DATE: April 8, 2020
SUBJECT: COVID-19 Response Broadband Position Paper

The purpose of this position paper is to establish a clear set of recommendations that can be implemented in the Monterey Bay region to bridge the digital divide as we respond to the COVID-19 pandemic.

I. Background

Monterey Bay Economic Partnership (MBEP) is a regional membership-supported nonprofit organization consisting of public, private and civic entities located throughout the counties of Monterey, San Benito and Santa Cruz. Our mission is to improve the economic health and quality of life in the region.

MBEP's work is accomplished through targeted initiatives:
- Housing: ensuring the availability of safe and affordable housing
- Workforce development: helping regional employers to hire local talent and providing resources to enable residents to make a living wage
- Technology: supporting the proliferation of high-speed internet access in the region and promoting efforts to strengthen our tech ecosystem
- Climate change: enhancing and building upon the carbon emission mitigation efforts around the region
- Transportation: MBEP is dedicated to improving the quality of life in the region, and how we move within and between our cities has a major impact on the well-being of our neighborhoods and residents.

MBEP's Technology Initiative
For the past few years we've worked with members and partners to promote a thriving tech ecosystem in the region with meetups, co-working spaces and access to education. We are now working with our members and partners to explore how we can facilitate high-speed broadband coverage throughout the region. We have established a partnership with the Central Coast Broadband Consortium to achieve our broadband goals.

About the Central Coast Broadband Consortium
The Central Coast Broadband Consortium is a 10-year old broadly based, ad hoc group of local governments and agencies, economic development, education and health organizations, community groups and private businesses. It is dedicated to improving broadband availability, access and adoption in Monterey, Santa Cruz and San Benito Counties, and has a long history of broadband development projects implemented by its members and as a group.

The top priority of the CCBC to provide resources and incentives to telecommunications service providers, including local government agencies, to build broadband infrastructure and extend it throughout Monterey, San Benito and Santa Cruz counties. The main effort of the CCBC's CASF-funded project is to create a database of existing broadband resources and assets, including accessible conduit, rights of way and wireless sites, and to work with local agencies to develop model policies that support broadband deployment.

II. Situation Analysis

As of March 19, the State of California instituted a Shelter in Place order, which is expected to be extended until at least May 1, and is likely to last much longer, in an effort to slow the progress of the virus. Given that only "essential businesses" are allowed to remain open, our residents now need the appropriate tools for working and studying at home.

Monterey Bay Economic Partnership (MBEP) in conjunction with Central Coast Broadband Consortium (CCBC) has been working since 2018 on improving the broadband coverage throughout the Monterey Bay region. Broadband is defined as high-speed internet service. According to the State of California, this translates to speeds of 6 Mbps download / 1 Mbps upload. MBEP and CCBC have redefined the broadband standard for our region based on user needs and applications; we have determined that the broadband should be defined as 100 Mbps download / 20 Mbps upload speeds.

