy that connects to an existing in-building broadband network such as Wi-Fi (inside network);

⁷~~The 85 percent cap applies to both individual budget line items as well as the overall budget~~

- f. [Mobile hotspots, only when no inside network is available;](#)
- g. ~~f.~~ Provision of technical support for the computing devices subsidized through this program;
- h. ~~g.~~ Desks and chairs to furnish a designated space for digital literacy or broadband access;
- i. ~~h.~~ For Digital Literacy Projects, gathering, preparing, creating and distributing digital literacy curriculum; and
- j. ~~i.~~ Staff including digital literacy instructors, staff for monitoring the designated space, or staff for administering call centers (if applicable).
- k. [Reimbursement for administrative costs,⁷ \(other than for excluded items, listed in Section 1.6 below\) is limited to administrative costs representing 15% or less of the overall proposed budget.](#)

[Device technical support must be able to respond either by phone or in person within 24 hours. Refurbished devices must have at least a six-month warranty. New devices must have at least a 30-day warranty.](#)

Facility rent, utilities, internet service costs, food costs, lodging, marketing incentives for participation (gift cards, giveaways, etc.), certain classroom supplies and accessories, and other items not listed above are not eligible for reimbursement. All funding requests will be assessed for reasonableness and may be adjusted accordingly at the discretion of the Commission. Any remaining project costs not authorized for funding by the CASF Adoption grant must be funded by other sources (leveraged or self-funding).

1.6. ~~4.7~~ Subsidy Levels

The Commission may fund up to 85 percent of the total eligible program costs listed above.

Reimbursement for computing devices used in community training rooms or other public space, such as local government centers, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations ([i.e., in-classroom computers](#)) [is capped at \\$11,250 per project, ~~are and~~ limited to \\$750 per device, ~~with a cap of 15 devices per designated space or project~~](#) (device software costs will be considered a separate expense).

⁷ [“Administrative costs” are defined here as “indirect overhead costs attributable to a project per generally accepted accounting principles \(GAAP\) and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself,” consistent with other CASF program rules.](#)

Overall costs for such computing devices may exceed these caps, however, any portion not approved for grant funding must be funded by other sources (leveraged or self-funding).

Reimbursement for mobile hotspots used in community training rooms or other public spaces such as local government centers, senior centers, schools, public libraries nonprofit organizations, and community-based organizations or used by individuals in locations where no inside network exists, is limited to a cap of \$300 per device and \$20,000 per project.

For Digital Literacy Projects, only households with incomes at or below the thresholds required to participate in, or that participate in, the California Alternative Rates for Energy (CARE),⁸ the Supplemental Nutritional Assistance Program, the National School Lunch Program, or the Women, Infants, and Children Program are eligible to receive computing devices to take home after completing digital literacy training courses ([take-home computers](#)). Reimbursement for take-home computing devices ~~are~~ is capped at ~~\$300~~\$150 per device, limited to one computing device per eligible household, and limited to ~~\$120,000~~ \$20,000 per ~~project application/project location~~. Grantees should ensure proof of eligibility in their distribution of computing devices for households

Overall costs for such computing devices and hotspots may exceed these caps; however, any portion not approved for grant funding must be funded by other sources (leveraged or self-funding).

1.7. **1.8 Information Required from Applicants**

Applicants must complete and submit a project application form for each project ~~location~~, along with a signed affidavit, which will be available on the Commission's website. Separate applications must be submitted for locations which have both a digital literacy and broadband access component. Staff will post the application descriptions submitted by the deadline on the CASF webpage. Applicants must submit the required information requested to the Commission for each proposed project. All applications will be reviewed and evaluated for its completeness and overall quality. Incomplete applications will be rejected.

⁸ CARE income thresholds are set pursuant to D.16-11-022 at 18 and Pub. Util. Code, § 739.1(a). For a household of four, the income threshold is \$53,000 through May 31, 2022. The threshold is updated regularly in the CARE proceeding, A.19-11-003, et. al. As of July 15, 2021, current CARE income guidelines are available at <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/california-alternate-rates-for-energy>.

Digital Literacy Projects & Broadband Access Projects

a. Project Description

- i. Applicant's name, description of organization;
- ii. ~~Applicant's non-profit designation, if applicable;~~ Nonprofit applicants must submit an IRS letter approving the applicant's status as a 501(c)(3) entity, which must include the applicant's Tax Identification Number, along with the most recently submitted IRS Form 900, if required to file;
- iii. Applicant's experience in providing digital literacy instruction or broadband access, indicating satisfaction of applicant eligibility experience requirements;
- iv. Contact person, title, address, e-mail, phone;
- v. Project title;
- vi. Proposed Project Area/Community/ Location (Community / County / Census Block(s)) including address (if applicable);
- vii. CASF Funding Requested (Amount of Grant);
- viii. Efforts to leverage funds from other sources (non-CASF moneys);
- ix. Area/ Community/ Location's (by census tract or other delineation), adoption levels, income, demographics;
- x. Needs Assessment. Description of the need for this project: Does the community have low broadband adoption relative to the statewide average? Does the community face socioeconomic barriers to broadband access and adoption? For example, see NTIA Toolkit "Understand Community Needs and Opportunities"⁹
- xi. Completed Preferences Checklist;
- xii. Demonstration of community support: examples could include letters of endorsements should be obtained from community-based organizations, schools, hospitals, libraries, businesses and consumers;
- xiii. Description of partnerships with local Community Based Organizations (CBOs)s, Internet Service Providers, media groups, for-profit companies and other applicable organizations;
- xiv. Description of planned outreach efforts, including sample promotional material, planned community events, volunteer recruitment or any other relevant materials;
- xv. Projected number of participants reached through outreach activities;
- xvi. Description of partnership with carriers and any existing affordable plans that will be offered in the community; and

⁹ "NTIA Broadband Adoption Toolkit," published May 2013, draws on the experience of the recipients of grants from the Broadband Technology Opportunities Program and provides examples of grants. Available at https://www2.ntia.doc.gov/files/toolkit_042913.pdf.

