

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

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

Rulemaking No. 12-10-012

**REPLY COMMENTS OF THE CENTRAL COAST BROADBAND CONSORTIUM
ON PHASE II STAFF PROPOSAL**

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Per California Public Utilities Commission (CPUC) Resolution T-17529, the Central Coast Broadband Consortium (CCBC) is the California Advanced Services Fund (CASF) consortia grant recipient representing Monterey, San Benito and Santa Cruz Counties. The CCBC is a party to Rulemaking 12-10-012 and respectfully submits these reply comments regarding the Staff Proposal for Phase II of the above proceeding, as attached to the Amended Scoping Memo and Ruling of Assigned Commissioner dated 14 February 2018 as Appendix C, (Phase II Proposal).

I. The funding weighting formula proposed by the CCBC contained an error.

The CCBC wishes to correct an error it made in applying the service level weighting criteria developed by the Federal Communications Commission (FCC) for the upcoming auction phase of the Connect America Fund II program to recommended CASF matching fund requirements¹. Instead of being multiplicative, as originally applied by the CCBC, the weighting scores assigned by the FCC to performance tiers and latency are additive. The corrected versions of Table 1 and

¹ CCBC comments at 6 and 8.

Table 2, for the Infrastructure Account and the Line Extension Program, respectively, are as follows:

Table 1 – Recommended Service Level Weighting					
Performance Tier	Speed (download/upload)	Monthly usage allowance	FCC Weight	CASF Funding Level (low latency)	CASF Funding Level (high latency)
Minimum	z 10/1 Mbps	z 150 gigabytes (GB)	65 (out of 100)	28%	8%
Baseline	z 25/3 Mbps	z 150 GB or U.S. median, whichever is higher	45	44%	24%
Above Baseline	z 100/20 Mbps	z 2 Terabytes (TB)	15	68%	48%
Gigabit	z 1 Gbps/500 Mbps	z 2 TB	0	80%	60%
Round Trip Latency					
Low latency	s 100 ms		0		
High latency	s750 ms and Mean Opinion Score of z4		25		

Table 2 – Recommended Service Level Weighting (LEP)					
Performance Tier	Speed (download/upload)	Monthly usage allowance	FCC Weight	CASF Funding Level (low latency)	CASF Funding Level (high latency)
Minimum	z 10/1 Mbps	z 150 gigabytes (GB)	65 (out of 100)	32%	9%
Baseline	z 25/3 Mbps	z 150 GB or U.S. median, whichever is higher	45	50%	27%
Above Baseline	z 100/20 Mbps	z 2 Terabytes (TB)	15	77%	54%
Gigabit	z 1 Gbps/500 Mbps	z 2 TB	0	90%	68%
Round Trip Latency					
Low latency	s 100 ms		0		
High latency	s750 ms and Mean Opinion Score of z4		25		

This correction is particularly important, given the role that latency plays in determining the service level a proposed project can deliver. As AT&T correctly notes in its comments², "the round-trip delay has a key impact on the performance of the network, because latency drives the maximum throughput of a connection (how much data can be transmitted by each connection in a given time)". Service levels, which are a function of both speed and latency, are the ultimate measure of the relative value of a project proposed for a CASF subsidy and should determine the relative level of funding awarded, as well as be used in the application scoring process.

II. Form 477 data contain errors, are incomplete and provide an insufficient basis for eligibility determinations.

AT&T argues that the CPUC should rely solely on the service data submitted by interested carriers on FCC Form 477 to determine the eligibility of an area for CASF subsidies³. This argument is based on a false premise: that Form 477 data provides a complete and accurate picture of available service.

For example, in the latest service availability data published by the CPUC (data as of 31 December 2016) AT&T claims that it provides Optical Carrier/Fiber to the End User service (which is defined by the FCC⁴ as "fiber to the home or business end user, does not include 'fiber to the curb'") to 495 census blocks where it also reports that the maximum download speed advertized is 768 *kilobits* per second. Since the minimum fiber to the premise download speed

² AT&T comments at 14.

