



Internet and Telephone

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June 8, 2020

VIA E-MAIL

[CASF Application Questions@cpuc.ca.gov](mailto:CASF_Application_Questions@cpuc.ca.gov)

Robert Osborn
Director, Communications Division
Public Utilities Commission
505 Van Ness Avenue, Third Floor
San Francisco, CA 94102-3298

Re: Challenge of Cal.net, Inc. (U-7309-C) to the proposed Nevada City CASF Project submitted by Race Telecommunications

Dear Mr. Osborn,

Cal.net, Inc. hereby submits its challenge to the proposed Nevada City project for the California Advanced Services Fund Infrastructure Grant program submitted by Race Telecommunications on May 4th, 2020.

Cal.net is a recipient of Connect America Fund II ("CAF-II") subsidies, having won support¹ for 3,559 Census blocks² in California. Cal.net began receiving its subsidy support payments in September, 2019³ and immediately commenced enhancement and development of its network infrastructure to support the requirements of its CAF-II award. This work has been funded by these CAF-II subsidy payments.

There are eleven Census blocks specified in the Nevada City CASF project that have previously been awarded subsidized support through the CAF-II reverse auction. Per Section 281(f)(12) of the California Public Utility Code, "a grant from the Broadband Infrastructure Grant Account shall not include funding for costs of broadband infrastructure already funded by the Connect America Fund program or other similar federal public program that funds that infrastructure." As Cal.net has been awarded and has expended funds toward infrastructure development throughout its award area, these eleven Census block should be disqualified for inclusion in the CASF Infrastructure Grant program. Further, the California Legislature has made clear that the Commission should not award CASF funds that may overbuild existing broadband infrastructure. "It is the intent of the Legislature that California achieve the goal [of broadband access to no fewer than 98 percent of California households by Dec. 31, 2022] ... by fostering private investment ... and not use moneys in that fund to overbuild the broadband infrastructure."⁴

¹ <https://docs.fcc.gov/public/attachments/DOC-353840A1.pdf>

² https://auctiondata.fcc.gov/public/projects/auction903/reports/all_assigned_census_blocks

³ <https://docs.fcc.gov/public/attachments/DOC-359631A1.pdf>

⁴ AB 1665, Legislative Analysis, Section 2(c).

Accordingly, Cal.net hereby challenges and respectfully requests that the following eleven CAF-II funded Census blocks be excluded from funding in the Race Telecommunications Nevada City CASF project application:

060570008011000, 060570008011001, 060570008011002, 060570008011026,
060570008011027, 060570008012034, 060570008012041, 060570008012062,
060570008012087, 060570008012089, 060570008012096

While Cal.net believes this list to represent the totality of the CASF overlap with its CAF-II award, it is possible that there are others inadvertently overlooked. Further, there may be additional overlaps with other CAF-II awardees' areas. Accordingly, Cal.net urges the Commission to conduct a final crosscheck of its May 4th proposed projects with the published CAF-II awarded Census blocks, and exclude any such identified Census blocks from the relevant CASF projects pursuant to Section 281 constraints.

Thank you for your consideration in this matter.

Respectfully submitted,

By: 

Kenneth E. Garnett
Chief Technology Officer
Cal.net, Inc.