

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

Order Instituting Rulemaking to Consider
Modifications to the California Advanced
Services Fund.

Rulemaking 12-10-012

**REPLY COMMENTS OF PACIFIC BELL TELEPHONE COMPANY D/B/A
AT&T CALIFORNIA (U 1001 C); AT&T CORP. F/K/A AT&T COMMUNICATIONS
OF CALIFORNIA (U 5002 C); TCG SAN FRANCISCO (U 5454 C);
TCG LOS ANGELES, INC. (U 5462 C); TCG SAN DIEGO (U 5389 C); AND AT&T
MOBILITY LLC (NEW CINGULAR WIRELESS PCS, LLC (U 3060 C);
AT&T MOBILITY WIRELESS OPERATIONS HOLDINGS, INC. F/K/A CAGAL
CELLULAR COMMUNICATIONS (U 3021 C); SANTA BARBARA CELLULAR
SYSTEMS LTD. (U 3015 C); AND NEW CINGULAR WIRELESS PCS, LLC
F/K/A VISALIA CELLULAR TELEPHONE COMPANY (U 3014 C))
ON MODIFICATIONS TO THE CALIFORNIA ADVANCED SERVICES FUND**

DAVID DISCHER

AT&T Services, Inc.
525 Market Street, 20th Floor
San Francisco, CA 94105
Tel.: (415) 778-1464
Fax: (415) 543-0418
E-Mail: david.discher@att.com

Attorney for AT&T

December 18, 2012

Pursuant to the schedule set by Ordering Paragraph 6 of R.12-10-012, AT&T¹ hereby replies to comments regarding modifications to the California Advanced Services Fund.

I. The Expanded Recipients of Funds Should Be Limited to Unserved Areas.

If the Commission expands the potential recipients of funds to include entities that are not Public Utilities, the Commission should limit this to areas that are unserved. As CCTA comments, areas that remain unserved are where the Commission should focus its efforts to “spur greater deployment...”² Overbuilding areas where there already is broadband available should not be the purpose of expanding fund recipients.

II. Discrimination Must Be Precluded.

If funds can be provided to local governments for them to construct broadband networks, the Commission must expressly preclude them from discriminatory actions in managing access to rights-of-way. As CCTA points out (at page 3), local governments administer rights-of-way in their jurisdiction. If they also are building broadband networks with CASF funds, the potential to discriminate against another provider exists and must be prevented as a condition of receiving funds.

III. Thorough Review Is a Necessary Prerequisite.

A number of commentors raise concerns with the safeguards the Commission puts in place if the recipients are expanded to include unregulated entities.³ These are valid concerns. The Commission has to ensure that the capabilities, finances, and business plans are fully

¹ Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C); AT&T Corp. f/k/a AT&T Communications of California, Inc. (U 5002 C); TCG San Francisco (U 5454 C); TCG Los Angeles, Inc. (U 5462 C); TCG San Diego (U 5389 C); and AT&T Mobility LLC (New Cingular Wireless PCS, LLC (U 3060 C), AT&T Mobility Wireless Operations Holdings, Inc. f/k/a Cagal Cellular Communications (U 3021 C), Santa Barbara Cellular Systems, Ltd. (U 3015 C), New Cingular Wireless PCS, LLC f/k/a Visalia Cellular Telephone Company (U 3014)).

² CCTA Comments, p. 2.

³ See, e.g., DRA Comments, p. 4; Small LECs Comments, p. 2.

detailed and then audited by the Commission before any public funds are provided to these entities.

IV. Funds Should Not Be Provided If Another Provider Has a Construction Project Under Way.

The Small LECs (at page 2) propose that fund monies not be provided if it is shown that construction plans are in place to provide broadband. AT&T agrees that if an existing provider demonstrates it has construction of broadband facilities under way, fund monies should not be provided for that area. Such overbuilding with public funds should not occur.

V. Conclusion

If the Commission expands the recipients to entities that are not public utilities, the Commission should do so consistent with the comments made herein.

Dated: December 18, 2012

Respectfully submitted

/s/

DAVID DISCHER

AT&T Services, Inc.
525 Market Street, 20th Floor
San Francisco, CA 94105
Tel.: (415) 778-1464
Fax: (415) 543-0418
E-Mail: david.discher@att.com

Attorney for AT&T