

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

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

R.12-10-012

**COMMENTS OF THE UTILITY REFORM NETWORK (TURN)  
ON THE ORDER INSTITUTING RULEMAKING**



December 3, 2012

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**I. INTRODUCTION**

The Utility Reform Network (TURN) hereby submits its Comments on the Order Instituting Rulemaking (OIR) to Consider Modifications to the California Advanced Services Fund (CASF).

**II. TURN SUPPORTS THE COMMISSION PROPOSAL TO PERMIT NON-TELEPHONE CORPORATIONS TO BE ELIGIBLE TO APPLY FOR CASF FUNDS**

TURN commends the Commission for instituting this rulemaking and giving more serious consideration to the issue of permitting organizations that are not CPCN or WIR holders to be eligible for CASF funding. TURN has long advocated that municipalities, non-profits, American Indian Tribes, etc., be eligible for such funding. In 2007, for example, TURN argued that the telephone corporations are not the only entities capable of providing broadband, and in fact, it is likely that locally based providers such as community-based organizations, governmental entities, etc. may be more efficient providers of broadband than telephone corporations. In addition, TURN stressed that such entities may be able to provide faster, more effective customer service in the sparsely populated areas that is the focus of the CASF

program.<sup>1</sup> For example, community service districts throughout California have provided utility service for many years. They have access to rights-of-way, are familiar with permitting processes, have extensive experience in operating systems to provide essential services to households and businesses, have established billing and operational systems, many of them rely on telecommunications facilities to monitor and carry out their operations, and they must be financially solvent. These and similar entities may well be good candidates for CASF funding. TURN supports the Commission's proposed direction to change the CASF eligibility requirements and seek legislation to authorize such change.

TURN has been in contact with several organizations that may be interested in applying for CASF funds if they are eligible to do so. Many of these organizations did not have the time or resources to become a party to this proceeding and instead asked TURN to attach letters of interest from them to our Comments.<sup>2</sup>

### **III. TURN SUPPORTS THE COMMISSION PROPOSAL TO APPLY THE RULES ADOPTED IN RESOLUTION T-17233.**

While TURN has supported expanding CASF eligibility to non-certificated entities, we have also consistently argued that such entities must be able to demonstrate the financial, technical and operational capability to successfully construct, operate and maintain a local or regional broadband system. TURN shares the Commission's concerns, as expressed in the OIR, that ratepayer money used to fund the CASF program must be protected from waste, fraud and abuse. Thus, the Commission should clarify how it will determine that an applicant possesses the necessary capabilities to successfully construct and operate a broadband system.

At this juncture, subject to review of comments that non-certificated entities may file in this proceeding, TURN supports the application of the rules adopted in Resolution T-17233. It may be appropriate however, to waive the performance bond requirement for governmental entities such as cities that want to apply for CASF monies.

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<sup>1</sup> See, for example, Reply Comments of TURN on Phase II Issues Relating to the CASF (10/3/07), p. 4.

<sup>2</sup> See Attachment A for letters from: the California Broadband Policy Network (CBPN – previously known as the California Community Technology Group or CCTPG), a statewide alliance of diverse community-based organizations that advocate for policies to improve access to broadband media and create digital opportunities for underserved communities; Instituto de Educacion Popular del Sur de California (IDEPSCA) whose mission is to create a more humane and democratic society by responding to the needs and problems of disenfranchised people through leadership development and educational programs; and several partners active in PolicyVoice, a network of community based organizations throughout California that builds the power of communities to make policy, enforce regulations, and control institutions through training, research and action. We do this through statewide community education and organizing activities. The PolicyVoice signatories are Congregations Organized for Prophetic Engagement (COPE) (Inland Empire), Centro La Familia Advocacy, Center for Media Justice and West Fresno Family Resourc Center.



## ATTACHMENT A



December 3, 2012

To: The California Public Utilities Commission

**Re: Order Instituting Rulemaking 12-10-012 to Consider Modifications to the California Advanced Services Fund.**

The California Broadband Policy Network (CBPN) is grateful to TURN for allowing us to submit our letter with their comments in response on the Order Instituting Rulemaking (OIR) 12-10-012 to Consider Modifications to the California Advanced Services Fund (CASF).

