



**BROADBAND
FOR ALL**

Middle-Mile Advisory Committee

October 21, 2022





AGENDA

- Welcome
- Executive Report
- Project Updates
- Public Comment

Mark Monroe

Deputy Director

Middle-Mile Broadband Initiative

California Department of Technology

Recap

- Proceeding with execution phase
- Construction contracts totaling almost 6,800 miles
- Construction began on SR 67

Updates

- Statewide - CDT
- Build Efforts - Caltrans
- System Design Updates - GoldenStateNet
- Last Mile Coordination - CPUC

Coming up

- Joint-Build Agreements
- Business Model



Goal: Optimize Coverage

Three avenues available to complete miles:

- Build as standalone projects
- Joint Build/Purchase agreements
- Leasing through IRUs



Construction Contracting Approaches

The network map was divided into two categories, based on anticipated difficulty in permitting and other land ownership and geography issues.

- The **Construction Manager General Contractor (CMGC)** approach works best for **more complex segments**
- **Job Order Contracting (JOC)** approach works best for **less complex segments**

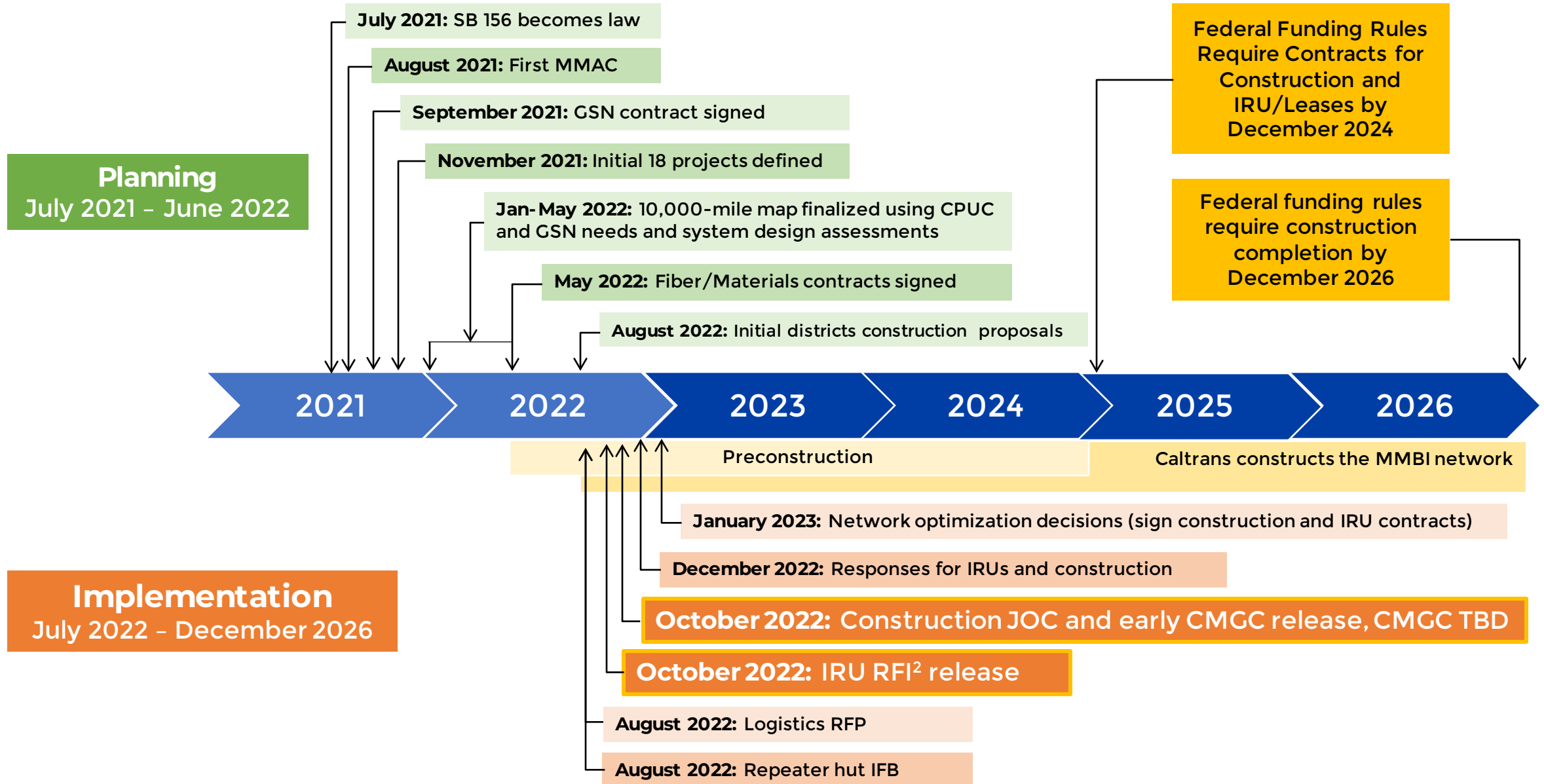




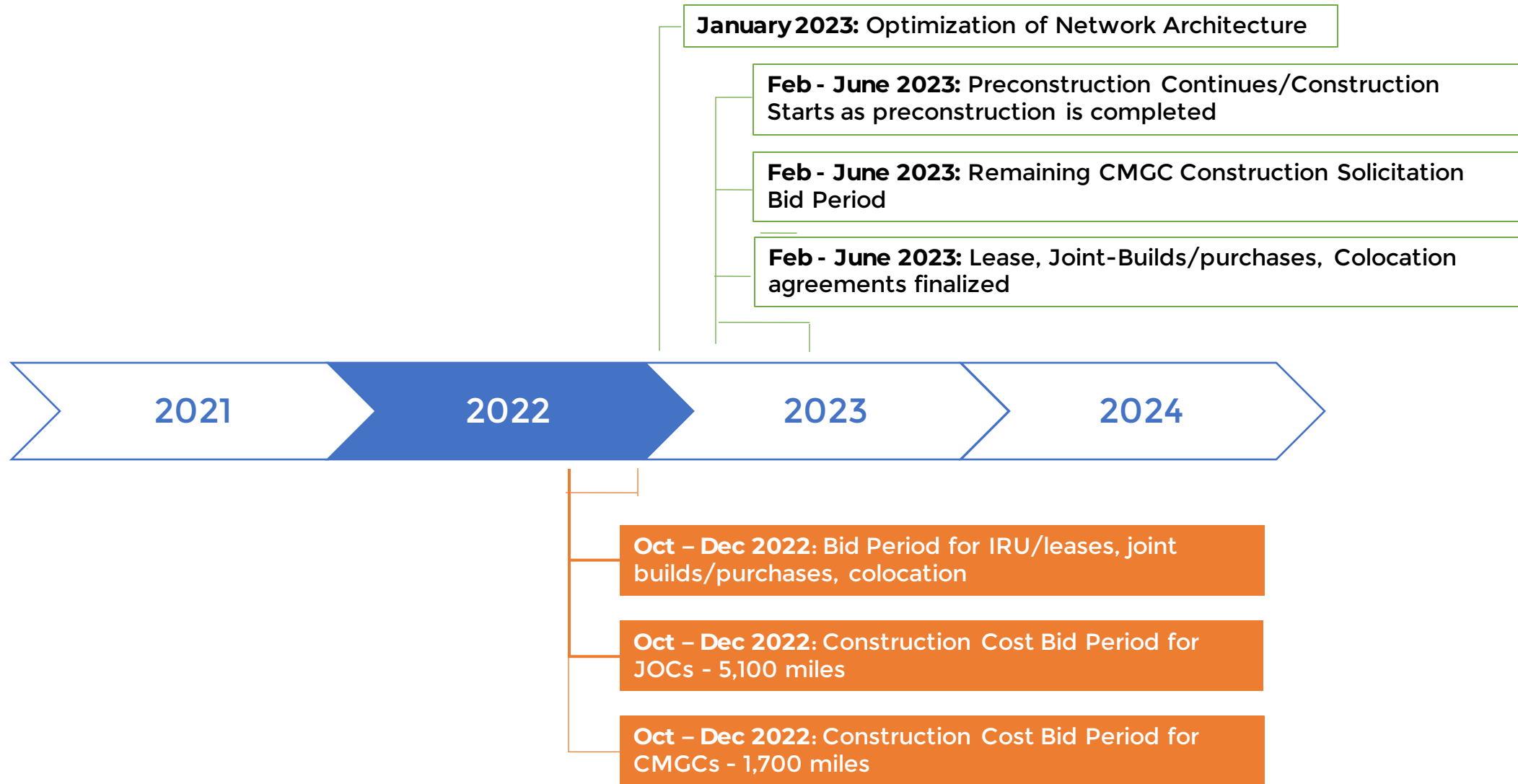
Major Contract Solicitations

1. **October 11, 2022, released an RFI² solicitation for pricing for alternatives to State construction:**
 - **IRU/ leases:** leases of existing fiber infrastructure as an alternative to the State constructing its own.
 - **Joint builds/ Purchases:** Partnering with other third parties to get State owned infrastructure without the state building it directly.
 - **Colocation:** Any network requires servers and computing hardware. Colocation will allow the state to rent space for this equipment at a third-party provider's data center facility as an alternative to the State building its own facilities.
2. **October 14, 2022, released Job Order Contracts (JOC) for construction of 5,100 miles**
3. **Early CMGC contracts in districts totaling 1,700 miles of construction**

CDT Project Recap



CDT Project Recap



Middle-Mile Groundbreaking & Humboldt/ Mendocino Site Visits

