



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

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R2302016

*Order Instituting Rulemaking Proceeding  
to Consider Rules to Implement the  
Broadband Equity, Access, and  
Deployment Program*

Rulemaking 23-02-016  
(Filed February 23, 2023)

**REPLY COMMENTS OF THE SAN DIEGO ASSOCIATION OF  
GOVERNMENTS (SANDAG) ON THE BROADBAND EQUITY, ACCESS,  
AND DEPLOYMENT (BEAD) PROGRAM – INITIAL PROPOSAL  
VOLUMES 1 AND 2**

December 7, 2023

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**I. Introduction**

In accordance with the November 7th, 2023, Administrative Law Judge's Ruling Issuing Staff Proposal to the BEAD program, the San Diego Association of Governments (SANDAG) submits comments in response to Volume 1 and Volume 2 of the California Broadband Equity, Access and Deployment (BEAD) Program Initial Proposal released on November 7th, 2023 (Proceeding R2302016).

SANDAG, as the San Diego region's Metropolitan Planning Organization and Council of Governments, brings together local decision-makers to develop solutions to regional issues. We would like to express our sincere appreciation for the work that the California Public Utilities Commission (CPUC) has undertaken in fostering equitable broadband access across California. The commitment to bridging the digital divide is of incredible importance, and the efforts made by the CPUC in this regard are commendable.

The recent pandemic highlighted the crucial role that broadband access plays in ensuring equal opportunities for all. To address this, the SANDAG Board of Directors adopted a Digital

Equity Strategy and Action Plan, intending to increase broadband access and adoption throughout the San Diego Region.

SANDAG also partnered with the Southern California Association of Governments (SCAG) to facilitate the SoCal Transformation, a coalition that brings together various stakeholders to bridge the digital divide in Southern California. Participants include members from the educational, healthcare, housing, social service, regional government, and organizations who focus on digital inclusion, literacy and access with a focus on funding opportunities and strategic partnerships. Some of SoCal Transform's successes include coordination of Affordable Connectivity Program (ACP) enrollment efforts, development of permit streamlining approaches and overall awareness raising of digital divide issues in the region. Together SANDAG and SCAG represent over 60% of the California population.

## **II. Discussion**

The BEAD program stands as a vital opportunity to bridge the digital divide in California. SANDAG would like to draw your attention to a few key areas that should be considered in the initial BEAD proposal to best meet the goals of the program:

### **A. Scoring Emphasis on Equity:**

One of the primary objectives of the BEAD program is to promote equity, as reflected in the title. SANDAG recommends reassessing the scoring rubric to prioritize projects for “covered populations”, as defined by the California Department of Technology (CDT). In California, the broadband industry is predominantly led by private providers, necessitating that Internet Service Providers (ISPs) ensure the infrastructure they develop aligns with their private business interests. SANDAG understands the importance of making sound business decisions as a private provider. However, low-income remote, rural, and urban communities are the communities with the greatest need for broadband, and often diverge from the ISPs' business interests. Herein lies the opportunity for the CPUC to use public funding like the BEAD program to subsidize digital infrastructure that will serve these unserved and underserved low-income, disadvantaged, and hardest to reach communities that otherwise would not make economic sense for ISPs to provide.

The current scoring rubric allocates only 10 points out of 100 for projects targeting low-income and disadvantaged communities. While we acknowledge the CPUC's need to comply with National Telecommunications and Information Administration's (NTIA) rules for the rubric, we contend that this limited point allocation may not serve as a sufficient incentive for ISPs to invest in areas of utmost need. Drawing from SANDAG's experience from the recent Federal Funding Assistance (FFA) program, we found project proposals continually failed to address low-income and disadvantaged communities, despite the FFA having slightly more emphasis on equity in its rubric. We recommend revisiting the scoring system to more robustly reward and prioritize projects that specifically target these priority populations. This adjustment will not only align with the overarching goal of fostering equitable broadband expansion, but also better reflect the pressing needs of communities that are often underserved or overlooked.

#### **B. California Advanced Services Fund Utilization for Matching Requirement**

SANDAG recommends that the CPUC integrate California Advanced Services Fund (CASF) funds in support of BEAD proposals that target the most remote and hard-to-reach, low-income, and disadvantaged, locations in the State. These projects tend to have higher costs to implement, and thus a higher matching requirement. Leveraging CASF funds as a matching source for these projects will encourage projects focused on equity in the neediest communities and ensure that quality investments are made in remote areas of the State. The NTIA requirements specify that the 25% match should originate from non-federal funds and CASF as state funding is an eligible match source.

We commend the CPUC for ensuring the availability of \$150 million in CASF funds. The CASF Infrastructure Account remains the most viable and flexible source of funding to ensure that the State fulfills its commitment to deploy to the hardest to reach communities. Strategically allocating these resources can play a pivotal role in steering financial support towards the most challenging and underserved locations, thereby reinforcing the commitment to equity in broadband accessibility.

Middle-Mile Infrastructure Incentives: The rubric should actively promote the projects that leverage the State's investment in middle-mile broadband infrastructure. The development of the middle-mile network allows for cost-effective last mile deployments in historically hard to serve areas. It is crucial that these last mile connections to communities near the middle-mile are prioritized to best leverage the public investment and to optimize the effectiveness of BEAD funds. By incorporating points for projects utilizing state facilities, the CPUC would incentivize participation from additional actors and reduce costs, contributing to a more comprehensive broadband expansion.

### **C. Robust Data Set Review:**

We encourage the CPUC to include a robust and open review process for its datasets, leaning on local expertise when necessary. It is important the CPUC considers updated service provider data, by allowing more third-party data, such as speed tests and requiring ISPs to provide comprehensive existing customer experience data, including the current service's speed. Having transparent and accurate datasets is essential for the informed decision-making being done during the development and selection of projects.

Additionally, SANDAG recommends the CPUC broaden the scope of their equity definition and incorporate data sets that include a cross-section of priority communities including those in low-income census tracts, areas with high enrollment in public assistance programs, and communities where households pay more than 2% of their income for internet. This approach will better identify communities that need additional assistance in bridging the digital divide.

### **D. Streamlined Public Comment Process:**

We strongly recommend that the CPUC expand public engagement by allowing for comments on project proposals, rather than restricting feedback to objections during the public review process. Exclusively allowing objections, as we observed from our experience with the FFA grants, poses challenges for organizations that partner with ISPs and agencies governed by elected bodies. This hinders public agencies from providing valuable input on project proposals.

Allowing comments would foster a more inclusive and comprehensive dialogue, ensuring a broader range of stakeholders can contribute to the decision-making process.

### **III. Conclusion**

In conclusion, we believe that these recommendations, if implemented, could further strengthen the impact and effectiveness of the BEAD program. We appreciate your dedication to advancing equitable broadband access in California and look forward to witnessing the continued success of these initiatives.

Dated: December 7, 2023

Respectfully submitted,

/s/ Kirk Blackburn

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