- xvii. Projected number of new residential broadband subscriptions resulting from the project ~~for each location~~ (including documentation of all assumptions and data sources used to compile estimates);
- xviii. Description of any planned improvements to an existing space for the purposes of digital literacy training or broadband access, including the purchase of computing devices, modems, routers, switches, and cabling to connect these devices and any installation or set-up activities. Note that the Adoption Account does not pay for any inside network setup other than to connect computers and required network devices (i.e., switches and routers) purchased with fund money to an existing inside network.

Additional Information Required for Digital Literacy Projects only

- i. Curriculum for training;
- ii. Description of the type of training to be provided (~~on-site~~ group instructor and/or individual tutoring);
- iii. Description of the modality of the training, i.e., whether it will be onsite, virtual, or a hybrid of the two, and, if virtual or hybrid, what digital learning platform will be used;
- iv. ~~iii.~~ Projected number of participants to be trained by the project ~~for each location~~; and
- v. ~~iv.~~ Projected number of participants who will receive tutoring or other digital literacy instruction (such as the assistance of knowledgeable volunteers during open computer lab hours) outside of the 8-hour training for each project location.

Additional Information Required for Broadband Access Projects only

- ~~i. Description of any planned improvements to an existing space for broadband access, including the purchase of computing devices and any installation or set-up activities;~~
- ~~ii. Description of any set up of a new space for broadband access, including the purchase of computing devices and any installation or set-up activities. Note that the Adoption Account does not pay for any inside network setup other than to connect computers purchased with fund money to an existing inside network (inclusive of any required routers);~~
- i. ~~iii.~~ Projected number of participants served by the project and the projected number of hours of access to be provided; and

- ii. ~~iv.~~ Projected number of participants who receive information regarding broadband plans in the community.

b. Work Plan

- i. The Work Plan should include detailed functions, activities, and deliverables related to implementing the adoption program.
- ii. The Work Plan should include a timeline identifying milestone dates for completion of key Work Plan activities and deliverables proposed to be funded; the timeline should describe each of the monthly milestones, including performance metrics to be accomplished;
- iii. The schedule may incorporate a ramp-up period (a maximum of six months), followed by project deployment (a maximum of 24 months);
- iv. The ramp-up period will incorporate any training room, ~~or~~ computer room, or online platform set-up activities as well as community outreach;
- v. The project deployment period is where activities to increase digital inclusion occur or where broadband access will be monitored; community outreach may be ongoing.

c. Performance Metrics Plan

- i. A detailed description of how outcomes will be measured and tracked for reporting requirements (“milestone/completion” reports). Outcomes include but are not limited to:
 - The total number of participants trained or provided access;
 - The total number of hours that training or access has been provided to the community and the number of participants served;
 - The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.
- ii. Methods of tracking such as verification of subscription online, such as through ISPs, bill, surveys, sign-in sheets, etc.

d. Budget

- i. A detailed breakdown of cost elements for the proposed project including a designation of administrative costs;
- ii. A calculation of the proposed reimbursement-dollar amount per participant (exclusive of in-person and take-home computer or hot spot

reimbursements);

- iii. ~~ii.~~ A detailed breakdown of the instructor/staff pay rate relative to projected number of training or access hours and prep time; and
- iv. ~~iii.~~ Availability of matching funds to be supplied by applicant and/or other sources.

e. Affidavit

- i. All applicants must submit an affidavit, under penalty of perjury, containing at a minimum, the following attestations, the final form of which will be made available on the Commission's website:
 - Applicant agrees that to the best of their knowledge all the statements and representations made in the application information submitted is true and correct.
 - ~~Additionally, an~~ Applicant must also agree to abide by the Commission's Rules of Practice and Procedure, be subject to Public Utilities Commission sections 2108 and 2111. The Commission may impose the maximum penalties allowed under Public Utilities Code sections 2108 and 2111 for failure to meet the program and project compliance requirements, as determined by the Commission.

1.8. ~~4.9~~ **Evaluation Criteria**

Applications will be evaluated based on meeting all the requirements in the Information Required from Applicants and Preference Checklist. Applicants are also required to conduct a pre and post implementation survey or report, and may submit endorsements or letters of support from the state or local government, community groups, and anchor institutions supporting their proposed adoption project. All applications will be reviewed, prioritized, and awarded based on completeness, overall quality, and project costs reasonableness.

1.9. ~~4.10~~ **Submission and Timelines**

~~The Commission will begin accepting applications for grants from the Broadband Adoption Account on July 1, 2018. Please refer to the Commission's CASF website: <http://www.cpuc.ca.gov/casf/> for the application instructions and package for the Adoption Account.~~

Applications may be submitted at any time. However, staff will consider

applications submitted on or before each deadline listed below as a batch, until all funds have been awarded. ~~Note that these application deadlines will also be posted, and updated (if needed), on the Commission's CASF website:~~
~~<http://www.cpuc.ca.gov/casf/>~~

Deadlines:

- ~~a. March 1, 2019~~
- ~~b. August 1, 2019~~
- ~~c. January 1, 2020~~
- ~~d. July 1, 2020~~
- ~~e. January 1, 2021~~
- ~~f. July 1, 2021~~
- ~~g. January 1, 2022~~
- July 1, 2022
- [January 1, 2023](#)
- [July 1, 2023](#)

[And every January 1 and July 1 thereafter, until funds are exhausted.](#)

Any deadline falling on a holiday or a weekend will be extended to the following business day.