Oct. 13, 2022 – Poway, CA

Oct. 18-19, 2022



Scott Adams

Deputy Director

Office of Broadband and Digital Literacy

California Department of Technology

Engagements

- City of Oakland
- Fresno Coalition for Digital Inclusion
- San Joaquin Valley Broadband Consortia
- Insure the Uninsured Project Statewide Broadband Stakeholders Group
- Promise Zone Virtual Convening
- North Coast Visit and Listening Sessions

Upcoming

October 24 - Fall Broadband for All Summit and Digital Equity & Broadband Equity, Access, and Deployment Planning Kickoff

Please register at: <https://broadbandforall.cdt.ca.gov/events/>

Janice Benton

**Assistant Deputy Director, MMBI
California Department of Transportation**

More than 50% of the Network has been advertised

How did we get here?

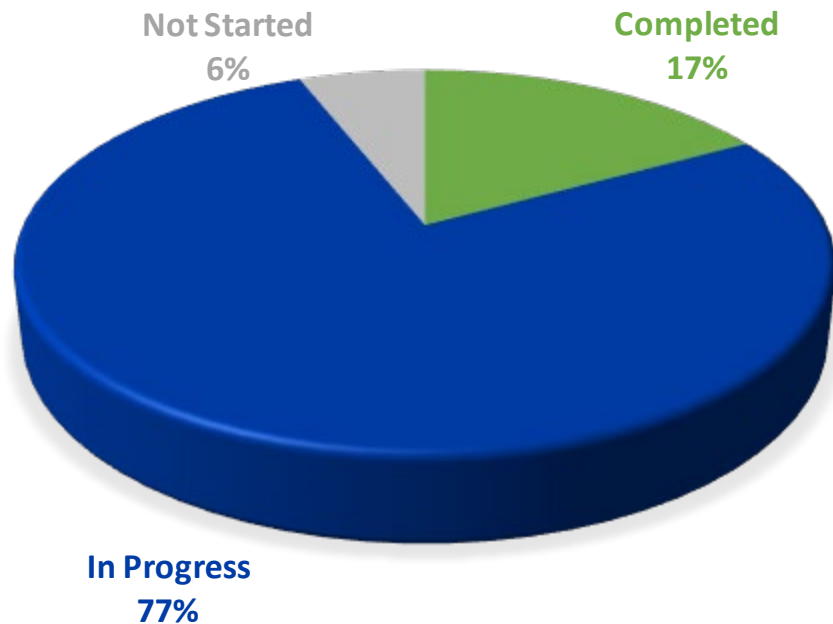
- 1. Job Order Contracts**
 - 5,100 miles through 5 Regional JOCs
- 2. Construction Manager/ General Contractor**
 - 755 miles advertised
 - 960 miles ready to advertise
- 3. Lessons Learned Initial 18 Locations**



