

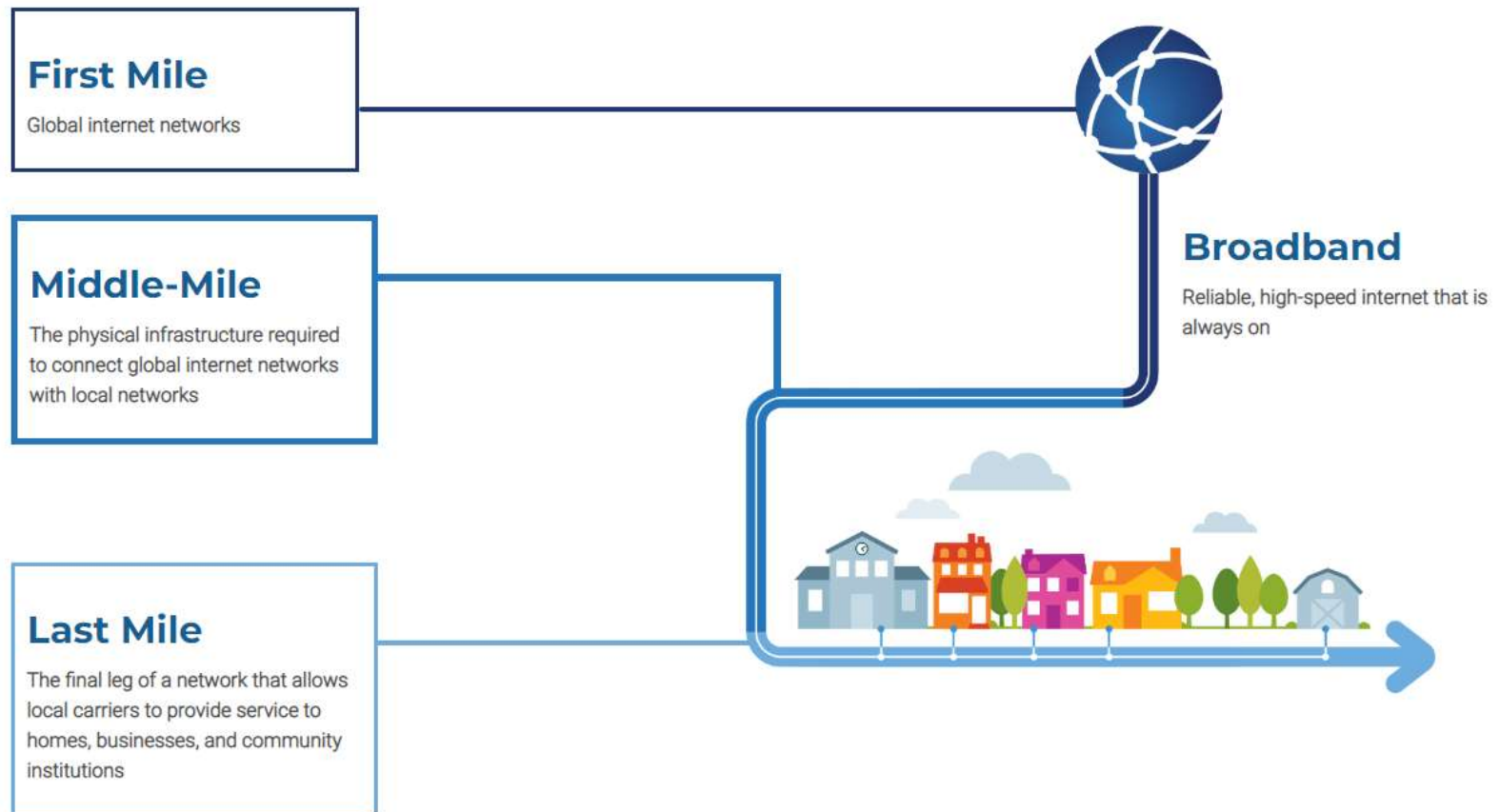
California Broadband Initiative

March 1, 2022

Mark Monroe

Deputy Director, Middle-Mile Initiative
California Department of Technology

Broadband For All Infrastructure



Broadband For All

California Broadband Council



Executive Order N-73-20



2020 Broadband Action Plan



2021 Middle-Mile Broadband Initiative

Broadband Initiative

SB 156 (Chapter 112, Statutes of 2021)

