

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

Resolution T-17548 Approval of Funding for
the Grant Application of Inyo Networks, Inc.
(U-7159C) from the California Advanced
Services Fund (CASF) for the Digital 299
Middle-Mile Broadband Project Which Serves
CASF “Priority Areas.”

Agenda ID # 15454
February 9, 2017

Comments of the California Center for Rural Policy

On Draft Resolution T-17548

Connie Stewart
Executive Director
California Center for Rural Policy
Humboldt State University
1 Harpst Street
Arcata, CA 95521
Phone: 707-826-3402
Email: conniestew@humboldt.edu

Dated: January 30, 2017

The California Center for Rural Policy (CCRP), hereby submits its comments in response to the **CPUC Draft Resolution T-17548**. CCRP would like to thank the Communication Division (CD) for its hard work on bringing this draft resolution before the Commission.

The California Center for Rural Policy is a research center committed to informing policy, building community, and promoting the health and well-being of the more than five million Californians living in rural and frontier communities. CCRP is the host for the Redwood Coast Connect Broadband Consortium which covers Del Norte, Humboldt and Trinity Counties.

We recognize how important broadband is to the future of rural communities, which is why since our inception we have worked to expand broadband deployment and improve broadband policy on a regional, state and national level.

CCRP would also like to offer comments and request changes on the following topics in the **CPUC Draft Resolution T-17548**:

- (1) Set the CASF matching funds at 70% for the middle mile portion of the project, while maintaining a 60% match for the last mile component in Lewiston.
- (2) Implement an alternative approach to the bonding requirement.
- (3) Modify permitting guidelines for an encompassing joint CEQA and NEPA approach.
- (4) Support the request to build cell towers as part of this project

Background

The Redwood Coast Connect Broadband Consortium (RCCBC) was created in 2007 and was the first regional consortium in the state. Our initial report on the state of regional broadband and efforts to close the digital divide laid out the strategy we still use today: to provide last mile service to unserved and underserved areas by closing the critical gaps in fiber to provide backhaul and route diversity both north-south and east-west.

In 2014, RCCBC asked Inyo Networks--after completion of the Digital 395 project--to consider working with Humboldt and Trinity County to bring middle mile fiber across Highway 299, an identified high priority project for RCCBC.

This was in no way the first time RCCBC had attempted to find a partner to work with us on this important build. In fact, four projects have been proposed over the years for both state and federal funding and all have been unsuccessful.

- One of the first grants approved after creation of the CASF program was a middle mile/last mile grant to Broadband Associates for 40% funding (Resolution T-17187 February 20, 2009). Broadband Associates sought to partner with Velocity Technology to provide last mile service. The grant was rescinded by the CPUC after the provider was

unsuccessful seeking federal funding, and was unable to secure private matching funding.¹

- Siskiyou Telephone and Native Business Enterprises also submitted a grant request to CASF; however the project was withdrawn by the applicant.
- Golden Bear Broadband, LLC and The Siskiyou Telephone Company also applied for a 16-county project that would have included fiber across Hwy 299; however the project was withdrawn by the applicant.
- IP Networks submitted an ARRA grant that was not funded and decided to instead submit a successful CASF grant for middle and last mile across Hwy 36, which was also on RCCBC's priority deployment list.

Inyo Network has proven to be a capable and talented partner who we believe will finally successfully complete this very challenging build.

Matching funds to 70%

CCRP supports Inyo Networks request to increase matching funding to 70%.

RCCBC's initial report findings also emphasized that no existing regional provider could afford on its own to build the backhaul required and that an open access approach was necessary. So RCCBC has partnered with companies to build and provide service where no current providers exist and to contract with existing providers to enhance their services to meet community needs in their unserved and underserved territories.

So, even though there is only one last mile community in this application, we believe this project will ultimately enhance services for almost 10,000 unserved and underserved households in the region.

We disagree with CD's analysis that because the community of Lewiston is underserved the funding in the draft resolution should be set at 60%. The middle mile build will allow several unserved communities along the route be served by already existing providers. CCRP believes this project should receive additional funding for providing backhaul connections to those unserved communities.