Below is current coverage of the region based on these two standards. The red and orange areas indicate the most densely populated census blocks that do not have coverage under the standard.
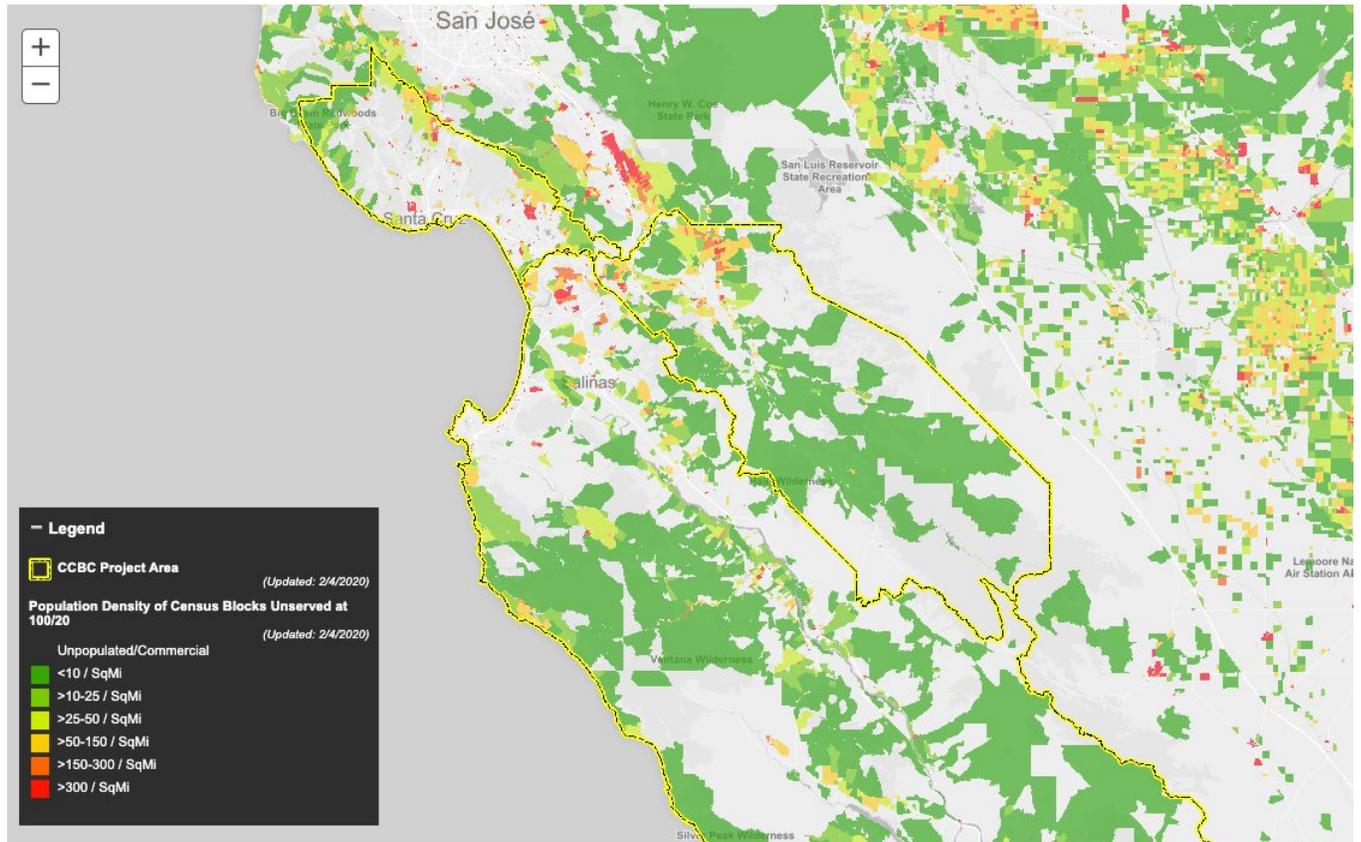
California Standard - 6 Mbps download / 1 Mbps upload

Legend:
- CCBC Project Area *(Updated: 2/4/2020)*
- **Population Density of Census Blocks Unserved at 6/1** *(Updated: 2/4/2020)*
- Unpopulated/Commercial
- <10 / SqMi
- >10-25 / SqMi
- >25-50 / SqMi
- >50-150 / SqMi
- >150-300 / SqMi
- >300 / SqMi

Monterey Bay Region Standard - 100 Mbps download / 20 Mbps upload

More detailed information can be found on the Central Coast Broadband Consortium website: https://centralcoastbroadbandconsortium.org/map/

The current situation necessitates 100% coverage of the region, as all activities are occurring in residences as long as the Shelter in Place order is in effect. Those who are particularly disadvantaged are low-income families who also may not have access to smartphones, tablets or laptops to participate in distance learning and working.

Though providing broadband infrastructure is a long-term goal, we are focused now on some immediate solutions to get communities fully connected with the level of broadband service they need.

III. Actions to Date and Remaining Needs

Federal and State governments have begun to pass legislation that temporarily protects citizens from the economic repercussions of COVID-19.

- Congressional bill H.R 6201, the Families First Coronavirus Response Act, was instituted on March 18 to mobilize emergency funding for the COVID-19 response. It provides paid sick leave, tax credits, and free COVID-19 testing; expanding food assistance and unemployment benefits; and increasing Medicaid funding.
- The CARES (Coronavirus Aid, Relief and Economic Security) Act was passed on March 27 – $2 trillion for forgivable SBA loans, tax credits and deferrals, unemployment compensation benefits, deferral of mortgage payments, guidelines for healthcare, student loan repayments, and more. This act allocates $100 million to the ReConnect broadband infrastructure grant and loan program run by the federal agriculture department's Rural Utilities Service (RUS), as well as $200 million to the Federal Communications Commission's telehealth subsidy fund, and $25 million for a telehealth and distance learning program, also managed by RUS. However, historically California has not benefited proportionately from these programs.

Legislation at a local level is not likely to help our situation in this time of crisis. As mentioned above, missing broadband infrastructure is the essential piece to the puzzle, and in conjunction with that infrastructure, having affordable plans for all of our residents, but particularly for low-income families for connectivity and productivity.

Local legislation will not solve another major problem: business practices of large incumbents who cover a large area of the region, and have the ability to charge fees and provide speeds at their discretion. The monopolistic behavior of many of the large ISPs cannot be regulated to create a ubiquitous broadband situation.

IV. Recommendations

We recommend three courses of action that will need to be instituted at the State level, and will moderately alleviate some of the pain around the work/study at home requirements in light of COVID-19.

