

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

*Order Instituting Rulemaking Regarding
Broadband Infrastructure Deployment and
to Support Service Providers in the State
of California.*

Rulemaking 20-09-001
(Filed September 10, 2020)

**OPENING COMMENTS OF RURAL COUNTY REPRESENTATIVES ON
RULING REQUESTING COMMENTS ON PROPOSAL FOR
APPORTIONMENT OF FUNDS FOR FEDERAL FUNDING ACCOUNT GRANT
PROGRAM**

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Dated: November 30, 2021

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I. Introduction

In accordance with Rule 6.2 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Rural County Representatives of California (RCRC) submits and timely files comments to the Order Instituting Rulemaking (OIR) 20-09-001 (“Rulemaking”).

II. Background

On behalf of the Rural County Representatives of California (RCRC), I am pleased to respond to the email ruling of the Administrative Law Judge on November 10, 2021 *Requesting Comments on Proposal for Apportionment of Funds for Federal Funding Account Grant Program*. RCRC was granted party status via an oral ruling by the assigned Administrative Law Judge, Thomas J. Glegola, at a pre-hearing conference on November 11, 2020. RCRC is an association of thirty-seven rural California counties, and its Board of Directors is comprised of one elected supervisor from each of those member counties. RCRC membership is limited to those counties with a population of less than 600,000 and Board of Supervisor agreement with the organization’s stated policy principles.

III. Comments

RCRC appreciates the Commission’s thoughtful analysis of possible distribution methodologies for allocating the Federal Funding Account monies for last-mile broadband projects. The Commission proposes utilizing an allocation method based on classifications used by the Federal Office of Management and Budget (OMB) to define “urban” and “rural” for the purpose of distributing the \$2 billion provided through the State budget process (Senate Bill 156, Chapter 112, Statutes of 2021). The Commission presents two possible alternative methodologies for consideration, one based on the U.S. Census determination of “rural,” the other relying on the RCRC membership to define the universe of 37 “rural” counties. RCRC suggests the Commission consider a hybrid of the OMB and RCRC models that creates a more equitable distribution of funds in rural counties.

As presented, the two alternative methodologies in the Email Ruling have inherent flaws. First, the U.S. Census methodology is based on outdated population data to determine areas that meet “rural” and “urban” definitions. Second, utilizing the RCRC membership methodology results in vastly disparate funding allocations across the rural counties, disadvantaging the 21 most rural and least populated jurisdictions. Likewise, the Commission’s proposed OMB method, as currently drafted, defines ostensibly rural counties as “urban,” creating a similarly inequitable outcome for those 16 more populated rural counties that would need to compete with exponentially larger and more resourced urban counties.

RCRC agrees with the Commission’s definition of “rural” as set forth in the OMB model included in the Email Ruling, which allocates \$1 billion to those 21 described “rural” counties. The 37 remaining counties in the “urban” category should be divided based on the Commission’s RCRC model, creating 16 “small urban counties” (those counties identified as “rural” under the RCRC model) and 21 “large urban counties.” The “small urban” and “large urban” categories would receive pro-rata allocations of the \$1 billion in funding based on the number of counties in the group. The “small urban” group would receive 16/37th of the total, \$432,432,432, and the “large urban” group would receive 21/37th of the total, \$567,567,567. For eligible projects, each county would receive, in addition to the \$5 million required by statute, an allocation based on the proportionate share of unserved households, consistent with the statute and Email Ruling. Below is an allocation schedule based on this methodology for “small urbans” compared to the OMB only methodology outlined in the Email Ruling.

County	Unserved	OMB	"Small Urban"
Butte	8,657	\$17.54 M	\$23.82M
El Dorado	19,716	\$33.57 M	\$47.87M
Imperial	5,458	\$12.91 M	\$16.87M
Madera	11,362	\$21.46 M	\$29.7M
Merced	13,571	\$24.67 M	\$34.51M
Monterey	7,484	\$15.84 M	\$21.27M
Napa	3,478	\$10.04 M	\$12.56M
Placer	15,397	\$27.31 M	\$38.48M
San Benito	1,003	\$6.45 M	\$7.18M
San Luis Obispo	10,575	\$20.32 M	\$27.99M
Shasta	16,729	\$29.24 M	\$41.37M
Sonoma	8,677	\$17.57 M	\$23.87M
Sutter	2,841	\$9.12 M	\$11.18M
Tulare	24,463	\$40.45 M	\$58.19M
Yolo	6,335	\$14.18 M	\$18.77M
Yuba	6,342	\$14.19 M	\$18.79M

Creating subcategories within the urban apportionment recognizes the difference in locally available resources and challenges of less populated counties. Without making this change, the currently drafted OMB methodology proposed by the Commission would have Sutter County, with 2,841 unserved households, competing against San Diego County, with 46,512 unserved households, for its portion of the total allocation. The number of unserved households does not necessarily correlate with the cost of broadband deployment in the jurisdiction and ignores other variables in determining project costs, such as geography, local undergrounding ordinances and access to existing infrastructure. Additionally, although using the number of households for allocation is logical, the size of the number does not fully illustrate the need. For example, Orange county has over 53,000 unserved households compared to only 1,000 unserved households in San Benito county. In disperse population areas, such as San Benito, those unserved locations may represent whole communities lacking highspeed internet connectivity and the economic and social stability that accompanies access to mainstream technologies for business, government, health care and recreation.

Additionally, consistent with statutory changes made this legislative session to allow local and tribal governments equal eligibility for California Advanced Services Fund grants, as well as other policy decisions before the Commission, including other phases of this Proceeding, county applicants proposing open-access infrastructure should be given priority for funding through the Federal Funding Account grant program. This priority applicant eligibility should be given to public or not-for-profit entities, affiliated with, or acting on behalf of a county, as designated by the respective county board of supervisors to receive all or part of the funding. Not only is this consistent with State policy, but as referenced by the Commission in its Order Instituting Rulemaking, Federal policy also prioritizes broadband networks “owned, operated by or affiliated with local governments, non-profits, and co-operatives – providers with less pressure to turn profits and with a commitment to serving entire communities.”¹

IV. Conclusion

We appreciate your consideration of our comments and respectfully request your acceptance of RCRC’s comments for filing.

Dated: November 30, 2021

Respectfully submitted,

/s/ Tracy Rhine

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