

**BEFORE THE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

Order Instituting Rulemaking to Consider)	
Modifications to the California)	Rulemaking No. 12-10-012
<u>Advanced Services Fund.</u>)	(Filed October 25, 2012)

**Comments of Bright Fiber Network, Inc. (U-7287-C)
on Phase I Issues**

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March 16, 2018

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Pursuant to the Amended Scoping Memo and Ruling of the Assigned Commissioner (“Amended Scoping Memo”) in the above-referenced rulemaking docket to consider modifications to the California Advanced Services Fund (“CASF”) due to the passage of Assembly Bill (AB) 1665 and proposals from the CASF Staff, Bright Fiber Network, Inc. (dba Spiral Internet) (“Bright Fiber”) hereby timely files comments on the Staff Proposal contained in Phase I.

I. Bright Fiber’s Interest in the Proceeding

Bright Fiber is the holder of a grant from the California Advanced Services Fund (CASF) in the amount of \$16,156,323 from the Broadband Infrastructure Grant Account and \$500,000 from the Broadband Infrastructure Revolving Loan Account, for a fiber-to-the-premise project that will serve 1,941 households in rural western Nevada County. The CASF Bright Fiber project was granted by this Commission in Resolution No. T-17495, issued on December 7, 2015.

Recently, Bright Fiber completed its environmental review on the Bright Fiber project, and is now making final financing arrangements. While the project start has been delayed beyond its initial proposal by lengthier environmental review than expected, Bright Fiber intends to commence construction this year on its western Nevada County project.

II. Bright Fiber Comments on Staff Proposals on Broadband Revolving Loan Account

On the Staff Proposals as to the Broadband Revolving Loan Account in Phase I, Bright Fiber hereby comments as a grantee that holds a CASF grant for a \$500,000 loan from the Broadband Revolving Loan Account. As set forth in the Amended Scoping Memo in Appendix B at page 34, AB 1665 eliminated the Broadband Revolving Loan Account and required unencumbered moneys to be transferred to the Broadband Infrastructure Grant Account. However, as recognized by the staff proposal in the Amended Scoping Memo, the authors of AB1665 did not intend for preexisting grants containing loans to be disrupted and causing a worthy CASF project to be jeopardized.

At this time, it is critical that Bright Fiber be able to continue to rely on the Commission's loan grant to avoid any unexpected funding shortfalls during this phase of the project. As noted above, Bright Fiber plans to begin construction this year. Thus, Bright Fiber finds acceptable the Staff Proposal for the two projects with existing loans that are not yet requested or drawn loan funds – Bright Fiber and Surfnet (Paradise Road), namely that such loans be underwritten and serviced by a financing authority, such as The California Infrastructure and Economic Development Bank (iBank). Staff further proposes that it will perform due diligence to establish a loan process for grantees with the chosen financing authority to facilitate the servicing of the CASF loan fund disbursements and repayment processes.

This action is important for the residents of rural western Nevada County who are waiting impatiently for broadband service that is on par with the urban areas of the state. The CASF grant held by Bright Fiber will finally bring our community from the wrong side of the Digital Divide to the right side. Internet service from the incumbent Internet Service provider on outdated copper lines continue to worsen for our community, making this project a key and urgent component to the region's economic future. Thus Bright Fiber urges that this Staff proposal be adopted as quickly as possible to avoid any disruption to its rural western Nevada County project, which will bring significant economic and social benefits to its residents, businesses and community anchor institutions as set forth in detail in Resolution T-17495.

WHEREFORE, Bright Fiber hereby respectfully requests that the Commission take action in accord with its comments above as to the CASF Broadband Revolving Loan Account.

Respectfully submitted,

/s/ John Paul

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