

**BEFORE THE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

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

Rulemaking No. 12-10-012
(Filed October 25, 2012)

**OPENING COMMENTS OF CALIFORNIA INTERNET, L.P. (U-7326-C) DBA
GEOLINKS ON PROPOSED DECISION OF COMMISSIONER GUZMAN ACEVES
IMPLEMENTING THE CALIFORNIA ADVANCED SERVICES FUND
INFRASTRUCTURE ACCOUNT REVISED RULES**

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Pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure, California Internet, L.P. (U-7326-C) dba GeoLinks (“GeoLinks” or the “Company”) respectfully submits these comments on the on the Proposed Decision of Commissioner Guzman Aceves, entitled “Decision Implementing the California Advanced Services Fund Infrastructure Account Revised Rules” (“Phase II PD”), released on November 9, 2018.

GeoLinks limits these comments to one section of the Phase II PD regarding the Ministerial Review process (Section 2.3). In the Phase II PD, while the Commission acknowledges GeoLinks’ concerns regarding the lack of technology neutrality present in the proposed ministerial review process with respect to the maximum price per household for fiber projects vs. fixed wireless projects, the Commission fails to actually make the process technology neutral. Specifically, while the Phase II PD does lower the maximum amount per household eligible for ministerial review for fiber projects (from \$8,000 to \$6,000 per household), the number is still inextricably *several thousand* dollars more than the threshold for fixed wireless projects (\$1,500 per household).

The Phase II PD fails to provide any rationale for the thresholds proposed or even attempt to explain why the proposed fiber threshold is \$4,500 per household higher than the proposed fixed wireless threshold. GeoLinks assumes these numbers are based on averages taken from previously-approved CASF projects, but this is not clear. For example, while the CASF Annual Report for 2016 explains that the average of 15 CASF fiber projects is \$9,442, inclusive of

middle mile costs, the Phase II PD does not address this average in any way, explain how the new \$6000 may or may not be related to it.¹ The Phase II PD is completely silent as to how the proposed thresholds were conceived, what they may or may not be based on, or why they can't be the same for both technology types.

Moreover, while the Phase II PD does note that the ministerial thresholds do not preclude fixed wireless projects from being awarded grants that fall outside the ministerial cost criteria, it makes very clear that these projects (even if still *significantly* less per household than proposed fiber projects that may offer the same speed to the same areas) must go through the Commission's Resolution process (which is presumably longer and requires a Commission decision). GeoLinks asserts that 1) creating separate thresholds for separate technologies that offer the same service, 2) requiring one technology to endure a procedural process that another would not for what might otherwise be an identical proposed project, 3) and failing to provide any explanation for why the cost threshold or the path to approval is different for one technology over another are examples of bad public policy. In all, the Commission's retention of differing thresholds for fiber projects vs. fixed wireless projects in direct opposition to the Commission's goal of administering the CASF program on a "technology neutral" basis and should be rejected.²

GeoLinks urges the Commission to create one ministerial threshold for all technology type. Specifically, GeoLinks suggests \$4000 to create some balance between the currently inequity of \$6000 (fiber) vs. \$1500 (fixed wireless).

[Signature page follows]

¹ California Advanced Services Fund: A Program to Bridge the Digital Divide in California, Annual Report January 2016 – December 2016 (issued April 2017) at page 43, FN 51.

² *Interim Opinion Implementing California Advanced Services Fund*, Decision 07-12-054 (rel. December 20, 2007), at 8: "The CASF shall be administered on a technology neutral basis by the Commission." *See also Id.* At 28: "CASF funding proposals will be reviewed based upon how well they meet the criteria for selection as set forth below, and, where applicable, compared with any competing claims to match the deployment offer under superior terms. *Such criteria should be evaluated on a competitively neutral basis.*" (*Emphasis added*).

Respectfully submitted,

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