- \$6 billion investment over three years to:
 - Expand broadband infrastructure
 - Increase affordability
 - Enhance access to broadband for all Californians
- \$3.25 billion to develop, acquire, construct, maintain and operate a statewide “open-access **middle-mile**” network (CDT)
- \$2.75 billion for **last-mile** infrastructure grant programs (CPUC)

Working together to achieve SB 156

California Department of Technology



- Program, fund management, reporting and oversight
- Retain TPA
- In collaboration with TPA and CPUC, facilitate high speed broadband access through last-mile connectivity



California Public Utilities Commission

- Provide data to identify unserved & underserved areas
- Facilitate public comment
- Recommend network placement



Third Party Administrator

- Manages the development, acquisition, construction, maintenance and operation of the statewide open-access middle-mile broadband network



Caltrans

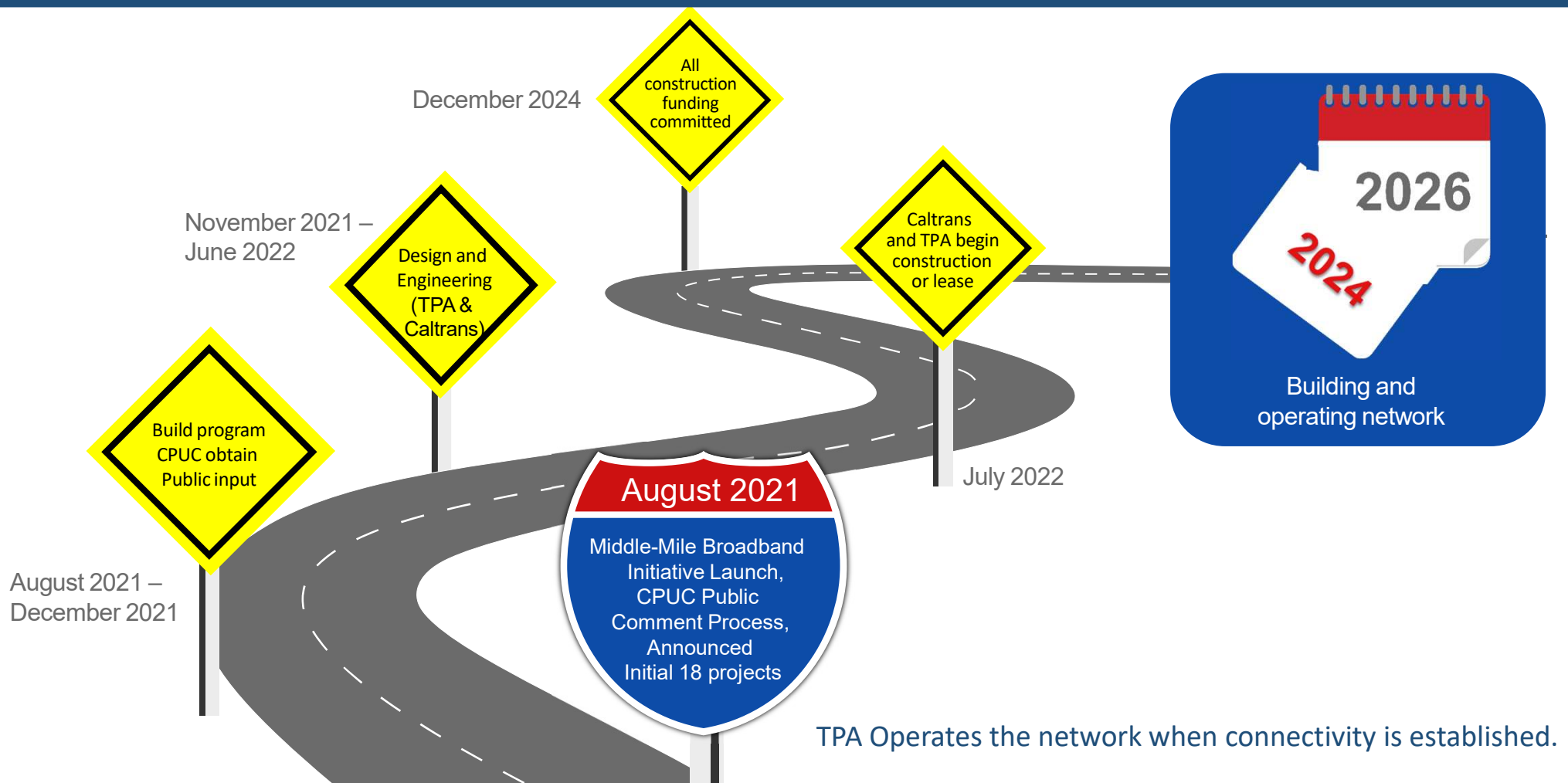
- Leverage existing transportation projects
- Oversee acquisition and management of construction contracts for open-access middle-mile broadband network