[Please refer to the Commission's CASF Adoption Account website:](https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-adoption-account)
<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-adoption-account> for applications instructions and package for the Adoption Account and for any updates to applications submission windows and schedule.

Staff will post a list of applicants and projects submitted by the deadline on the CASF webpage. Further, where possible, staff will post regular updates on applications on the CASF webpage.

1.10. ~~1.11~~ Expedited Ministerial Review

~~Projects meeting the below criteria may be eligible for expedited review.~~

The Commission assigns to [Communications Division](#) staff the task of [reviewing and](#) approving applications that meet all of the following criteria:

- ~~a. Applicant is proposing to serve a low-income population;~~
- ~~b. Applicant is a local government, senior center, school, public library, nonprofit organization, or community-based organization with programs to increase publicly available or after-school broadband access and digital~~

~~inclusion, such as digital literacy training programs;~~

- a. ~~e.~~ Applicant requests a grant of \$~~150,000~~~~100,000~~ or less;
- b. For digital literacy projects, the proposed project costs \$477 per participant or less (exclusive of in-person and take-home computer or hot spot reimbursements, if applicable);
- c. For broadband access projects, the proposed project costs \$42 per participant or less (exclusive of in-person and take-home computer or hot spot reimbursements);
- d. For call center projects, the proposed project costs \$205 per subscription or less;
- e. The application meets all other Adoption Account application requirements included in sections 1.4, 1.5, 1.6, and 1.7 of these Guidelines.
- ~~f. Applicant agrees to perform education and outreach to educate the community of available broadband Internet services;~~
- ~~g. Applicant's requested reimbursement for computing devices for community training rooms or other public space, is no more than \$750 per device, with a maximum of 15 devices per location;~~
- ~~h. Project provides device technical support responses within 24 hours;~~
- ~~i. Device technical support (not network), either by phone or in person, will be able to respond within 24 hours. Refurbished devices will have at least a six-month warranty. New devices will have at least a 30-day warranty.~~
- ~~j. Applicant has identified a designated space for digital literacy training or broadband access;~~
- ~~k. Applicants must be ready to provide classes within six months of being selected for a CASE grant and must submit a work plan with major milestones showing how they propose to meet this deadline; and~~
- ~~l. Applicants must complete the adoption project within 24 months from the ramp up period, or earlier if work plan milestones/deliverables have been accomplished.~~

Additional Criteria for Digital Literacy Projects only

- ~~a. Applicant or partner organization possesses at least one year experience in digital literacy training or has previously carried out at least one digital literacy project;~~
- ~~b. Applicant must provide at least eight hours of digital literacy training to each participant, through digital literacy classes, one on one tutoring or self-paced instruction; and~~

~~Applicant's requested reimbursement for take home computing devices is no more than \$150 per device, limited to one computing device per eligible~~

~~household, and no more than \$10,000 per application/project location.~~

The Commission further assigns to staff the task of rejecting applications that meet any of the following criteria:

- a. The applicant submitted an incomplete application and has not responded to a follow-up request for the missing material, sent to the designated contact on the application.

1.11. ~~4.12~~ Resolution Review

~~An a~~ Applications that does not meet the above ~~expedited~~ ministerial review criteria may only ~~still~~ be ~~considered for a grant via the traditional~~ approved by Commission Resolution-~~approval process~~.

1.12. ~~1.13~~ **Staff Review**

Staff shall notify an applicant by letter specifying reasons for rejection should an application fail to meet the Commission criteria or other factors.

1.13. ~~1.14~~ **Reporting**

Staff will provide a template for all necessary reports in the Administrative Manual which will be posted on the CPUC CASF website, along with the Adoption Account Instructions and Application forms. Up to three reports will be required throughout the course of the project:

Ramp-up period report: A “ramp-up period report” is required (if applicable), after completion of the ramp up activities and when deployment is set to begin. This report must be submitted by no later than 3 months after the completion of the ramp up activities. In this report, recipients will report on the completion of the ramp up activities per the work plan, milestones met, as well as request payment for relevant expenses to date. The ramp up period may not exceed 6 months from the time the application is approved.

Year 1 Progress Report: The Year 1 progress report is required at the end of the first year of deployment. This report must be submitted by no later than 3 months after the end of the first year of deployment. In this report, recipients will report on the status of Year 1 milestones per the work plan, as well as request payment for relevant expenses to date.

Year 2 Completion Report: The Year 2 completion report is required at the end of the 24-month period, or after the work plan milestones/deliverables have been accomplished if earlier than the 24-month period. This report must be submitted by no later than 3 months after completion of the project. In this report, recipients will report on the completion of the overall project, milestones met per the work plan, as well as request payment for final and remaining relevant expenses.

The completion report shall include:

- a. A summary of all work done including an itemized list of materials purchased and money spent;
- b. A description of each milestone in the period and how that milestone was met.
- c. The total number of participants trained or hours of access provided, (if applicable); and

- d. The number of participants that subsequently subscribe to a broadband Internet service provider to use a device in their home.

Grantees must maintain files, invoices, and other related documentation for three years after final payment. Grantees shall make these records available to the Commission upon request and agree that these records are subject to audit and review by the Commission at any time within three years after the Grantee incurred the expense being audited.