³ *Ibid.*

⁴ FCC Form 477 Instructions, 5 December 2016 at 30.

advertized on its website is 5 *megabits* per second⁵, there is reason to believe that AT&T has submitted false data via the Form 477 process.

The CASF program is intended to fill gaps in actual service, not gaps in advertizing. Incumbent carriers should not be allowed to fence off unserved areas on the basis of suspect, let alone demonstrably untrue, data. CASF infrastructure grant applicants should be allowed to base applications on objective field data, including but not limited to refusals of service by incumbent carriers.

III. Limited application windows will prevent attainment of CASF program goals.

Some commenters recommended an annual or semi-annual application window for infrastructure grant applications. For example, AT&T claimed that a single, annual deadline would "give providers the strongest incentive to put their best proposals forward"⁶, while the CPUC's Office of Ratepayer Advocates (ORA) claims it would "allow the Communications Division to effectively score and rank projects"⁷. What it would actually do is incentivize bureaucracy over enterprise and give corporate planning cycles priority over community needs.

Independent broadband infrastructure projects begin with the identification of market opportunities, often as a result of grassroots efforts by regional consortia, local governments and community-based organizations. Private sector partners are then engaged, resources – cash and in-kind – are committed, and broadband service gaps are documented. The resulting CASF

⁵ <http://about.att.com/sites/broadband/performance>, accessed 1 May 2018.

⁶ AT&T comments at 19.

⁷ ORA comments at 13.

infrastructure grant applications are a collection of moving parts, each of which runs at its own speed, with its own deadlines and its own expiration date. Cookie cutter applications, designed by the planning departments of large corporations to meet internal needs, might comfortably sit on a shelf for several months or even a year or more, but collaborative projects will not. Delays of "only a few months", as ORA put it⁸, in either the application or review process can kill independent projects that prioritize community needs, leaving only those that maximize corporate profits. The CPUC has already established a 106 day timeline for reaching a final decision on applications. Meeting that deadline would provide the greatest incentive for excellent proposals and the best basis for effective and efficient review thereof.

IV. CETF incorrectly identifies key rural regions

In its comments, the California Emerging Technology Fund (CETF) offers a list of regions it considers to be "key rural regions"⁹. This list appears to be based on CETF's own criteria it developed for internal purposes, and not on rigorous analysis of the CPUC's California Broadband Map. As such, it is incomplete. The CCBC agrees with CETF's predicate that "the California Broadband Map reveals that there remain significant infrastructure gaps", but these gaps are found in rural areas throughout the state and are not unique to the regions on CETF's list. Indeed, the regions identified by CETF have "significant infrastructure gaps", but so do other rural regions, such as the Central Coast, Pacific Coast and Eastern Sierra, to name three examples.

⁸ ORA comments at 11.

⁹ CETF comments at 2.

The CCBC agrees that rural broadband infrastructure gaps deserve particular attention by the CPUC in administering CASF – it is, in fact, the primary purpose of the program – but priorities of any sort should be based on quantitative analysis performed by the CPUC and not on the subjective judgement of any outside organisation.

V. TURN and Greenlining incorrectly conflate eligibility challenges with policy disagreements.

In their joint comments, TURN and the Greenlining Institute recommend that objections regarding any matter be entertained by the CPUC during the initial 21-day application challenge period¹⁰. In effect, they are arguing that any party should be able to involve itself in the application review process for any reason. According to current legislation, broadband service and federal grant status are the only gating criteria for determining the eligibility of a geographical area for CASF infrastructure subsidies. Submission of broadband service and federal grant data for the area in question is the only statutory basis for participation in the application review process. There is an established and completely adequate procedure for entertaining policy comments and objections, rather than eligibility challenges, after draft resolutions have been posted. Allowing participation by any party for any reason during review of applications would add costs and delays to a process that is already so long and expensive as to be a significant barrier to achieving CASF program goals and serving the public interest.

¹⁰ Joint Consumers comments at 14.

VI. Conclusion.

The CCBC respectfully requests that the Phase II Proposal be modified as recommended in its 16 April 2018 comments and herein, and swiftly approved.

Date: 1 May 2018 Respectfully Submitted,

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