

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

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

Investigation R.12-10-012
(filed October 25, 2012)

**OPENING COMMENTS OF CITIZENS TELECOMMUNICATIONS COMPANY OF
CALIFORNIA INC. (U-1024-C), FRONTIER COMMUNICATIONS OF THE
SOUTHWEST INC. (U-1026-C), AND FRONTIER CALIFORNIA INC. (U-1002-C)
ON SCOPE AND PHASE I OF THE RULEMAKING TO CONSIDER
MODIFICATIONS TO CALIFORNIA ADVANCED SERVICES FUND**

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Frontier Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U-1024-C), Frontier Communications of the Southwest Inc. (U-1026-C), and Frontier California Inc. (U-1002-C) (collectively “Frontier”), pursuant to Rule 6.2 of the Commission’s Rules of Practice and Procedure, hereby submits to the California Public Utilities Commission (“CPUC”) comments on the “Amended Scoping Memo and Ruling” dated February 14, 2018, to address the overall scope of the proceeding and the Phase I staff proposal in Appendix B relating to the California Advanced Services Fund (“CASF”). Frontier respectfully urges the CPUC to act with all deliberate speed on pending CASF infrastructure grant applications so that California does not miss the window of opportunity to leverage CASF grants with broadband deployment under the Connect America Fund (“CAF”).

I. Introduction

Frontier provides voice, video and broadband service in California. The need for better broadband service was a major theme in the CPUC approval of Frontier’s 2016 acquisition of Verizon wireline operations, and Frontier made multiple broadband deployment commitments. Frontier accepted \$228 million from the Federal Communications Commission’s CAF program to expand broadband to 90,000 locations by 2020. Frontier also committed to expand broadband access to an additional 740,000 households by 2022 with private investment and CASF grants.

Frontier has participated in the CASF program since it began and has completed eight separate CASF projects. Two additional grant applications are pending, and several more projects are in development. Frontier is seeking to leverage CAF and CASF funds to help close the Digital Divide in California.

II. The Procedural Schedule Should Not Create Delay in CPUC Action on Infrastructure Grants in Order to Leverage Federal Broadband Funds.

The proposed schedule and bi-furcation of this proceeding appears to be primarily driven by the statutory deadline to accept applications for the new Broadband Adoption Account by July 1, 2018. However, as stated in the Amended Scoping Memo statement of “AB 1665 Legislative Findings and Declarations,” the Legislature also directed the CPUC to leverage CASF grants with broadband deployment by providers that are participating in the CAF program. CAF-funded deployment must be complete by the end of 2020, which means the window of time for coordinating CAF deployment with CASF infrastructure grants is rapidly closing.

The Phase II staff proposal in Appendix C includes significant changes and new processes for infrastructure grant applications, evaluation criteria, and several entirely new review processes and timelines. The Phase II procedural schedule specifies November 18, 2018, as the date for a final order on the infrastructure grant process with a proposed date of April 30, 2019, as the first date for accepting new applications. Assuming timely review, this would result in CPUC action on applications in late 2019, leaving virtually no time to coordinate CASF grants with CAF-funded projects. Thus, it is imperative that the CPUC continue to accept infrastructure applications in the interim and act expeditiously on all applications to fulfill the Legislature’s direction in AB 1665.

III. The Broadband Adoption Account Rules Should Prioritize Programs that Make CASF Infrastructure Projects Viable.

The Amended Scoping Memo states that “the relationship between broadband infrastructure and adoption is an area that warrants investigation.” Frontier agrees that this relationship is critical, especially because some of the remaining high-cost unserved

communities also have high representation in subgroups with some of the lowest adoption rates, including low-income. Higher adoption rates are essential to make infrastructure projects viable.

Frontier's pending CASF infrastructure grant application for Desert Shores presents the CPUC the ideal opportunity to use both the Infrastructure Account and the Adoption Account to achieve CASF goals. The Desert Shores application specifically asks the CPUC to prioritize a broadband adoption grant for Desert Shores in order to enhance the viability of the proposed infrastructure project in this unserved low-income community. Frontier urges the CPUC to include in the Broadband Adoption Account rules a priority for any adoption program aligned with a CASF infrastructure project.

IV. The Broadband Adoption Account Rules Should Afford Sufficient Funding and Program Flexibility to Ensure Successful and Sustainable Programs.

Frontier looks forward to partnering with eligible applicants for CASF broadband adoption grants and reviewing their opening comments to learn more how CASF-funded adoption programs can be successful and sustainable. In the meantime, Frontier offers these initial observations on the proposed rules:

- The adoption program rules should not be so burdensome that they deter eligible organizations from submitting applications.
- The rules should provide sufficient funding, including initial start-up funding, and some expectation for renewal, so that successful programs can be sustained.
- The rules should clarify the source of funding for monthly service fees to sites for adoption programs.
- The program rules should not be so complex, and require so much CASF staff time to administer, that staff resources are diverted from expeditiously acting on CASF infrastructure grant applications.

V. The Broadband Adoption Account Rules Should Prioritize Adoption Programs that Promote Access to Online Government Services.

Frontier proposes that the CPUC consider prioritizing adoption programs that promote increased access to online government services. Internet access is now required, or the easiest way, to apply for, participate in, or receive the benefits of nearly all government services. This includes, for example, obtaining veterans benefits and public assistance, renewing a driver's license, or registering to vote. Digital literacy programs that focus on learning how to access specific government services would have practical, tangible benefits that would provide an additional incentive to participate and likely would make the programs more successful.

VI. Conclusion

Frontier looks forward to reviewing the comments of other parties and continued participation in the CASF program.

Respectfully submitted,

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