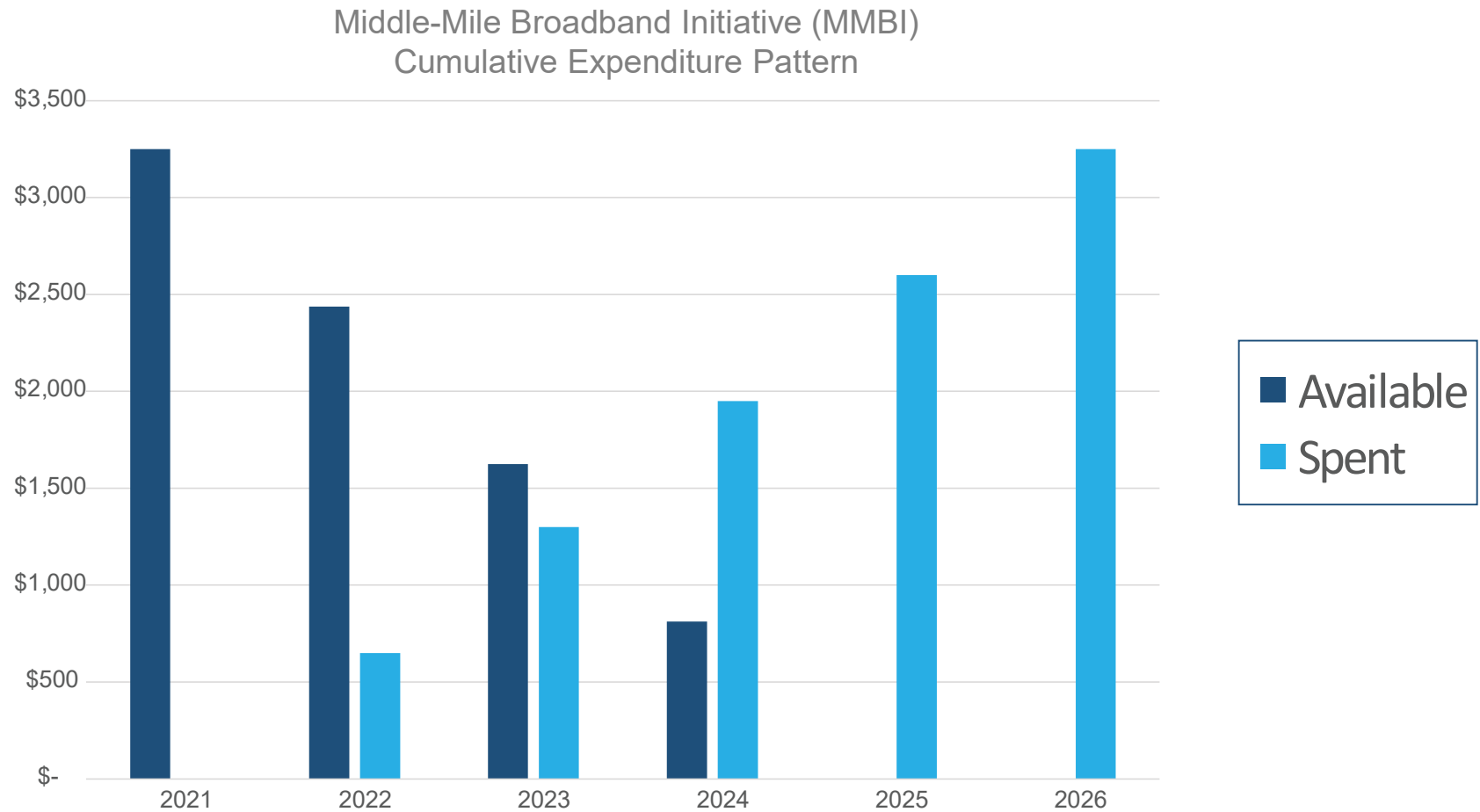
Department of Finance

- Budget oversight and facilitation
- State and Local Fiscal Recovery Funds (SLFRF) quarterly reporting to the federal government

Middle-Mile Broadband Initiative



Expenditure Plan



Federal Funding Rules

The \$3.25B MMBI project is funded entirely from American Rescue Plan Act (ARPA) funding.

- ARPA funds must be encumbered by December 2024.
- ARPA expenditures must be liquidated, and the MMBI project completed, by December 2026.
- The \$3.25B in ARPA funding is estimated to be enough to build approximately 6,000 miles of the 8,000-mile system. SB 156 provides for the remainder of the system to be developed using leases of existing infrastructure.

Initial Project List

The 18 initial projects – Announced in November to start pre-construction and design work as Proof of Concept:

- Provide experience in geographically diverse locations
- Benefit urban, rural, and tribal communities
- Support earlier connectivity for several communities by connecting the core to last mile locations
- Take advantage of co-build opportunities and project readiness at Caltrans
- Allow us to work with GoldenStateNet, the Third Party Administrator (TPA), in exploring the mechanics of lease agreements such as Indefeasible Rights of Use (IRUs).