1.14. ~~1.15~~ Payment

- a. Grantees may submit up to three payment requests throughout the project period. Payment requests will accompany the 3 reports required above (RampUp Period (if applicable), Year 1, Year 2). Payment requests may also be submitted separately from and in addition to the Calendar Year reporting described above, provided that each payment request includes the information provided on the most recently submitted Calendar Year report and any additional information or costs incurred since the most recent Calendar Year report was submitted. Whether tied to Calendar Year reporting or outside of that reporting schedule, no more than three payment requests may be submitted.
- b. The relevant project report must be submitted in order for a payment request to be granted.
- c. Payment request for the ramp-up period, if requested, may not exceed 25% of grant amount.
- d. No more than 90% of the grant amount will be reimbursed before the completion report and final payment request;
- e. ~~d.~~ All payment requests require documentation of outcome in “milestone” report.
- f. ~~e.~~ Grantees shall submit final requests for payment no later than 3 months after completion of the project.
- g. ~~f.~~ Payment will be based upon receipt and approval of invoices and other supporting documents showing the expenditures incurred for the project are in accordance with their approved application and budget.
- h. ~~g.~~ Grantees must notify the Commission or the Director of the Communications Division as soon as they become aware that they may not be able to meet project deadlines. The Commission may withhold or reduce payment if the grantee fails to notify the Commission or Director of the Communications Division of such changes.

- i. ~~h.~~ Payment will be made in accordance with, and within the time specified in California Government Code § 927 et seq.
- j. ~~i.~~ The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation to ensure that CASF funds are spent in accordance with the terms of approval granted by the Commission.
- k. ~~j.~~ The recipient's invoices will be subject to audit by the Commission at any time within three years of final payment.

1.15. ~~1.16~~ Execution and Performance

Grantees must start the project within six months after the grant approval (after the ramp-up time if applicable) and complete the project within a 24-month timeframe or earlier. The Commission may withhold, reduce, or terminate grant payments if the grantee does not comply with any of the requirements set forth in its application and compliance with the CASF. In the event that the grantee fails to complete the project in accordance with the terms of approval granted by the Commission, the grantee must reimburse some or all the CASF funds that it has received.

The CASF grant recipient must complete all performance under the award on or before the termination date of the award.

Grantees may make modifications to an approved project budget without prior authorization, so long as those modifications do not cause the project budget to exceed the overall adopted project budget and so long as the proposed budget modifications are **unrelated** to the budgets for classroom or take-home devices, including hotspots. Grantees may change milestone/activity timelines without prior authorization, so long as those modifications do not cause the project timeframe to exceed the overall adopted project timeframe. While prior approval is not required for these modifications, the applicant must notify the Communications Division by emailing CASF_Adoption@cpuc.ca.gov within 30 days of making such changes.

Material changes in the entries for this application, such as discontinuing operation or bankruptcy, or change of name (DBA), change of address, telephone, fax number or E-mail address should be reported by a letter to the California Public Utilities Commission, Director of the Communications Division, 505 Van Ness Avenue, San Francisco, CA 94102 and CDCompliance@cpuc.ca.gov.

1.16. Consent Form

All grantees are required to sign a consent form within 30 days from the date of the award, agreeing to the terms stated in the resolution or award letter authorizing the CASF award. The consent agreement will provide the name of the grantee, names of officers, and must be signed by the grantee. Should the grantee not accept the award through failure to submit the consent form within 30 calendar days from the date of the award, the Commission will deem the grant null and void. The proposed wording of the consent form is available on the CASF website.

**Attachment 1
Preference
Checklist**

- ☐ **Project is serving a low-income community.**
The community with a median household income at or below the CARE income limits for a household of four¹⁰
- ☐ **Project is serving a community with a high percentage of ~~residents~~ community members with limited English proficiency.**
More than 50% of residents have limited English proficiency
- ☐ **Project is serving a community with a high percentage of ~~residents~~ community members with limited educational attainment.**
More than 50% of residents have only a high school diploma or less.
- ☐ **Project is serving a rural community.**
A project is located in a "rural" area if it meets one of the following criteria:
 - 1) It is in area that is eligible for federal program under the United States Department of Agriculture (USDA) Section 515 program;
 - 2) It is in a city with a population of 40,000 or less or in a non-urbanized area; or
 - 3) It is in an unincorporated area of a county and is not in an urbanized area.
- ☐ **Project has community support, endorsements and/or partnerships.**
- ☐ **Project is serving a community with some other demonstrated disadvantage which affects broadband adoption, documented by applicant.**
- ☐ **Project considers coordination with other public purpose programs and funding sources.**

¹⁰ CARE income limits can be found here: <http://consumers.cpuc.ca.gov/lowincome/rates/>.

Attachment

2-Consent

Form

Name of Grantee: _____

The Grantee identified above hereby acknowledges receipt of the California Public Utilities Commission Resolution T _____ or Approval Letter Dated _____ and agrees to comply with all grant terms, conditions, and requirements set forth in the Resolution or Approval Letter.

Undersigned representative of

_____[Name of Grantee] is duly authorized to execute this Consent Form on behalf of the Grantee and to bind the Grantee to the terms, conditions, and requirements set forth in California Public Utilities Commission Resolution T _____.

Dated this _____ day of _____, 20____.

