

November 22, 2023

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

RE: Comments on the proposed rules for the Broadband Equity, Access, and Deployment Program (BEAD), Rulemaking 23-02-016

The City of San José (“City” or “San José”) respectfully submits these comments in response to the Public Utilities Commission of the State of California (“Commission”)’s proposed rules for the Broadband Equity, Access, and Deployment Program (BEAD) program, contained in Attachments A and B of this ruling.

San José strongly supports the intent of this program and thanks the Commission for its efforts to solicit feedback on implementation. Despite being the largest city in Silicon Valley and the 3rd largest city in the state, many San José residents are still without access to internet at home. We urge the Commission to take steps to ensure that urban areas are not overlooked, in contrast to some grant programs that have prioritized rural deployment, as evidenced by the initial State’s last-mile priority map. Therefore, we respectfully urge that funding for subgrantee proposals be allocated at the census block level, in line with NTIA’s Notice of BEAD Funding which notes that an unserved service project may be as small as a single unserved broadband serviceable location.

Our comments on this ruling are below.

1. The low-cost internet service of \$15 per month is not affordable.

We support the requirement for a low-cost option that does not exceed \$30 per month for 100 Mbps/20 Mbps service – inclusive of all taxes, fees, and equipment and installation charges – and that is effectively no-cost for those eligible for the Affordable Connectivity Program (ACP). However, the proposed alternative price of \$15 per month if ACP is not renewed or replaced by an equivalent state or federal program is unaffordable.

Community surveys in San José indicated that unconnected families could afford a monthly internet service fee of \$5-10. If the ACP does not continue, we recommend the State update its Digital Equity Plan to account for the loss of the vital subsidy program and mitigate adoption regression as much as possible.

2. Support from local governments is vital.

Letters of support from local governments demonstrate a clear alignment between the proposed project and the community’s needs and priorities. It fosters responsibility and accountability, ensuring that proposed projects are not only well-received by the community but also integrated into local development plans. For grant scoring, we recommend allocating a maximum of 10 percentage points for the inclusion of such letters to acknowledge the importance of local stakeholder collaboration.

3. Multifamily dwelling units (MDUs) and low-income communities are a key component of California’s BEAD Plan.

We respectfully request prioritization of MDUs and low-income communities. Like cities such as San Francisco, Oakland, Long Beach and Los Angeles, we recognize the challenges of ensuring broadband access for California residents who reside in MDUs. Low-income urban communities are often misrepresented as having achieved connectivity targets because of insufficient mapping that marks the entire MDU as served, but it does not represent broadband availability of the individual units or households. Therefore, we urge the CPUC to incorporate the following considerations into state's BEAD Initial Proposal:

- Integrate the NTIA's MDU Challenge Module for MDU with the modification that an MDU challenge is initiated by the challenge of only one or more units. All units in MDU rely on the same internal wiring. The suggested requirement of at least three units or 10% of the total units within the same broadband serviceable location (whichever is greater) makes it too difficult for the least connected residents to participate in the challenge.
 - Include low-income communities in the definition of Community Anchor Institution (CAI). The definition of low-income communities is currently under consideration by the Commission for the CASF Broadband Public Housing Account program. As a substantial number of eligible low-income residents live in different publicly supported and financed housing options, their inclusion should hold the same weight in the state's definition of BEAD eligibility.
4. **Modify the classification of Digital Subscriber Line (DSL) locations from "underserved" to "unserved."**

We urge the Commission to modify the classification of locations with service delivered via DSL as unserved if DSL is the only technology available at the location satisfying the served requirements. This reclassification facilitates the phasing out of legacy copper and encourages the provision of future-proof broadband services for communities that have long endured aging physical internet infrastructure.

We appreciate your attention to the critical need for equitable broadband access across all California communities.

Sincerely,



Sarah Zárate
Director, Office of Administration, Policy, and
Intergovernmental Relations