

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

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

**REPLY COMMENTS OF THE
CALIFORNIA EMERGING TECHNOLOGY FUND
ON ADMINISTRATIVE LAW JUDGE’S RULING ON ELIGIBILITY FOR
AND PRIORITIZATION OF BROADBAND INFRASTRUCTURE FUNDS FROM
CALIFORNIA ADVANCED SERVICES FUND**

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Pursuant to the Administrative Law Judge’s Ruling Requesting Comments on the Eligibility for and Prioritization of Broadband Infrastructure Funds from the California Advanced Services Fund (ALJ Ruling) dated September 5, 2018, in the above-referenced docket, the California Emerging Technology Fund (CETF) hereby provides brief reply comments.

CETF has reviewed the various Comments filed in response to the ALJ Ruling. In reviewing them, CETF is convinced even more that its recommendations in Phase II are needed to achieve the State’s goals and carry out the intent of Assembly Bill 1665. Most importantly, CETF recommends that the Commission exercise its leadership in order to first determine the preferred cost-effective scenario in each Regional Consortia area to fulfill the important broadband obligation assigned by the Legislature to the Commission in AB1665 – reaching 98% of the households in each region. CETF hopes that the Commission can leave behind past program practices that do not advance the ambitious goals that the Legislature set for the Commission.

CETF did not see a single objection to CETF’s suggestion to have the Commission work with each Regional Consortia – especially those with large numbers of unserved households – to

prepare a preferred scenario with a specific map showing eligible areas and priority areas to achieve 98% broadband deployment for that region. This new regional focus requires the Commission to lead by first collaborating with the Regional Consortia, stakeholders, and local/Tribal leaders to identify the priority unserved and eligible areas (highlighting low income and other disadvantaged neighborhoods) on a regional map. The process would also delineate local public assets that can be used to facilitate broadband deployment,¹ strategic corridors for middle mile backhaul, FCC CAF eligible census blocks and other federal funding resources such as the federal Rural Utility Service broadband programs, special-purpose dedicated networks that can be leveraged (e.g. CENIC, California Telehealth Network, FirstNet, public utilities agencies) that can be used for a deployment solution (e.g. for back haul and backbone with appropriate compensation for access), and anchor institutions and public safety facilities that are unconnected or underconnected (low bandwidth). Then the Commission can choose the best and most cost-effective projects for achieving 98% infrastructure deployment for each region.

As to whether a CASF project application should be eligible for 100% funding, CETF has set forth its position in its comments on the Commission's Desert Shores and Lytle Creek draft resolutions and refers to its comments there. In its September 21st Comments on Phase II, CETF said a 100% subsidy should only be given if a Regional Consortia has completed a preferred scenario and submitted it to the CPUC for review, an applicant that desires a 100% grant has demonstrated that it has taken into account and optimized all five factors in the preferred scenario, and the CASF staff analysis on the project justifies 100% subsidy for a reasonable return on investment. CETF would therefore reject the AT&T position with its new proposed framework because it fails to have a stakeholder process to identify a preferred scenario which among other things would correct faulty broadband maps, study local resources, and identify low income and other disadvantaged communities.

Similarly, CETF urges rejection of the Frontier position. In summary, Frontier requests 100% grants for any project serving any unserved area if it meets the three factors listed in Public Utility Code 281(f)(13)4. CETF recommends the three statutory factors be assessed -- along with others that the Commission believes important -- to leverage the limited CASF dollars

¹ When looking at public assets, these should include ones that the Regional Consortia and local governments can do to help applicants and what assets can be made available to them. Examples are access to public rights-of-ways, government properties, utility pole access, equipment hubs and local permit streamlining.

and meet the 98% deployment goal for each region. In no case should a provider be allowed to seek a 100% grant from the CASF for an area that is eligible for CAF II or other federal funding.

On affordable broadband plans, CETF notes strong support in the record for affordable plans, thus CETF asserts there is a basis for ordering affordable broadband plans from incumbent providers who wish to access CASF dollars. CETF has provided information on an appropriate range for such an affordable rate, and there has been no contrary information. CETF appreciates the strong support of the Public Advocates Office and GeoLinks. CETF would require a plan such as the one suggested by PAO only from incumbents in the price range of \$10-\$20. Any incumbent provider who has an existing obligation for an affordable plan due to a corporate consolidation or merger should be required as a condition of a CASF grant to extend such plan for a certain time period, and disclose the number of households being signed up under those plans to ensure compliance and good faith in offering such plans to low income persons.

On the minimum performance requirements, CETF did not see any strong support in the comments for this proposal. Like CETF, commenters had many concerns about whether this achieved the program goals, whether the new requirements would discourage CASF applications, and whether the ministerial process would encourage small applications that don't scale to the 98% coverage goal.

WHEREFORE, CETF requests that the Commission consider its comments in this docket and make sound decisions relating to the CASF Broadband Infrastructure program that faithfully drives results to the goal of the program to bring broadband to our residents no matter where they live.

Respectfully submitted,

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