Signature

Printed

Name/Title:

Organization or Name of Company

Business Address (include street address, suite/apt. number, city, state, and ZIP Code):

Telephone Number (include area

code): Email Address:

(End of Appendix 1)

Appendix 3~~1~~

APPENDIX ~~3~~¹

Rural and Urban Regional Broadband Consortia Grant Account Application Requirements and Guidelines

1.1 Background

~~The goal of the CASF program is, no later than December 31, 2022, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the Commission on or before January 1, 2017.~~

Public Utilities Code, § 281, which governs the Rural and Urban Regional Consortia Grant Account (Consortia Account), states:

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

~~AB 1665 made the following changes to the Consortia Account:~~

- ~~• Change Consortia eligibility and require that monies in the Consortia Account are available for assisting infrastructure applicants in the project development or grant application process;~~
- ~~• Require each consortium conduct an annual audit of its expenditures and submit to the Commission an annual report.~~

1.2 Amount Available for Grants

~~The total Consortia program appropriation as authorized in AB 1665 is \$10 million. To date, the Consortia Account has \$967,372 remaining. This includes \$8,523,106 disbursed for the first solicitation process and \$4,611,114 approved for the second solicitation process.¹ AB 1665 supplements the existing \$15 million authorized for the Consortia grants with an additional \$10 million.~~

~~Amount of Grant Funding Allocations~~

~~Consistent with Decision (D.) 11-06-038, t~~The Commission will ~~continue to~~ award grants based only upon the budgeted level of program activities approved for each Consortium, subject to a maximum funding cap of ~~\$200,000~~ \$150,000 per year per Consortium, plus \$10,000 (per consortium for up to 5 representatives) for attendance to at least one of the annual public workshops held pursuant to Public Utilities Code § 281 ~~as required by AB 1665~~. Where an application seeks multi-year funding, however, the application must still present separate year-by-year annual Work Plans and budgets. ~~Given the program is operating with a limited amount of funding available, the Commission may award more grants of smaller amounts (proposals requesting less funding) and/or that offer services for less than three years. It is likely that awards will~~ Awards granted may be less than the allowed maximum amounts in order to leverage available funding.

Any CASF grants awarded will be limited to and apply only to activities and programs that are not already funded by any other public or private sources.

¹AB 1262 (Stats. 2015, Ch. 242) redirected \$5 million from the CASF Revolving Loan Account to the Consortia Account. This reflects the balance (net of funds awarded to grantees).

1.3 Definitions

A “Consortia region,” is a geographic region with boundaries largely consistent with county boundaries or the boundaries of multiple counties, or other geographic lines due to geographic characteristics/barriers, such as mountains and basins, that create hard-to-serve-areas, as long as the areas included using “other geographic lines” do not overlap with other Consortia regions. In no case may an area be represented by more than one Consortium. ~~are geographic boundaries for the 16 consortia regions, as identified by the Commission on or before January 1, 2017. See Appendix 2 (Map 1) for a map and list of the consortia regions. Map 1 will also be available on the CPUC CASF page at <http://www.cpuc.ca.gov/casf/>.~~

A “geographic region” 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.²

~~“Unserved household” means a household for which no facility-based broadband provider offers broadband service at speeds of at least 6 megabits per second (mbps) downstream and 1 mbps upstream.~~

1.4 Account Objective and Allowable Activities

~~AB 1665 revised the objective of the Consortia Account to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process.³ The new legislation changed the objective of consortia activities, which was previously promoting “regionally appropriate and cost-effective broadband deployment, access, and adoption”.⁴~~

~~Consistent with the revised objective, t~~The Commission will fund grantees for activities consistent with the statutory mandate specified in Pub. Util. Code § 281:

² D.11-06-038, p. 2.

³ Pub. Util. Code, § 281(g)(1).

⁴ D.11-06-038, p. 10.

- Collaborating with the Commission and other state agencies to engage regional consortia, local officials, internet service providers (ISPs), stakeholders, and consumers regarding priority areas and cost-effective strategies to achieve the broadband access goal.
- Identifying potential CASF infrastructure projects or potential broadband deployment projects related to new programs created under SB 156 and AB 164, along with other opportunities, where providers can expand and improve their infrastructure and service offerings to achieve the goal of reaching 98% broadband deployment in each consortia region.
- Assisting potential CASF infrastructure applicants or potential applicants for broadband deployment projects related to the new programs created under SB 156 and AB 164 in the project development or grant application process.
- Conducting activities that will lead to or that can be reasonably expected to lead to CASF infrastructure projects or broadband deployment projects related to new programs created under SB 156 and AB 164, including but not limited to ~~such as~~ the following examples of allowable activities, ~~as long as they lead to infrastructure applications:~~
 - Supporting project permitting activities.
 - Engaging local government officials and communities to better understand and explain regional broadband needs and solutions, and providing technical assistance to such entities.
 - Conducting an inventory of public assets (e.g. rights-of-ways, publicly owned towers, public utility poles, equipment housing, publicly owned property) and aggregate demand, including speed tests and the identification and updates of priority areas.
- Assisting the Commission in publicizing requests for wireline testing volunteers in areas, as needed.
- Assisting the Commission in promoting broadband deployment in California, related to the Federal Funding Account and other programs including Middle-Mile, Broadband Loan Loss Reserve, and Local Agency Technical Assistance created under SB 156 and AB 164.

According to a prior Commission decision, “the California Emerging Technology Fund (CETF) partners or any other external Consortia grantees will have no formal role in the Commission’s review of CASF applications for infrastructure grants. The CASF review and approval function must remain exclusively under Commission authority.”⁵

The CASF program will ~~only~~ fund consortia activity directly related to and in support of infrastructure applications. A consortium may receive CASF funding for work on an infrastructure application requesting funding from CASF and other infrastructure funding programs ~~(such as a U.S. Department of Agriculture grant)~~ pursuant to the Work Plan. The CASF program will also fund consortia activities that assist the Commission in promoting broadband deployment in California, related to new programs created under SB 156 and AB 164.

1.5 Eligible Applicants

Pub. Util. Code, § 281(g)(1) specifies consortium eligibility criteria:

~~Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process.~~ An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

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 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 Account funding based upon eligibility and scoring.

⁵ D.~~11-06-038~~ 18-10-032, Appendix 1 at ~~12~~ 4.