Significant Progress on Preconstruction

Environmental, Permitting and Design Progress

October 2022



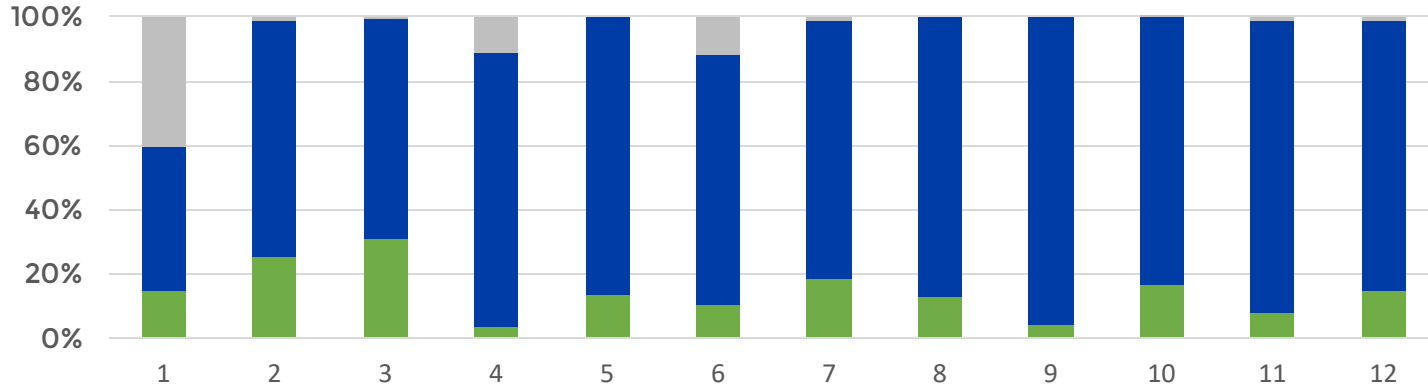
September 2022



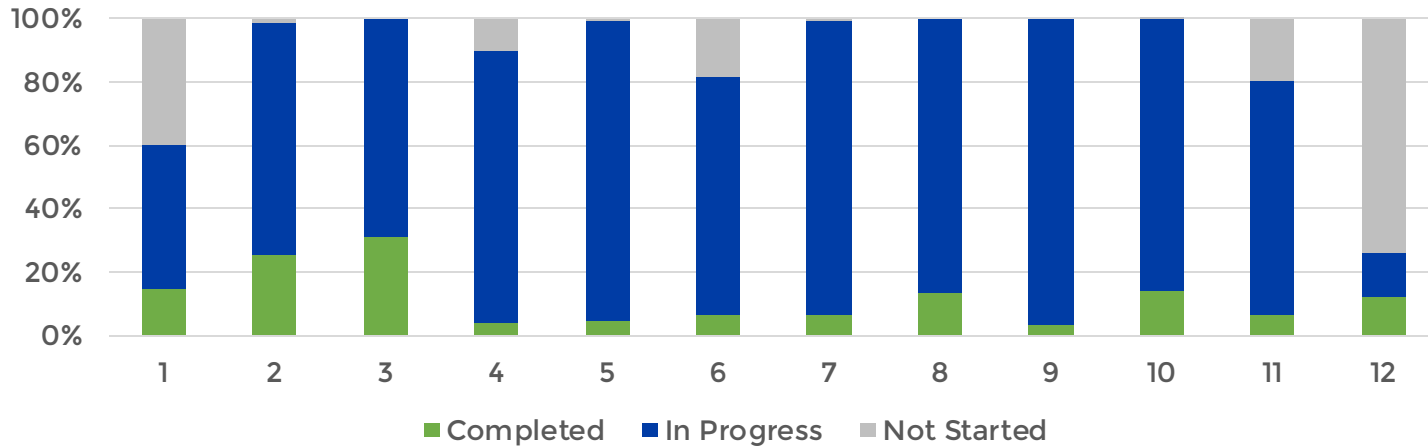
Project Delivery Updates

Preconstruction progress by Caltrans district.

October 2022



September 2022



*Data as of 7 October 2022

Lessons Learned

- **Access Authority**
 - Access to different types of property
 - SB 198 amended Streets & Highway Code 117
- **Project Design**
 - Accommodations for challenging topography and limited right of way
 - Flexibility on broadband placement location
 - Use of microducts
 - Micro-trenching in asphalt
- **Permitting**
 - Strategy of avoidance
 - Programmatic approaches to environmental and land use approvals
 - Partnership with federal/state resource agencies



Dig Smart Miles

	OCTOBER	SEPTEMBER
Start in 2022	153	114
Start in 2023	286	301
Under Evaluation	197	251
Total	636	667