Middle-Mile Broadband Initiative Website

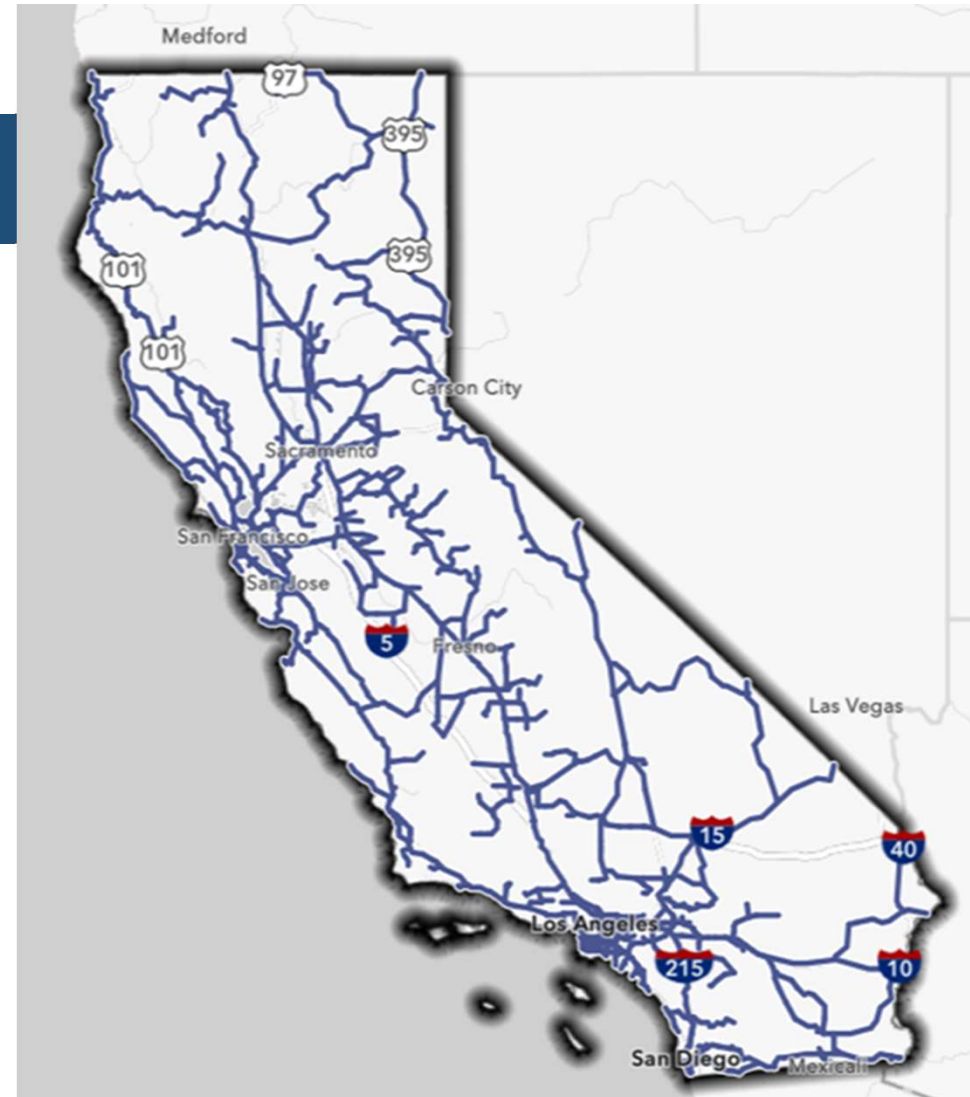


Since SB 156 was signed, CDT has:

- Stood up the Middle-Mile Advisory Committee (MMAC).
- Signed operating agreement with CPUC, Caltrans, and GoldenStateNet.
- Developed, announced, and began design work on 18 initial projects that will comprise about 10 percent of the overall system.
- Provided updated CPUC maps in December.

Collaboration

1. CPUC identified Middle-Mile Broadband Network
2. Dept. of Technology identifies highway project locations
3. Caltrans builds at highway locations



Caltrans' Role

- Initial project locations
- Build on state highways via:
 - Highway projects in construction
 - Highway projects to be constructed in next 3 years
 - New stand-alone projects

Dig Once

- Reviewing existing highway projects for viability
 - Narrowed to about 100 highway projects for deeper feasibility analysis
 - Covers about 700 miles



Delivery Strategy

- Sequence work based on challenge areas
- Streamline permitting
- Project delivery tools

What's Next

- CDT is moving forward with a competitive procurement of 3,000 miles of fiber and related materials by the first week in March.
- CDT will deliver the SB 156 status report to the Legislature by March 1st.
- Updated system information recommendation of sequency of work on statewide network in April.
- Finalized design of network by July.
- Fiber to be included in a dozen existing transportation projects that will be in construction by July.
- Fiber to be included in another 80 plus projects that are currently in the preconstruction phase.
- Preconstruction to begin on 6,000 miles of constructed segments between now and July.
- Anticipate seeing projects in construction as soon as 2023.
- IRUs and lease agreements to follow.

CPUC

Robert Osborn, Director of Communications Division
California Public Utilities Commission

2021 Broadband Investments – Background: CPUC Responsibilities



Middle-Mile Locations

- Identify routes & priority areas using public process.
- Report mapping & analysis to the California Department of Technology for use in program implementation & project development.

