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Clover Sellden
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505 Van Ness Avenue
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Re: Comments of the California Cable & Telecommunications Association on the Staff White Paper, "High Impact Areas for Broadband Availability."

Dear Ms. Sellden:

The California Cable & Telecommunications Association (CCTA) is submitting these comments on the February 2017 Staff White Paper entitled "High Impact Areas for Broadband Availability." CCTA supports the proposed targeted approach in the White Paper of identifying priority areas for potential CASF grants to achieve the goal of providing broadband access to 98 percent of California Households, and we appreciate the fact that the CD staff has distributed the White Paper in advance and held a workshop to ensure that the process evolves and accurately reflects potential CASF investment areas. Thus our comments are designed not to argue the approach, but to refine the approach to eliminate or reduce the potential for public investment where private funding has already achieved the purpose of providing broadband access in an area.

1. The White Paper should employ a consistent methodology to assess whether an area is served.

According to the White Paper, the State remains approximately within 359,000 households, or 2.8%, of meeting its 98 percent served goal with respect to wireline availability (White Paper at 3). While the White Paper cautions against the use of combined wireline and wireless technologies, in fact, the Commission has historically based its CASF reports on numbers reflecting combined technologies, and defined unserved and underserved households as those not served or where broadband is available at lower speeds, by a wireline or wireless provider (See, e.g., D. 12-02-015). Moreover, wireless providers with a registered I.D. are eligible for CASF infrastructure awards.

Thus it appears that the White Paper criteria for calculating unserved areas diverges in its methodology to underrepresent the number of served households. For example, in its April 2013 CASF report, the Commission represented that the total percentage of households that are served in California, where wireline, fixed-wireless and mobile broadband service is at least 6 Mbps download

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and 1.5 Mbps upload is 97.60% (2013 CASF Report at p. 15). Thus despite the investments by industry and the CASF grants since 2013, the White Paper would have the reader believe that broadband availability has actually declined since 2013, clearly a misleading characterization.

II. The White Paper should reflect the significant funds that are being invested as a result of federal funds and merger conditions, so that CASF grants are not awarded in areas that are being upgraded or built by private investment.

Additionally, the White Paper does not consider the significant amount of funds recently made available for deployment in California. The federal Connect America Fund (CAF II) will provide \$590 million for the next six years to upgrade existing telco infrastructure to a minimum of 10 Mbps download and 1 Mbps upload. AT&T has received \$360 million to provide upgraded service to 141,540 households and businesses; Frontier has received \$228 million to provide upgraded service to 90,565 households and businesses; and Consolidated has received \$89,000 to provide upgraded service to 71 households and businesses. Combined, this federal funding should eliminate up to 132, 176 households from an “unserved” or “underserved” status.

Similarly, CCTA believes that the White Paper should acknowledge the potential impacts, and potential opportunities, of other federal funds to assist in bridging the digital divide. For example, the FCC’s Mobility Fund Phase II and Tribal Mobility Fund Phase II will allocate up to \$4.53 billion over the next decade to advance the deployment of 4G LTE service to areas so costly that the private sector has not yet deployed there. Moreover, it will be helpful to include an analysis of the impact of potential investment in new technologies that could help reduce the cost associated with providing rural broadband.

Recent mergers between Frontier and Verizon and Charter, Bright House Networks and Time Warner Cable have also impacted infrastructure upgrades and expansion. As a condition of its merger, Frontier Communications has also agreed to build infrastructure to connect another 100,000 unserved households and 10/1 Mbps and build infrastructure to an additional 7,000 unserved households in legacy Frontier service areas with particular attention to 6 Northeastern Counties. Frontier must also install 50 Wi-Fi hotspots throughout its service territory capable of supporting 1,250 users simultaneously at 10/1 Mbps and have constructed at least 10 of them by January 2017. Charter Communications has also agreed to build broadband infrastructure to connect 70,000 homes and businesses in Kern, Modoc, Monterey, San Bernardino and Tulare Counties within three years of the close of its merger transaction, and has agreed to deploy broadband infrastructure to connect an additional 80,000 homes and businesses in Kern, Modoc, Monterey, San Bernardino, Tulare, Stanislaus, Riverside and Imperial Counties within 4 years of the closing of its transaction. Charter must also deploy 25,000 Wi-Fi hotspots in underserved areas, with 50% of them in communities where a quarter of the population does not speak English. While it

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may be that some of these projects could additionally qualify for CASF funding, there is no reason to assume that the significant amount of funding available for infrastructure aside from CASF grants will not impact the percentage of served and unserved households in California.

III. The White Paper should eliminate areas that are already served from the list of priority areas.

To this point, CCTA believes that several of the High Impact Areas identified by the White Paper are either rebuilt, upgraded or in the process of being upgraded to significantly exceed minimum speeds. These areas include Cobb, Phelan, and the Prunedale/Aromas/Salinas areas. We believe that the cable operators serving those areas are communicating with the staff to ensure that each specific census block identified by staff is correctly identified as "served" or in the process of being upgraded. In addition, as discussed in the February 28 workshop, the High Impact Area of Laguna Woods is also served.

CCTA looks forward to continue to work with the Staff and the Commission to ensure the continued success of the CASF program.

Very truly yours,

/s/ Lesla Lehtonen

LESLA LEHTONEN

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