In addition, although Rulemaking 10-12-008 estimates a resolution could be adopted by the Commission approving funding of application with challenges in 106 days, it has been more than 500 days since the Digital 299 application was submitted. Some of the funding sources that were lined up have expired and we have had a change in federal leadership which could delay access to additional funding. The applicant has identified the 30% matching funding and can begin permitting quickly.

¹ Resolution T- 17280 Rescinds Resolution T- 17187 by Releasing California Advanced Services Fund (CASF) Grant Award to Broadband Associates International for the Highway 299 Project (July 8, 2010)

Eliminate the Bonding Requirement

CCRP believes the bonding is a costly, difficult and unnecessary step. Inyo Networks has completed CASF projects in the past and we urge the Commission to waive the bonding requirement and consider other ways of assuring that this project is completed.

Joint CEQA and NEPA Approach

CCRP is concerned about the draft resolutions approach to permitting. We support Inyo's recommendation of streamlining the permitting procedures by issuing a joint CEQA/ NEPA document in the format of an "Initial Study/Environmental Assessment."

Benefits of combining the two documents include:

- Uniform documents,
- Reduced approval timeframe,
- Simultaneous comment cycles,
- Effective use of permitting resources, and
- Mitigation consistency.

We urge the Commission to adopt a cooperative approach allowing a joint document that covers both CEQA and NEPA requirements.

Cell Towers

Cell service is a life or death problem on the North Coast of California. The 299 corridor is one of the most dangerous areas in the region with both remote roadways and wild rivers. A large number of traffic collisions and medical aide requests occur in this corridor each year. Last year on the Humboldt side alone, in the Mad River/Redwood Creek area which has limited or no cell phone service, there were 148 calls for service, 55 of which were traffic collisions. That means on average, fire districts are sending resources there two to three times a week. Often witnesses drive to a location where service is available and then call for help. CCRP cannot emphasize enough how dangerous this remote region can be.

In January 2017, three Humboldt State University students became stuck in the snow and could not call 911 because of the lack of cell service. One student took a 6-hour 4-mile hike to the nearest house to make a phone call and left his fellow passengers wondering if he was going to return safely. They were only able to get to safety because the snow melted enough that they could once again move the car.

The Commission has a long history of working with the community on improving service in our region. In June of 2004, the PUC awarded \$2,500,000 to Trinity County from the California High Cost Fund A for the Rural Telecommunications Infrastructure Grant Program.

To quote from the resolution: Trinity County is one of California's and the nation's most rural counties, defined as a Frontier County with less than four people per square mile. Steep forested mountains and canyons characterize it, with six major rivers coursing through steep canyons. It is

separated from the state of Oregon by Siskiyou County on the north and separated from the Pacific Ocean by Humboldt County on the west. Because of the unique geography of Trinity County, 25 percent of the residents are without basic phone infrastructure and service. Due to the prohibitive cost estimates of providing wireline services, wireless phone service is the only viable way to serve these residents, as well as visitors and emergency service providers.

Due to many challenges, only three towers in southern Trinity County were built instead of the 10 proposed at the time. As with the rest of the Digital 299 project, Inyo Network will seek to work with the areas existing providers to improve cell service once the towers are built.

Conclusion

CCRP hopes that the Commission will support Draft Resolution T-17548 with the proposed changes CCRP is requesting.

- Set the CASF matching funds at 70% for the middle mile portion of the project, while maintaining a 60% match for the last mile component in Lewiston.
- Implement an alternative approach to the bonding requirement.
- Modify permitting guidelines for an encompassing joint CEQA and NEPA approach.
- Support the request to build cell towers as part of this project

Dated: 30th January 2017

Respectfully submitted,

/s/ Connie Stewart
Executive Director
California Center for Rural Policy
Humboldt State University
1 Harpst Street
Arcata, CA 95521
Phone: 707-826-3402
Email: conniestew@humboldt.edu