

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

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

Rulemaking 12-10-012

**COMMENTS OF PACIFIC BELL TELEPHONE COMPANY D/B/A AT&T  
CALIFORNIA (U 1001 C); AT&T CORP. F/K/A AT&T COMMUNICATIONS  
OF CALIFORNIA (U 5002 C); TELEPORT COMMUNICATIONS  
AMERICA, LLC F/K/A TCG SAN FRANCISCO (U 5454 C); AND AT&T  
MOBILITY LLC (NEW CINGULAR WIRELESS PCS, LLC (U 3060 C);  
AT&T MOBILITY WIRELESS OPERATIONS HOLDINGS, INC. (U 3021 C);  
SANTA BARBARA CELLULAR SYSTEMS LTD. (U 3015 C);  
AND NEW CINGULAR WIRELESS PCS, LLC (U 3014 C)) ON  
ADMINISTRATIVE LAW JUDGE'S RULING SOLICITING  
ADDITIONAL COMMENTS ON ISSUES IDENTIFIED IN ORDER  
INSTITUTING RULEMAKING 12-10-012**

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April 8, 2013

Pursuant to the schedule set by the Administrative Law Judge’s Ruling Soliciting Additional Comments dated March 18, 2013 (“Ruling”), AT&T<sup>1</sup> hereby provides additional comments.

The Ruling requested additional comment regarding appropriate performance bonds, liquidity requirements, and penalties should non-certificated entities receive money from the CASF to construct broadband networks. Performance bonds, liquidity requirements, and contractually agreeing to penalties are all appropriate areas to explore.

AT&T, among others, has commented that the Commission should not award CASF grants for overbuilds – areas that already have broadband, but not at the speeds set by the Commission to be considered a “served” area. Those comments have usually focused on the policy reasons for directing CASF money to areas that do not have any broadband access, as well as the harm to providers that invested their own funds to provide broadband service.

However, in the context of safeguards to ensure performance by non-certificated entities receiving public money to build a network, the presence of a competitor increases the risk of success. If an area is not served by any broadband, the CASF recipient will not face competition for customers. In contrast, in an overbuild situation, the CASF recipient will face the added risk and chance of failure caused by competing with an established provider. If, contrary to comments already provided, CASF monies are allowed to be used for overbuilds, such entities should have higher performance bond and liquidity requirements than entities building where no broadband is pre-existing.

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<sup>1</sup> Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C); AT&T Corp. f/k/a AT&T Communications of California, Inc. (U 5002 C); Teleport Communications America, LLC f/k/a TCG San Francisco (U 5454 C); and AT&T Mobility LLC (New Cingular Wireless PCS, LLC (U 3060 C), AT&T Mobility Wireless Operations Holdings, Inc. (U 3021 C), Santa Barbara Cellular Systems, Ltd. (U 3015 C), New Cingular Wireless PCS, LLC (U 3014)).

Dated: April 8, 2013

Respectfully submitted

/s/

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