

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

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

R. 12-10-012

**COMMENTS OF RURAL BROADBAND POLICY GROUP
ON THE ORDER INSTITUTING RULEMAKING**

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December 15, 2012

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To the Commission:

**COMMENTS OF RURAL BROADBAND POLICY GROUP (RBPG)
ON THE ORDER INSTITUTING RULEMAKING**

The Rural Broadband Policy Group (RBPG) hereby submits its Comments on the Order Instituting Rulemaking (OIR) to Consider Modifications to the California Advanced Services Fund (CASF). The Rural Broadband Policy Group consists of organizations dedicated to rural broadband, rural development, or are otherwise involved in digital inclusion policies.

I. INTRODUCTION

According to the Federal Communications Commission 8th Broadband Progress Report, fixed broadband networks do not reach 19 million Americans. 14.5 million of those unserved by fixed broadband networks live in rural and nearly a third in Tribal lands.¹ These statistics reveal that rural communities are missing out on opportunities for education, health care, economic development, and civic participation. As established in our Rural Broadband Principles, we believe that policies that prioritize Local Ownership and Investment in Community can help close the digital divide that persists in our country.

¹ *Eight Broadband Progress Report*, Federal Communications Commission. August 24, 2012

RBPG commends the California Public Utilities Commission for instituting this rulemaking and giving more serious consideration to the opportunity to permit entities that are not CPCN or WIR holders to be eligible for CASF funding, thus increasing local ownership and investment in rural communities. Since our inception in 2009, RBPG has advocated that non-profits, American Indian Tribes, anchor institutions, municipalities, etc., be eligible for funding opportunities such as the California Advanced Services Fund because they are in a unique position to help close the digital divide in communities that absentee corporations consider unprofitable.

II. RBPG SUPPORTS THE COMMISSION PROPOSAL TO PERMIT NON-TELEPHONE CORPORATIONS TO BE ELIGIBLE TO APPLY FOR CASF FUNDS

Rural communities face unique challenges in obtaining broadband service – access, deployment, and affordability. Rural areas are by definition geographically dispersed. The distance between rural communities and the lower population density in these areas have been used as excuses by absentee telecommunications providers to deny extending broadband infrastructure and services in rural. Without this investment, millions of Americans are denied access to this critical utility. In a report led by prominent broadband scholar Sharon Strover from the University of Texas at Austin, and commissioned by the Center for Rural Strategies, scholars concluded that rural communities are ten times more likely to have only one choice in broadband providers than big cities.² This lack of Internet providers in rural areas results in a lack of needed competition, thus making access to broadband unaffordable, unreliable, and substandard. The report also found that the more rural the community, the more likely it is to have advertised broadband download speeds under 6 megabits per second.³

² *Scholar's Roundtable: The Effects of Expanding Broadband to Rural Areas*, Sharon Strover et. al. April 2011

³ *Scholar's Roundtable: The Effects of Expanding Broadband to Rural Areas*, Sharon Strover et. al. April 2011

Fast, affordable, and reliable Internet access is no longer a luxury, but a necessity, especially for rural America. As more everyday activities become available only online - from booking a flight to medical appointments, job applications and social services- it is evident that broadband is an essential utility for economic opportunity and prosperity. In order to close the digital divide, policies must support efforts that lower prices, create local jobs, prioritize digital literacy, encourage innovation, increase competition, invest in rural communities, and are accountable to rural consumers. We respectfully recommend the CPUC extend CASF funds to non-CPCN or WIR holders because it opens the door for increased local ownership and investment in communities that close the digital divide.

Local Ownership & Investment in Community

Local ownership of broadband infrastructure and service can address issues with access, affordability, deployment, lack of competition, limited provider choice, open access, digital literacy, and data collection – problems ignored by absentee telecommunications providers. Additionally, when rural communities own their communications infrastructure, they boost the economy, create jobs, and become more accountable to make broadband accessible to every resident. As advocates from rural communities, we believe that local ownership and investment in broadband is crucial for the following reasons:

- Local ownership of broadband infrastructure is a valuable solution to connect rural communities that are otherwise deemed unprofitable and ignored by large absentee telecommunications corporations.
- Local ownership boosts local economies, creates jobs, and retains wealth in our communities.
- It is easier to hold a local Internet provider accountable to the responsibility to provide service to every resident in a rural community.
- Ownership of our local infrastructure creates opportunities for our youth to become the future of our towns, gives them the opportunity to compete and participate globally, and spurs innovation.
- A local Internet provider is more knowledgeable about the local community and better equipped to respond to the unique characteristics and needs of each rural community.

III. CONCLUSION

The Rural Broadband Policy Group commends the California Public Utilities Commission for opening up a proceeding where advocates can comment on the benefits of extending CASF funds to non-profits, American Indian Tribes, anchor institutions, municipalities, and other non- CPCN or WIR holders. We strongly believe that extending CASF funds to these entities is an important step in closing the digital divide.

Furthermore, extending these funds presents a precious opportunity for rural communities to own their telecommunications infrastructure and invest in their future. For the reasons expressed above, we respectfully recommend the CPUC extend CASF funds to non-profits, American Indian Tribes, anchor institutions, municipalities, and community-based organizations. We look forward to collaborating with you in this endeavor and in all efforts to increase access to fast, affordable, and reliable Internet service for Californians.

The **Rural Broadband Policy Group** is a growing national coalition of rural broadband advocates. The RBPG has two goals: 1) to articulate national broadband policies that create opportunities for rural communities to participate fully in the nation's democracy, economy, culture, and society, and 2) to spark national collaboration among rural advocates for fast, affordable, and reliable Internet. For more information, please visit: <http://www.ruralassembly.org/working-groups/broadband>.

Respectfully submitted,

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