*Data as of 7 October 2022



Tony Naughtin

**President and Chief Operating Officer
GoldenStateNet**

GoldenStateNet Update

- **MMBI Network Infrastructure work:**
 - Detailed plans and process for last mile connectivity into middle mile
 - Timelines and criteria for locating middle mile Regional Exchange Points
 - Developed plan for physical security of network facilities
 - ILA hut locations work continues with Caltrans – now 60% complete
 - Active electronics BOMs: refining *precise* detail; work with CDT and DGS to get best pricing possible
 - Developing plan for distributed field engineering support (on behalf of CDT) for new build QA, real-time problem-resolution, new build variances, acceptance testing

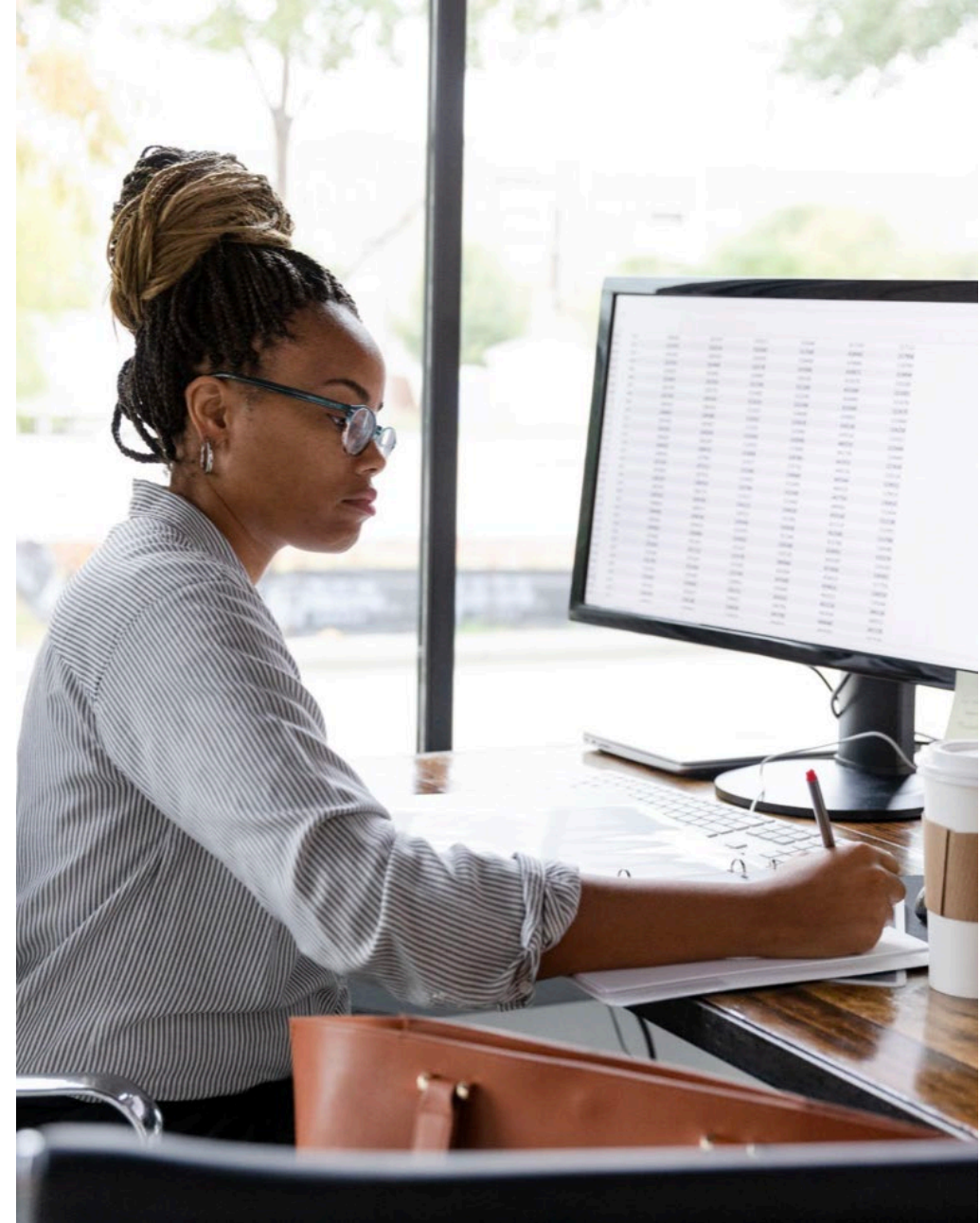


- **Collaborative progress with CDT in bidding and procurement processes:**
 - RFI2 has now been issued for DF IRUs, Joint Builds, Facilities colocation (RXPs), and potential network acquisitions
 - Collaboration with CDT to assess responses and support RFI2 selection/ negotiation processes
 - RFP for Fiber Management System has now been issued
 - RFPs for Inventory Management System to follow