Last-Mile Initiative

- \$2 billion total
- Implemented through the California Advanced Service Fund (CASF) Federal Funding Account.
- Funding available for awards to applicants with broadband last-mile infrastructure projects.

Supporting Programs

- **California Advanced Services Fund (CASF)**
 - ~\$66 million current authorized amount*
 - Purpose: assist with broadband infrastructure deployment & adoption in public housing, tribes, & unserved areas.
- **Loan Loss Reserve**
 - \$750 million total
 - Purpose: enable local governments & nonprofits to secure financing for broadband infrastructure.
- **Technical Assistance**
 - \$50 million total**
 - Purpose: Help prepare local governments & Tribes for broadband infrastructure investments.

* May be increased pursuant to Public Utilities Code Section 281(d)(4)

** Included in \$2 billion Last-Mile Initiative



Middle-Mile Locations Timeline

Legislature passes & Governor Newsom signs SB 156/AB 164

CPUC releases 2 Rulings on project locations, routes, & network characteristics

Solicits both formal & informal public comments

90-day statutory public comment period ends

CPUC collects & analyzes additional data request to broadband middle-mile network providers

CPUC concurs with Initial Project locations

CPUC, in coordination with CDT, releases additional analysis, maps, & data

CPUC, in coordination with CDT, releases SB 156 analysis, maps & data

CPUC shall update locations "from time to time"

July 2021

August-September 2021

Oct-Nov 2021

Dec 2021-January 2022

February-March 2022

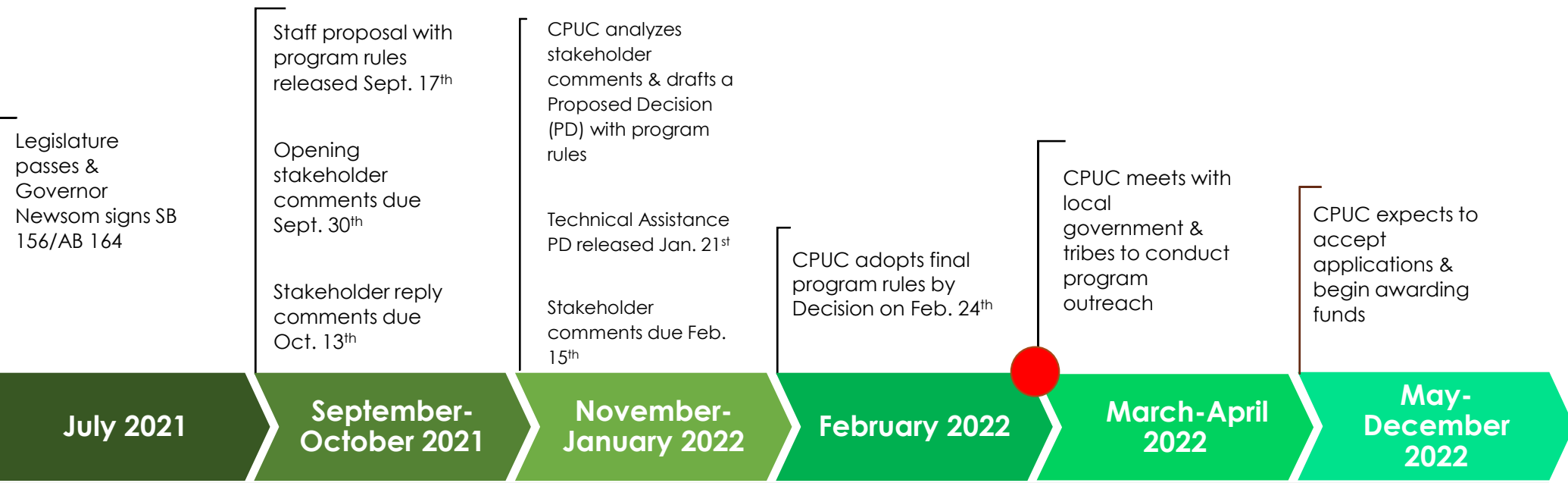
2023-2024

CPUC Broadband Infrastructure Deployment Proceeding (R. 20-09-001)

- Formal public process and venue for developing and updating middle-mile mapping analysis and data
- Also serves as the public forum for developing rules for the last-mile program.