~~With regards to new consortia applications,~~ The Commission will allow both existing and newly formed consortia to submit applications. The Commission will not predetermine geographic region or mandate the precise number of consortia to receive CASF grants; however, the Commission shall award ~~CASF~~ Consortia grants only to one consortium per geographic region, ~~along county lines~~ along boundaries largely consistent with county boundaries or the boundaries of multiple contiguous counties, or other geographic lines due to geographic characteristics/barriers, such as mountains and basins, that create hard-to-serve areas, as long as the areas included using "other geographic lines" do not overlap with other Consortia regions. A consortium may represent more than one county, but a county may not be represented by more than one consortium, in most cases. However, the Commission may approve more than one consortium representation for a county under certain circumstances, (i.e., those noted above), as long as approval would not cause two Consortia regions to overlap. When requesting to represent a portion of a county, it is the consortium applicant's responsibility to include in its application (1) its justifications and reasons for the request, with supporting data and facts, (2) a clear definition of the areas it wishes to represent, including a description of the area(s) and a map, (3) a jointly signed agreement letter with any other consortia representing the same county as any the applicant is also requesting to represent, and (4) demonstration that there will be no geographic overlap with these other consortia, including a map of both Consortia regions, pre-and post-award (if applicable), showing no boundary overlap.

The Commission will continue to provide general standards and guidelines to govern the formation and membership of eligible consortia and the details regarding the membership of each consortium should be worked out within each geographic region.

1.6 Information Required from Applicants

Each Consortium application shall provide the following required information:

A. Applicant Information and Experience

- 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.

- Background, description, and role that each member of the Consortium will play in the proposed Consortium.
- Governing board structure in place that provides for direct representation from affected cities, counties, and tribes; the application must describe the governing board structure.
- Identification and description of the geographical regions/population groups/community interests to be covered by the proposed Consortium project, including a description of the area, maps, and list of Census Blocks (CBs).
- 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.
- If the applicant requests Consortia boundaries that do not coincide with county boundaries, the application must include:
 - The geographic or terrain-related justifications and reasons for the request, with supporting data and facts (e.g., shapefile geodata),
 - a clear definition of the areas within the county it wishes to represent, including a description of the area(s) and a map,
 - a jointly signed agreement letter with any other consortia representing the same county explaining which Consortia will represent the area should the application be granted, and
 - demonstration that there will be no geographic overlap with other consortia if the award is granted, including a map showing no boundary overlap.

A CASF Consortia Application Checklist will be included in the Administrative Manual, which will be available on the ~~CPUC~~ CASF [Consortia](#) website.

B. Work Plan and Performance Metrics Plan Requirements

Each Consortium applicant must submit a Work Plan and a Performance Metrics Plan as part of the application. The Work Plan and Performance

Metrics Plan will serve as the tools in the initial review of the applications.⁶

The Work Plan should identify the Consortium's goals as they relate to the region's needs for broadband deployment and include detailed functions and activities related to implementation of each goal. The Work Plan documents are to be tailored to fit the needs of a given Consortium region's constituents and geography, incorporating core responsibilities, including goals, measurable deliverables, expected outcomes, and specific timeline milestones as they relate to broadband deployment.

The Work Plan should align with the activities outlined in Section 1.4 Account Objective and Allowable Activities. The Work Plan should represent the viewpoints of a consensus of stakeholders and anchor institutions, and it should aim to increase broadband deployment, specifically assisting with the filing of infrastructure projects, ~~and~~ identifying priority areas, [assisting potential broadband deployment applicants with the broadband deployment programs created under AB 164 and SB 156](#), and cost-effective solutions in the Consortium's respective region. Additionally, the Work Plan should broadly describe how the Consortium would track and measure performance results with respect to broadband deployment goals of [Public Utilities Code § 281](#) ~~AB 1665~~.⁷

The Work Plan should include:

- Detailed functions, activities, and deliverables related to implementing the consortia grant program;
- A timeline identifying milestone dates for completion of key Work Plan activities and deliverables; the timeline should describe each of the monthly milestones, including performance metrics to be accomplished; and
- Identified start-up activities.

⁶ Metrics is a measurement used to gauge quantifiable components of performance, e.g., survey of 150 community-based organizations, five project application meetings with local ISP, etc.

⁷~~"Supporting Materials for May 25 Communications Division Staff Workshop on CASE Reform," Communications Division, May 2017 at 11-14.~~

A Work Plan for each funding year shall be submitted, e.g., Work Plan Year 1, Work Plan Year 2, Work Plan Year 3. A detailed description of Work Plan Contents and sample of the Work Plan Format will be included in the Administrative Manual, which will be available on the ~~CPUC~~ CASF [Consortia](#) website.

Performance Metrics Plan

The Performance Metrics Plan should also explain how the performance results from the proposed functions and activities will be tracked and measured following milestone dates and/or completion of functions/activities/deliverables, as described in the Work Plan.

C. Annual Audit

Any functions and activities necessary for the preparation of the annual audit must be included in the Work Plan. The cost of the annual audits must be included in the budget requirements. Staff will provide instructions for the annual audit in the Administrative Manual, which will be available on the ~~CPUC~~ CASF [Consortia](#) website.

D. Budget Requirements

The requested amount of Consortia grant funds shall be based upon and consistent with the total budget presented in the application. A Budget for each funding year shall be submitted, e.g., Budget Year 1, Budget Year 2, Budget Year 3. The budget must detail the expected costs directly related to the Work Plan. A sample Budget format will be included in the Administrative Manual, which will be available on the ~~CPUC~~ CASF [Consortia](#) website.