GoldenStateNet Update

- **Business Model and Planning Progress**
 - Working on initial version of MMBI *Go-to-Market* plan
 - Revenue projection and analysis work continues; initial version to be completed end of October
 - Business model: an iterative process
- **Focus on bringing additional staff to GSN team**
 - Fiber Planning Manager
 - Business development roles for network development, marketing, sales
 - Direct staff for network engineering



Michael Minkus

**Senior Policy Advisor, Communications Division
California Public Utilities Commission**

Local Agency Technical Assistance

\$50 Million for Local and Tribal Governments

- To facilitate last-mile broadband infrastructure projects
- Supporting local agency and Tribal efforts expanding broadband to families and communities lacking sufficient internet access

Eligibility

- Broad eligibility includes cities, counties, community service districts, municipal utilities districts, school districts, electrical cooperatives, sovereign tribal governments, and Joint Powers Authorities
- Eligible costs are for pre-construction deliverables, such as environmental permits, engineering studies, and strategic plans

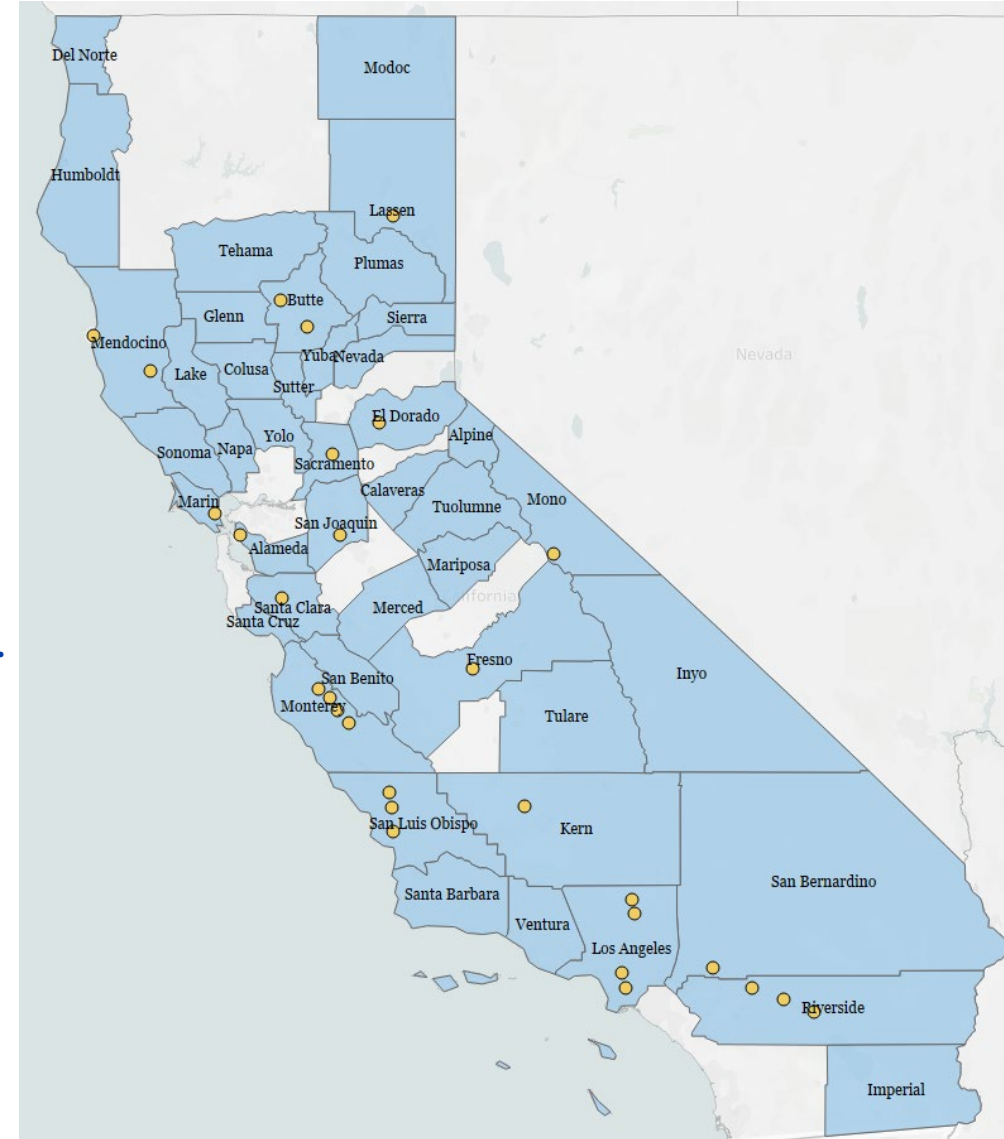
Applications

- 68 applicants requested a total of \$31 million in August and September.
- Applications are currently being accepted for the October window

Awards

- 12 grants for \$4.82 million (October 10, 2022).
- [Grant Awards to Local Governments](#)
- [County Dashboard for Technical Assistance Applications](#)
- [More information on Local Agency Technical Assistance](#)

County Map of Technical Assistance Applications



Loan Loss Reserve Program

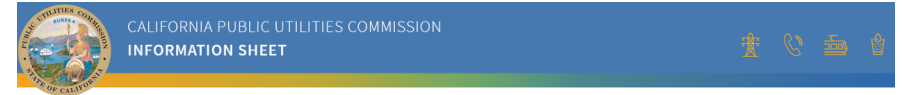
Purpose

The broadband [Loan Loss Reserve Program](#) established by SB 156 helps finance the deployment of broadband infrastructure by public entities

Comments

Receiving comments on proposed program rules

- [Staff Proposal for Comment](#)
- [Program Fact Sheet](#)
- [Comment Proposal Fact Sheet](#)



Broadband Loan Loss Reserve Fund Ruling and Staff Proposal Issued

Overview – CASF proceeding R.20-08-021