Technical Assistance Timeline



CPUC California Advanced Services Fund (CASF) Proceeding (R. 20-08-021)

- Formal public process and venue for CASF Public Housing, Infrastructure, Consortia, and Adoption Accounts as well as Technical Assistance and Loan Loss Reserve Account.



Last-Mile Initiative Timeline

Legislature passes & Governor Newsom signs SB 156/AB 164

CPUC develops program rules proposal, rescopes *Broadband Infrastructure Deployment* proceeding & assigns resources to program development & implementation

Interim Report to U.S. Treasury Dept. & Treasury releases Capital Projects Fund Allocations

CPUC releases Ruling with program rules proposal & allocations for public comment

Stakeholder opening comments due Nov. 15th on program rules

Stakeholder reply comments due Dec. 15th for funding allocations

U.S. Treasury Dept. releases final program spending guidelines

CPUC reviews stakeholder comments & finalizes program rules & release a Proposed Decision on program rules

1st Quarterly Report to U.S. Treasury

CPUC plans to adopt final Decision & begin accepting applications from providers to review for alignment with program rules & policy objectives

2nd Quarterly Report to U.S. Treasury

CPUC plans to award funding to applicants

Ongoing U.S. Treasury Reporting

July 2021

August-
September
2021

October-
December
2021

January-
March 2022

April-June
2022

July-
December
2022

CPUC *Broadband Infrastructure Deployment* Proceeding (R. 20-09-001)

- Formal public process and venue for developing and updating middle-mile mapping analysis and data
- Also serves as the public forum for developing rules for the last-mile program



Loan Loss Reserve Timeline

Legislature passes & Governor Newsom signs SB 156/AB 164

CPUC conducts stakeholder outreach, develops program rules & assigns resources to program development & implementation

CPUC plans to release draft Loan Loss Reserve program rules for stakeholder comment

CPUC compiles & analyzes stakeholders comments & plans to release Proposed Decision on Loan Loss Reserve program rules

CPUC expects to vote on & adopt final Loan Loss Reserve program rules

CPUC expects to open funding cycles for the Loan Loss Reserve program

July 2021

July 2021-July 2022

August-September 2022

October-December 2022

January-March 2023

April-June 2023

CPUC California Advanced Services Fund (CASF) Proceeding (R. 20-08-021)

- Formal public process and venue for CASF Public Housing, Infrastructure, Consortia, and Adoption Accounts as well as Technical Assistance and Loan Loss Reserve Account.



California Advanced Service Fund Timeline

Legislature passes & Governor Newsom signs SB 156/AB 164, AB 14 & SB 4

July-October 2021

CPUC acts on all pending May 2020 CASF Infrastructure Applications

December 2021

CPUC develops draft program rules, proposal for legacy CASF subaccounts, develops subaccount allocations assigns resources to program development & implementation

January-February 2021

CPUC issues Ruling with proposed program rules for the Infrastructure, Consortia, Adoption & Public Housing Subaccounts

Stakeholder opening & reply comments due

March 2022

CPUC plans to adopt final program rules & subaccount allocations

April-June 2022

CPUC plans to open new funding rounds of both Adoption & Public Housing

July 2022

CPUC California Advanced Services Fund (CASF) Proceeding (R. 20-08-021)

- Formal public process and venue for CASF Public Housing, Infrastructure, Consortia, and Adoption Accounts as well as Technical Assistance and Loan Loss Reserve Account.