Each proposed consortium budget must expressly exclude any costs for activities or programs funded from other sources. CASF grants shall not duplicate funding from other sources. The proposed consortium budget must be accompanied by a description of any existing broadband 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.⁸

E. 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, administering fiscal activities between the Consortium and the Commission, receiving and dispersing Consortium grant funds and ensuring Consortium compliance with the grant.

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. The Fiscal Agent must provide assurance that Consortium members or contractors retained by the Consortium are capable and committed to fulfilling the commitments.

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 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 Annual Audit instead of the previously required Attestation Report,⁹ to be prepared by an

⁸ D. ~~11-06-038, Ordering Paragraph 11 at 40.~~ [18-10-032 at 8.](#)

⁹ D. [18-10-032 at 9](#) ~~11-06-038 at 26.~~

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.

The Fiscal Agent shall comply with all of the ~~all~~ rules and requirements herein and the Resolution authorizing the award, including but not limited to ensuring implementation of the approved Work Plan within the allocated budget (in conjunction with staff), and shall be responsible for notifying Communications Division of any proposed changes to Work Plan, Performance Metrics Plan, or budget during the course of the grant cycle.

Any changes to the substantive terms and conditions underlying Commission approval of the grant (e.g., changes to the Work Plan, Performance Metrics Plan, budget or designated Fiscal Agent, etc.) must be communicated in writing to the Director of Communications Division 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.

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

F. 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, containing at minimum, the following attestations, the final form of which will be made available on the CASF Consortia website: ~~that to the best of their knowledge all the statements and representations made in the Consortium application are true and correct.¹⁰ A sample Affidavit form will be included in the Administrative Manual, which will be available on the CPUC-CASF website.~~

- i. Applicant agrees that to the best of their knowledge, all statements and representations made in the application submitted are true and correct; and
- ii. Applicant agrees to abide by the Commission's Rules of Practice and Procedure and to be subject to Public Utilities Code §§ 2108 and 2111; and

¹⁰ ~~Rule 1.1 of the Commission's Rules of Practice and Procedure.~~

- iii. Applicant certifies that 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.

~~In the Affidavit, the Regional Consortia members and their associated Fiscal Agent must agree to comply with Rule 1.1 of the Commission's Rule of Practice and Procedures and certify that:~~

~~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 Work Plan or Performance Metrics Plan, as affirmed in the affidavit, the Commission may withhold subsequent grant disbursements, suspend, or terminate the Consortium grant, as warranted.

1.7 Scoring and Evaluation Criteria

Applications will be evaluated based on meeting all the requirements in the Information Required from Applicants. Applicants may submit endorsements or letters of support from the state or local government, community groups, and anchor institutions supporting their application.

An evaluation team comprised of Communications Division Staff will assess all completed applications. The following table summarizes the scoring criteria and weight:

Scoring Criteria

<u>Criterion</u>	<u>Weight (Points)</u>
(1) Regional Consortium Representation and Endorsements	15
(2) Regional Consortium / Members' Experience	35
(3) Work Plan and Performance Metrics Plan	30
(4) Budget	20
Total	100

Applications will be objectively evaluated on how well they meet the goals of the CASF Consortia program. Judgment regarding each area will be rendered in the form of a numerical score. Each application will be assigned a total score. Those applicants who meet a minimum score of 70 points (out of a possible 100 points) will be considered for funding. 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. 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 CASF Distribution List and posted on the Commission website at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CASFCo nsortiaGrant.htm>.

The Commission will issue approval of qualifying consortia applications, together with the grant amount per consortium, through a Commission resolution(s).

Staff shall notify an applicant by letter specifying reasons for rejection, should an application fail to meet the criteria set forth in these rules.

1.8 Submission and Timelines

The Commission will begin accepting applications from consortia regions in which consortia grant programs have ended. The Commission will also consider accepting application from existing consortia that voluntarily submit amended Work Plan and Performance Metrics Plan to conform to the revised Account objective and activities before the end of the existing grant cycle.

When the Commission is ready to begin issuing grants under the CASF Consortia Account program, a Notice will be sent to members of CASF Distribution List to inform prospective applicants that the staff is accepting proposals.

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 Account, 505 Van Ness Ave., Third Floor, San Francisco, CA 94102.~~

Public Notice of Consortia Application Information

The Communications Division will post a list of all pending applications on the CASF Consortia Account webpage at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/CASFConsortiaGrant.htm>

Given that multiple applicants may potentially be competing for the same grant money, the Commission 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.

Prospective applicants may contact the CASF Consortia Grant Administrator for questions on the application process and program questions at: [CASF Consortia Grant Administrator@cpuc.ca.gov](mailto:CASFConsortiaGrantAdministrator@cpuc.ca.gov)

1.9 Public Workshop

~~AB 1665~~ [Public Utilities Code § 281](#) directs the Commission to consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal, through public workshops at least annually no later than April 30 of each year through year 2022.¹¹ All consortia receiving CASF grants shall attend at least one of the annual public workshops to be conducted by Communications Division.

¹¹ Pub. Util. Code, § 281(f)(2).

Consortia may claim reimbursement for travel expenses and per diem costs associated with each public workshop hosted by staff. Expense claims must comply with the travel expense, limitation rules applicable to State of California employees and contractors.¹² The maximum reimbursement allowable is \$2,000 per person for up to five delegates for each workshop, for a total of up to \$10,000 per consortium.

1.10 Annual Audit

~~AB 1665~~ [Public Utilities Code § 281](#) requires each consortium to conduct an annual audit of its expenditures for grant programs funded and submit to the Commission an annual report that includes both of the following:

- A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.
- The number of project applications assisted.

Applicants may include such costs in its budget request.

