



California Advanced Services Fund (CASF)

CASF Program CY 2016 Highlights

In 2016, the CPUC continued to make progress toward closing the digital divide in California. The CPUC funded 11 additional infrastructure projects to provide broadband access to 18,249 unserved and underserved households combined. The 12 regional Consortia approved in 2016 continue to advance initiatives aimed at increasing broadband deployment, access and adoption in 40 out of 58 counties in California. Additionally, there were 189 public housing infrastructure grants approved affecting 11,752 units, and 43 adoption projects to provide digital literacy training to public housing locations with 9,653 residents in 2016. The Commission adopted 24 CASF resolutions in 2016.

CASF Awards and Status by Account since Program Inception:

1. The **Broadband Infrastructure Grant Account:** Authorized \$270 million to fund capital costs of broadband infrastructure projects in unserved and underserved areas.
 - 58 projects approved; with total awards of \$152,951,278
 - 6 additional project applications pending/under review possibly encumbering \$70,565,115¹
 - Fund Balance if 6 pending applications were to be awarded: \$34,257,543
 - Activity in CY 2016: 11 projects approved, awarding \$33,977,844
 - Update; As of January 30, 2017, an additional project has been received. Of the remaining 7 projects, two are on the February 9 Commission agenda for consideration.
2. The **Broadband Infrastructure Revolving Loan Account:** Authorized \$5 million to provide supplemental financing for projects that are also applying for funds from the Infrastructure Grant Account.
 - 3 projects approved; with total awards of \$600,295
 - 1 project application pending/under review requesting \$243,311
 - Activity in CY 2016: no projects awarded
 - Fund Balance if the pending application were to be awarded: \$3,464,018
3. The **Rural and Urban Regional Broadband Consortia Grant Account:** Authorized \$15 million to fund the cost of broadband deployment activities other than the capital cost of facilities, as specified by the Commission.
 - Total awards of \$12,099,852² including grants to 17 consortia groups for prior round and 12 consortia groups for the new round.
 - 5 project applications were remaining including a late filed consortia application, submitted after deadline. pending review, requesting \$1,442,808
 - Fund Balance if the pending application were to be awarded: \$795,942³
 - Activity in CY 2016: 12 consortia applications approved, awarding \$3,226,376
 - Update; as of January 30, 2017 four consortia program applications were approved on January 19, 2017.

¹ Two project applications are near staff recommendation, to be considered on Commission February 9, 2017 agenda, totaling \$42,900,549. And four remaining project applications to be considered, totaling \$27,664,566. Assumes only one of the two competing Phelan area projects would be awarded a grant.

² This amount does not include consortia Summit costs of which the Commission reimbursed consortia a total of \$62,460 for the prior round.

³ Balance excludes future consortia Summit costs.



4. The **Broadband Public Housing Account:** Authorized \$25 million to provide grants and loans dedicated to broadband access and adoption in publicly supported housing communities.
- 337 projects approved (275 infrastructure + 62 adoption) totaling \$9,547,393
 - 256 project applications pending review (155 infrastructure + 101 adoption) requesting approximately \$10,163,765. (Note: given that applications were received prior to the SB 745 effective date, CPUC staff intends to consider such applications based on prior rules in effect)
 - Fund Balance if pending projects were to be awarded: \$5,045,348
 - Activity in CY 2016: 232 projects approved, awarding \$6,864,084
 - Update; as of January 30, 2017 the OIR to implement recent public housing legislation, SB 745, is scheduled for the February 9, Commission agenda.

Notes

- “Fund Balance” does not include State Operations expenses post-December 31, 2016.
- All awards are preliminary and will be validated for April 1, 2017 CASF Annual Report.

Homes Passed

As of December 2015, the CASF program has directly connected about 11,000 households out of the 53,156 homes awarded monies to be served. The CASF Infrastructure program is progressing slowly toward the statutory goal, partly due to its current “wait for an applicant” design, and because many approved projects have yet to be built pending environmental permitting reviews.

Additionally, CASF has approved 5 middle mile projects that have the potential to reach 248,000 households should last-mile connections be built. CY 2016 progress will be published in the April 1, CASF annual report.

Anticipated Actions for 2017

Commission staff is developing a “high-impact analysis” identifying areas that contain unserved, or under-and-unserved areas. The soon to be published “staff white paper/ report” has identified over 30,000 households, about 9% of the remaining 345,000 households that must be served in order to meet our 98% broadband availability statutory mandate. Workshops will be held on February 28th to address the “high-impact analysis” and workshops in March will be held regarding program strategies.

The CASF team is also supporting the SCO audit of the program, due to be published by April 1, 2017. We expect some discrepancies between the published CASF Annual Report and CalSTARS, mainly due to differences in time when activities occur and are reported by us in the CASF Annual Report, versus the date of financial CalSTARS recording.

The CASF team is also supporting the eFast design (applicant web portal) project. It is progressing well with IT.

On a separate note, the mobile testing CalSPEED program is being scaled back to an annual test rather than bi-annual, thereby releasing funds in-order to do a wireline testing program, as directed in the recent Competition OIR Decision 16-12-026, (which states in O.P. 4; “The Communications Division staff shall budget and seek state funding for a third party survey of consumer broadband speed experience measured by the CalSPEED fixed location test.”) Staff will report to the Commission its findings and recommendations.