CBPN, previously known as the California Community Technology Policy Group (CCTPG), is a statewide alliance of diverse community-based organizations that advocate for policies to improve access to broadband media and create digital opportunities for underserved communities. CBPN was founded in 2003, is a respected and well-known body of community-based organizations in California working on community technology and broadband access. CBPN and its member agencies are particularly concerned about un-served and underserved low-income communities.

CBPN's comments are derived from our understanding of digital inclusion and our fourteen-year history of working with community-based organizations throughout California in both rural and urban communities. Digital Inclusion means that everyone — regardless of who they are, where they live, or how much they earn — can participate in and take advantage of the economic, educational, health, and civic opportunities afforded by broadband and related information technology.<sup>1</sup> As digital technology is increasingly used for educational, employment, health, commercial, and informational purposes, digital inclusion is critical for full engagement, participation, and opportunity in the social, economic, and civic life of society."<sup>2</sup>

CBPN supports the Commission's proposal to revise the eligibility requirements that allow anchor institutions, government entities, other nonprofit entities, and American Indian Tribes to participate in the CASF program to fund broadband infrastructure projects. CASF funding is currently limited to companies that sell telephone lines and hold either a Certificate of Public Convenience and Necessity (CPCN) or are registered wireless telephone carriers. Cities, independent Internet service providers, non-traditional telecoms ventures, community organizations and others cannot apply for CASF or loans under the current rules.

Broadband technologies are currently being deployed primarily by the private sector throughout the United States. We believe that while the numbers of new broadband subscribers continue to grow in some areas, underserved and underserved areas lag behind because the private sector, in particular

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<sup>1</sup> Richard Chabran, Oscar E. Cruz, Linda Fowells, and Allen Hammond. *Wired for Wireless: Towards Digital Inclusion and Next Generation Government-Led Wireless Networks, A Summary Report of the Wireless Comparative Analysis and Best Practices Education Project*, Los Angeles: Community Partners, November 2008

<sup>2</sup> *Wired for Wireless: Towards Digital Inclusion and Next Generation Government-Led Wireless Networks*  
1000 N. Alameda Street, Suite 240 Los Angeles, CA 90012

telecommunication and cable companies, are not investing because of the lack of a lucrative market on top of the higher costs to build out. Depending on this process has resulted in a failure by these companies to reach the communities that need it the most.

However, it would be helpful for the Commission to explain and validate the difference between the 2008 numbers reported by the Broadband Task Force in their report<sup>3</sup> and the numbers reported in the current OIR. There seems to be a significant difference between the numbers and the explanations provided.

We also understand the CPUCs concern regarding non-certified or non-registered entities that had applied for CASF funds in conjunction with AARA grants had required significant assistance from the staff to negotiate the application/grant process. However, we feel that the investment of time to guide future applicants will result in achieving greater progress in broadband deployment. In addition:

The CPUC should:

1. Not limit the funding to existing consortiums;
2. Provide an opportunity to groups who were not previously approved;
3. Encourage local collaborations with local partners working with anchor institutions; and
4. Make projected affordability a key criteria in application criteria.

We also encourage the CPUC to develop a comprehensive plan for monitoring and keep all of the entities who are funded accountable

The mission of anchor institutions which increasingly depend on broadband make them more concerned about affordability and service quality. These two factors are major reasons why non-adopters or “un-adopters” (people who have been cut off or had to cancel service) do not have access to broadband services. The high price of broadband services is also an obstacle to wider use and a critical factor for low-income households.

Anchor institutions –schools, libraries, hospitals, community-based organizations and cultural institutions – play an essential role in maintaining the healthy fabric of society and our communities. Consequently, non-profit organizations, tribal groups and cities play a critical role in assuring that hard to serve communities that are geographically or economically challenged are reached and that services are affordable, accessible and sustainable either as broadband service providers or in partnerships with other entities and or institutions that can provide broadband access.

To achieve some of these goals anchor institutions have developed plans or implemented projects with partners where access can be achieved through building their own towers, wireless internet, or wifi hotspots made possible by antenna installations in strategic locations of a community. Other cities have installed wireless routers on rooftops or towers to form the basis of a community mesh network-wireless networks openly accessible to residents and supervised by non-profit organizations or by the cities. Some of these cities and institutions also partnered with businesses capable of laying our fiber or cable networks.