1.11 Reporting

Consortia grantees are required to submit bi-annual progress reports. Any progress payment requests shall be submitted along with bi-annual reports. Staff will provide a template for all necessary reports in the Administrative Manual, which will be available on the ~~CPUC~~ CASF [Consortia](#) website. Consortia grantees are required to submit bi-annual progress reports.

In addition, the Commission will allow Consortia grantees to request an initial start-up costs payment, up to 25% of entire grant. If a grantee requests an initial start-up cost payment, then a “Start-up Period Report” is required.

Start-up Period Report: “A start-up period report” is required only if the grantee requests an initial start-up cost payment. This report must be submitted no later than three months after the completion of the start-up activities. In this report,

¹² See e.g. <http://hrmanual.calhr.ca.gov/Home/ManualItem/1/2201>.

recipients will report on the completion of start-up activities per the Work Plan as well as milestones met.

Bi-Annual Progress Reports: The bi-annual progress report is required every six months, i.e., at the end of the six month period, at the end of the 12 month period, at the end of the 18 month period, of deployment, at the end of the 24 month period, etc. These reports must be submitted by no later than three months after every six months. In these report, ~~recipients~~ grantees will report on the status of bi-annual milestones per the Work Plan, as well as request payment for relevant expenses to date.

Completion Report: A completion report is required at the end of the grant cycle. This report must be submitted by no later than three months after completion of the project. In this report, ~~recipients~~ grantees will report on the completion of the overall project, milestones met per the Work Plan, as well as request payment for final and remaining relevant expenses.

1.12 Oversight of Consortia Activities Subsequent to Grant Approval

Staff is authorized 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.¹³ The start of the Consortia grant program will begin upon grant approval.

Grant funds will be disbursed in accordance with, and within the time specified in California Government Code Section 927. Staff 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 adopted rules and standards for the Account.¹⁴ 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

¹³ D.~~11-06-038 at 28~~; [18-10-032, Appendix 1 at 15-16](#).

¹⁴ D.~~11-06-038 at 29~~; [18-10-032, Appendix 1 at 15-16](#); Pub. Util. Code, § 270.

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 five years after the Grantee incurred the expense being audited. A Consortia grantee shall provide access to the Commission upon 24-hour notice to evaluate work completed or being performed pursuant to the grant.

Each Consortia grantee must use the grant funds solely for the approved project as described in the Grantee's Commission-approved Work Plan and Performance Metrics Plan as affirmed by the signed Affidavit. Each Consortia grantee must complete the project in accordance with and within the project performance period set forth in the Commission-approved Work Plan, see Section 1.14 Execution and Performance on changes to the substantive terms and conditions underlying Commission approval. Grantee's performance and completion of the project must comply with all applicable laws and regulations. The Progress Report must present the results of performance metrics.



Grantees must notify Communications Division as soon as they become aware that they may not be able to meet performance metrics set forth in the Work Plan and Performance Metrics Plan. Any changes to the substantive terms and conditions underlying Commission approval of the grant (e.g., changes to the Work Plan, schedule/timeframe, Work Plan budget or designated Fiscal Agent, etc.) must be communicated in writing to the Director of Communications Division 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.

1.13 Payment

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 bi-annual basis, and supporting invoices and receipts. All requests for progress payments and reimbursements must be supported by documentation, e.g., receipts, invoices, quotes, etc.

The Consortia grantee may request reimbursement of start-up costs equivalent to a maximum of 25% of the total award. Such payment requests must 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 bi-annual progress report-review basis.

In order to receive a progress payment, the Consortium must first submit the Progress Report to the Communications Division, together with all requests for payment and reimbursement supported by relevant invoices receipts, etc.

All performance specified under the terms of any award must be completed on or before the termination date of the award. A project completion report is 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 three months after project completion.

No payment will be made for any payment requests received three months after relevant reports are due (i.e., bi-annual progress reports and/or completion reports).

1.14 Execution and Performance

The Commission's grant of any award is subject to satisfaction of the conditions set forth in the decision adopting this proposal, and any additional conditions that may be specified in the Commission resolution approving a grant. Each grant is made expressly only to the Consortia grantee as identified in the Commission resolution. The Consortia grantee may not assign the project in whole or in part, except as expressly provided by the Commission's approval.

By receiving a CASF Consortia grant, the grantee agrees to comply with the terms, conditions, and requirements of the grant and thus submits to the jurisdiction of the Commission with regard to disbursement and administration of the grant.¹⁵

Should the Consortia grantee fail to commence work at the agreed upon time, the Commission, upon ten business days written notice to the Consortia grantee, may terminate the award. The Commission may also impose penalties.

¹⁵ D.~~11-06-038 at 12-13~~[18-10-032 at 17](#).

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

If the Consortia grantee fails to perform in good faith, or in accordance with the expectations set forth in its Work Plan and Performance Metrics Plan, as affirmed in the affidavit, the Commission may withhold subsequent grant disbursement, suspend, reduce, or terminate the Consortia grant, as warranted.

Any changes to the substantive terms and conditions underlying Commission approval of the Consortium grant (e.g., changes to 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.

1.15 Consent Form

Grantees are required to sign a consent form within 30 days from the date of the award agreeing to the terms stated in the resolution or award letter authorizing the CASF award. The agreement will provide the name of the grantee, names of officers, and must be signed by the grantee. Should the grantee not accept the award through failure to submit the consent form within 30 calendar days from the date of the award, the Commission will deem the grant null and void. The proposed wording of the consent form is available on the CASF Consortia website.

(End of Appendix ~~31~~)

~~Appendix 2~~

APPENDIX 2

Map 1



(End of Appendix 2)