1. **Simplify the Line Extension Program for wireless providers**

   The California Advanced Services Fund (CASF) provides grants for multiple broadband infrastructure projects. The Line Extension Program was created for individuals to apply for infrastructure grants that offset the cost of connecting a single property. It allocates a maximum of $500 for fixed wireless installations and $9,300 for wireline installations.

   We recommend that the CPUC create a short form, online application and an expedited review process for California Advanced Services Fund Line Extension Program grants, with a one week application, challenge and approval cycle as the objective. Although wireline companies may take advantage of this process, the immediate goal is to facilitate rapid deployment of wireless Internet service via ministerial $500 grants. We also propose that ISPs who take advantage of the expedited process be required to provide the first two months of internet service free to such customers.

2. **Expand free service to new customers**

   Below is a table showing offers from the major internet providers in the region after the crisis.

PROVIDER	OFFER (may be eligible only for new customers with good credit)
AT&T	**$10/month** for qualifying low-income households. During the coronavirus emergency, the first 60 days are free.
Charter/Spectrum	**$17.99/month** ($22.99 with WiFi capability) for qualifying low-income households. During the coronavirus emergency, the first 60 days are free.

Comcast/Xfinity	**$9.95/month** for qualifying low-income households. For people who subscribe by April 30, 2020 the first 60 days are free.
Cruzio	**$14.95/month** for qualifying low-income households. During the Covid-19 emergency, the first 90 days are free.
Frontier	**$19.99/month** for qualifying low-income households.
Suddenlink	**$14.95/month** for qualifying low-income households. During the Covid-19 emergency, the first 60 days are free.

The only local wireline provider that does not offer free internet service to new customers during the emergency is Frontier Communications. We recommend that Frontier provide the same offer as the others.

3. Expand Lifeline programs

Lifeline is the CPUC's program, subsidised in part by the FCC, to help make communications services more affordable for low-income consumers. Lifeline provides subscribers free or discounted monthly telephone service, which is sometimes bundled with broadband service, from participating providers.

Subscribers may receive a Lifeline discount on service from either a wireline telephone company (e.g. AT&T) or from a mobile provider (e.g. Verizon), but they may not receive a discount on both services at the same time. FCC and CPUC Lifeline rules prohibit more than one Lifeline service per household.

We propose that during the current emergency communications companies receiving subsidies under the Lifeline program be required when technically feasible to add broadband service to packages that do not include it, and to increase monthly data caps to a minimum of 50 gigabytes for all users. If adding broadband to an existing package is not technically feasible, any waiting period imposed on an individual be waived so that he or she may switch packages and/or providers immediately. We recognise that some of these recommendations might require legislative action to fully implement, and we urge the Legislature to address such issues as quickly as possible, but

to the extent that legislation is not required, we request the CPUC to implement these temporary changes immediately.

4. **Subsidize Rural Telephone Companies**

    Many rural telephone companies, including Pinnacles Telephone Company in San Benito County, operate under "rate of return" regulations which provide access to vital universal service subsidies but also restrict the actions such companies may take in response to emergencies such as we are experiencing now.

    We recommend that the FCC continue its current practice of expeditiously granting temporary waivers to such regulations, and that the CPUC begin doing so as well.

5. **Offer E-Rate subsidies**

    The federal E-Rate program and the complementary California Teleconnect Fund provide subsidies to eligible educational organisations and libraries for broadband service, which is often of a much higher speed and quality than the service generally available in the surrounding community. Use of the facilities and service subsidised by these programs is restricted to certain educational purposes and to the physical boundaries of participating schools and libraries.

    We recommend that the FCC immediately clarify that E-Rate subsidised facilities and service may be used for emergency response purposes, such as supporting temporary field hospitals, when such activities are located within or adjacent to school and library property. We also recommend that the FCC and CPUC temporarily waive restrictions on E-Rate subsidised facilities and services to the extent allowed by current law, and that the California legislature and the U.S. congress approve legislation that temporarily suspends any statutory restrictions.

6. **Extend Distribution of Hotspot Devices**

    With Shelter in Place orders extended it has become mandatory for residents to study and work remotely. Many low-income residents do not have devices

or internet access to accomplish day-to-day tasks. A shining example of bridging the digital divide can be found in the City of Gonzales, which provided 2,000 wireless hotspot devices free of charge to City residents. Once the Shelter in Place order was instituted the City organized a drive-through event for hotspot device pick-up. The City partnered with T-Mobile for this initiative, which supplied the 4G LTE Wi-Fi devices.

The City of Gonzales is subsidising the service at a cost of $300 per year.

We recommend that this program be replicated in other cities throughout the region, particularly in Watsonville and Salinas. MBEP is working with those governments to determine if a similar program can be implemented.

We also recommend that the State of California use this model to provide internet access in the unserved and underserved areas in our three counties. A relatively small expenditure by the State could subsidize a significant portion of our uncovered area in the region.

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For more information about MBEP's Technology Initiative, please contact Freny Cooper at fcooper@mbep.biz