In 2021, SB 156 established the Broadband Loan Loss Reserve Fund in the State Treasury. The State will continuously appropriate moneys in this fund to the Commission to fund costs related to the financing of the deployment of broadband infrastructure, by a local government agency or nonprofit organization, including, but not limited to, payment of costs of debt issuance not to exceed 5% of the total debt issued, obtaining credit enhancement, and establishing the funding of reserves for payment of principal and interest on the debt.

Timeline

- Assigned Commissioner Houck 2nd Amended Scoping Memo and Ruling – March 2022
- Comments and Reply Comments on 2nd Amended Scoping Memo and Ruling – April 2022
- Ruling and Staff Proposal issued – September 26, 2022
- **Comments on Staff Proposal due - October 14, 2022**
- **Reply Comments on Staff Proposal due - October 24, 2022**

Proposed Program Key Elements

- SB 156 allocates \$750 million to the Loan Loss Reserve Fund, with no expiration date.
- Credit enhancements to support bond issuances for broadband infrastructure: Loan Loss Reserve & Debt Service Reserve Fund
- The Loan Loss Reserve includes principal coverage between 5-20% of the total amount of the project loan, in the event of default.
- Debt Service Reserve Fund includes costs associated with payment of principal and interest on debt not to exceed 20% of the total debt amount and 2 years of debt service payments, in the event a recipient is unable to make payments on project debt.
- Two-part application review process:
 - Part I – A review of applicant eligibility and project eligibility.
 - Part II – A review of the project's financial solvency and "impact" of the credit enhancement on the loan.

2022 Broadband Investment Last-Mile Broadband Initiative Snapshot

TECHNICAL ASSISTANCE

LOAN LOSS RESERVE FUND

FEDERAL FUNDING ACCOUNT

CALIFORNIA ADVANCED SERVICES FUND

Amount

\$50 million

\$750 million

\$2 billion

\$150 million per year

Summary

Assist local governments & Tribes to prepare for broadband infrastructure investments.

Enable local governments & nonprofits to secure financing for broadband infrastructure.

Fund last-mile broadband infrastructure projects in every county.

Assist with broadband infrastructure deployment & adoption in public housing, Tribes, & unserved areas.

Target

Apply monthly now

Comment on proposal

Priority Areas to be released before applications open

Apply in the next cycle for adoption, public housing, line extension, and consortia accounts

THANK YOU!



**BROADBAND
FOR ALL**