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<sup>3</sup> California Broadband Task Force. *The State of Connectivity: Building Innovation Through Broadband*. 2008.

The OIR opens up an important door to an opportunity that will assure that all stakeholders, if they so chose, would be able to participate. However, we also hope that the CPUC will also look for other opportunities to bring in federal dollars that also include funding for additional projects that make broadband more accessible and affordable for these communities. For these reasons, we support and agree that CASF eligibility requirements should be changed to include entities other than those that hold a CPCN or a Wireless Identification Registration. We also support legislative action that would revise the rules if needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Chabran". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Richard Chabran, Policy Advisor  
California Broadband Policy Network

November 30, 2012



The California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA

**Re: Order Instituting Rulemaking 12-10-012 to Consider Modifications to the California Advanced Services Fund.**

Institute of Popular Education of Southern California (IDEPSCA) is pleased to join TURN in this effort to create amore inclusive and democratic process for non-profit community organizations to participate in the California Advanced Services Fund (CASF). Together we are submitting this letter with comments in response on the Order Instituting Rulemaking (OIR) 12-10-012 to Consider Modifications to the CASF.

Interim-President  
Rebeca Ronquillo  
Organizer,  
Koreatown Immigrant  
Workers Alliance

Treasurer  
Carlos Pineda  
International Organizer,  
United Steelworkers  
International

Secretary  
Marco Antonio  
Méndez Rodríguez  
Day Laborer,  
West Los Angeles

Vocal  
María de Lourdes  
González Reyes  
Household Worker

Board Member  
Brenda Aguilera  
Community Member

Board Member  
Daniel Carrillo  
Organizer, SEIU United  
Long Term Care Workers

Board Member  
Jessica Viramontes  
Alternative Break  
Program Coordinator,  
Loyola Marymount  
University

Board Member  
Manuel Mancía  
Community Organizer  
and Day Laborer

Executive Director  
Marlom Portillo  
Instituto de Educación  
Popular del Sur de  
California  
(IDEPSCA)

We support the Commission's proposal to revise the eligibility requirements that allow anchor institutions, government entities, other nonprofit entities, and American Indian Tribes to participate in the CASF program to fund broadband infrastructure projects. CASF funding is currently limited to companies that sell telephone services and hold either a Certificate of Public Convenience and Necessity (CPCN) or are registered wireless telephone carriers. Cities, independent Internet service providers, nontraditional telecoms ventures, community organizations and others cannot apply for CASF or loans under the current rules.

Broadband technologies are currently being deployed primarily by the private sector throughout the United States. While the numbers of new broadband subscribers continue to grow in those areas, unserved and underserved areas lag behind because the private sector may not investing due to the lack of a lucrative market as well as the higher costs to deploy. In addition, anchor institutions are more concerned about affordability and service quality, which is a major reason for non-adopters or "un-adopters" (people who have been cut off or had to cancel service). The high price of broadband services is an obstacle to wider use and a critical factor for low-income households.

Anchor institutions - schools, libraries, hospitals, community-based organizations and cultural institutions - play an essential role in maintaining the healthy fabric of society and our communities. Consequently, non-profit organizations, tribal groups and cities play a critical role in assuring that hard to serve communities that are geographically or economically challenged are reached and that services are affordable, accessible and sustainable either as broadband service providers or in partnerships with other entities and or institutions that can provide broadband access.

The OIR opens up an important door to an opportunity that will assure that all stakeholders, if they so chose, would be able to participate. For these reasons, we support and agree that CASF eligibility requirements should be changed to include entities other than those that hold a CPCN or a Wireless Identification Registration. We also support legislative action that would revise the rules if needed.

Sincerely,

Marlom Portillo  
Executive Director

December 3, 2012

The California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA

**Re: Order Instituting Rulemaking 12-10-012 to Consider Modifications to the California Advanced Services Fund.**

On behalf of low-income and limited English speaking communities throughout California we are pleased and thankful to TURN for allowing us to submit this letter with their comments in response on the Order Instituting Rulemaking (OIR) 12-10-012 to Consider Modifications to the California Advanced Services Fund (CASF).

**Congregations Organized for Prophetic Engagement (COPE) (INLAND EMPIRE)** is a 501c3 faith-based organization, established in 2000 by a core group of pastors, with a mission to *“train and develop the capacity of religious and lay leaders in congregations and across the Inland Empire to protect and revitalize the communities in which they live, work, and worship.* The formation of the organization was an outgrowth of a listening campaign with African American clergy, lay, and community outreach ministries in San Bernardino and Riverside Counties. The listening campaign uncovered that families were struggling with many quality of life issues that include poverty, affordable housing, unemployment, health care access and quality education. Since then, INLAND EMPIRE has trained and organized member congregations to seek solutions to these struggles by advocating for policies and practices changes to improve the quality of life for families and communities in the Inland Empire region. Rev. Sam Casey

**Centro La Familia Advocacy** is a community based non-profit organization that has served low income families throughout Fresno County for over 30 years. Founded in 1972 to provide direct advocacy and intervention services to low-income residents. Centro's mission is to empower low-income people to access life sustaining resources and become self-sufficient through education, training and social services.

**Center for Media Justice.** Founded in 2002, the Center for Media Justice is a national movement building intermediary to strengthen the communications effectiveness of grassroots racial justice sectors, and sustain a powerful local-to-local movement for media rights and access. Our mission is to create media and cultural conditions that strengthen movements for racial justice, economic equity, and human rights.

**West Fresno Family Resource Center (WFFRC)** was formed by a group of concerned West Fresno Residents that recognized the need for additional healthcare and education. WFFRC was created to address the growing health disparities, lack of health services and provide a healthier way of living for those in West Fresno. It was incorporated in March 2001 and received its 501(c)(3) non-profit status in November of that year. In 2010, after a five year planning process which involved stakeholders from the community, the agency has evolved, providing family support programs to serve the residents of West Fresno.

We support the Commission's proposal to revise the eligibility requirements that allow anchor institutions, government entities, other nonprofit entities, and American Indian Tribes to participate in the CASF program to fund broadband infrastructure projects. CASF funding is currently limited to companies that sell telephone services and hold either a Certificate of Public Convenience and Necessity (CPCN) or are registered wireless telephone carriers. Cities, independent Internet service providers, non-traditional telecoms ventures, community organizations and others cannot apply for CASF or loans under the current rules.

While the numbers of new broadband subscribers continue to grow in many areas, unserved and underserved areas lag behind because the private sector is investing due to the lack of a lucrative market as well as the higher costs to deploy. In addition, anchor institutions are more concerned about affordability and service quality, which is a major reason why non-adopters or "un-adopters" (people who have been cut off or had to cancel service) do not have access to broadband services. The high price of broadband services is also an obstacle to wider use and a critical factor for low-income households.

Anchor institutions – schools, libraries, hospitals, community-based organizations and cultural institutions – play an essential role in maintaining the healthy fabric of society and our communities. Consequently, non-profit organizations, tribal groups and cities play a critical role in assuring that hard to serve communities that are geographically or economically challenged are reached and that services are affordable, accessible and sustainable either as broadband service providers or in partnerships with other entities and or institutions that can provide broadband access.

For many communities access can be achieved through the building of wireless internet, or wifi hotspots made possible by antenna installations in strategic locations of a community. Other cities have installed wireless routers on rooftops to form the basis of a community mesh network-wireless networks openly accessible to residents and supervised by non-profit organizations or by the cities themselves.

The OIR presents an important opportunity that will assure that all stakeholders, if they so chose, would be able to participate. For these reasons, we support and agree that CASF eligibility requirements should be changed to include entities other than those that hold a CPCN or a Wireless Identification Registration. We also support legislative action that would revise the rules if needed.

Sincerely,

*Rev. Samuel J. Casey*  
Executive Director, Congregations Organized for Prophetic Engagement

*Margarita Rocha*  
Executive Director, Centro La Familia Advocacy

*Amalia Deloney*  
Associate Director, Center for Media Justice

*Janice Mathurin*  
Director of Operations, West Fresno Family Resource Center