

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Comply with
the Mandates of Senate Bill 1563 regarding
deployment of Advanced
Telecommunications Technologies.

Rulemaking 03-04-003

**COMMENTS BY THE
CALIFORNIA COMMUNITY TECHNOLOGY POLICY GROUP**

June 10, 2003

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Summary of Recommendations

The California Community Technology Policy Group (CCTPG) commends the Commission's stated intent to develop a plan for encouraging the widespread availability and use of advanced communications infrastructure and to deliver this plan to the legislature by December 31, 2004. This proposed plan updates the state's past efforts, initiated through AB 3643 (Polanco, 1994), to ensure that all Californians have access to telecommunications services. Since 1994, communications services have changed significantly, and this proposed plan is designed to ensure that all Californians have access to the next generation of communications networks: advanced communications infrastructure, or broadband.

CCTPG is a collaborative of over 200 community-based organizations throughout the state, many of which provide technology access and training to low-income and rural communities. Our programs are often referred to as community technology programs, serving as public access points to advanced telecommunications services for communities that lack access (See Attachment A for Steering Committee Members).

On behalf of these CBOs and the constituents they serve, CCTPG files these opening comments to Order Instituting Rulemaking (OIR) 03-04-003 on the Commission's Own Motion to Comply with the Mandates of Senate Bill 1563. CCTPG ***recommends that the Commission create a Blue-Ribbon Task Force, not to exceed more than ten individuals, consisting of telecommunications industry representatives, telecommunications policy experts, educators, health care representatives, business***

owners, and representatives from consumer groups, community-based organizations, and community technology programs. This Task Force should hold a series of convenings throughout the state to solicit and incorporate community comments into the plan.

The plan, as mandated by SB 1563, should identify current barriers that prevent an advanced communications infrastructure from being ubiquitously deployed. More specifically, this Blue-Ribbon Task Force should:

- Study and assess the availability and cost of current broadband platforms;
- Examine and develop policies to deploy broadband more ubiquitously; and
- Recommend strategies to increase broadband penetration rates and use.

Why California Needs a Broadband Infrastructure

SB 1563 (Polanco, 2002) continues the efforts of AB 3643 (Polanco, 1994), which aimed to ensure all Californians have access to telecommunications networks, by mandating that the Commission develop a plan to address the next stage of telecommunications access: the deployment and use of advanced telecommunications services. The development of an advanced communications infrastructure is vital, as recognized by the state through Governor Davis's Commission on Building for the 21st Century, which studied California's critical infrastructure needs in the new millennium and developed a long-term plan for addressing these needs. In its final report, this commission stated that "infrastructure development is essential to maintaining and strengthening California's leadership in IT and to ensuring that all its citizens and industries reap IT's potential

benefits". The report elaborated on the importance of an infrastructure not just within the IT industry, but also for California as a whole:

Telecommunications infrastructure and technology workers are the foundation of the information-based economy. California's leadership position in the new economy and its ability to attract intellectual and financial capital is dependent upon a network of infrastructure elements—of which the ability to access and use advanced technology is a key component. Information technology (IT) also has the potential to help address many of the challenges facing California today—transportation, safety, economic growth, education, health care, community development, emergency preparedness and others. While California has emerged as the center of the new economy, the opportunities provided by technology must be expanded to a larger share of our citizens.¹

The report of Governor Davis's Commission on Building for the 21st Century underscores the importance and benefits of a ubiquitous advanced telecommunications infrastructure. This importance has been recognized by many other studies, prompting several states, including Michigan, Illinois, Idaho, and Texas, to take action. For example, in 1995 Texas created the Texas Infrastructure Fund, financed by assessing a fee on telecommunications carriers. Money from this fund is used to build out an infrastructure throughout the state for distance learning, economic development, telemedicine, and telehealth. Moreover, Texas authorized the use of these funds for grants that support projects using telecommunications to address community issues.² The lead taken by these other states should encourage California to develop an advanced telecommunications infrastructure for economic and educational gains.

Among the many benefits of a ubiquitous infrastructure reaching all communities is the economic advantages it can bring. For example, Michigan has begun to deploy a

¹ Commission on Building for the 21st Century, *Invest for California: Strategic Planning for California's Future Prosperity and Quality of Life* (February 27, 2002) 68, 25 May 2003 <<http://www.bth.ca.gov/invest4ca/>>.

² *Techpolicybank*, The Children's Partnership, 29 May 2003 <<http://techpolicybank.org/txdesc.html>>.

broadband infrastructure throughout the state because it could lead to an increase of 500,000 jobs within a ten-year period and a gain of \$440,000 in Michigan's gross state product.³ For businesses to expand their reach and effectively serve a global customer base, a broadband infrastructure is needed to transport and exchange data, as well as to communicate.

In addition, a broadband infrastructure increases economic opportunities, especially in rural and other underserved communities. For instance, in Taos, a rural town in New Mexico, a group of enterprising women expanded their customer base by selling their homemade crafts through the Internet, helping to strengthen their community's economic base.⁴ Moreover, as many rural communities move away from an agrarian or extracting economy, such as farming or mining, finding economic opportunities within the local community is limited, but a connection to a broadband infrastructure enlarges the economic prospects.

Contributing to the economic growth of California is the educational readiness of California's current and future workforce. A number of studies have linked the use of the Internet, and the rich educational curricula it can offer, to increased academic achievement. The availability of a broadband infrastructure allows for access to a vast amount of high-quality educational materials and resources found on the Internet that would otherwise be limited because of a slow connection. Educational preparedness includes not just youth, but also extends to adults who want to continue their education

³ Michigan House Legislative Analysis, House Committee: Energy and Technology, Senate Committee: Technology and Energy "Second Analysis of Broadband Package, SB 880, 881, 999" July 12, 2002, 6 June 2003 <<http://www.michiganlegislature.org>>.

⁴ *Contentbank*, The Children's Partnership, 6 June 2003 <http://www.contentbank.org/bestpractices/executivesummary.asp?section_id=5012&model_id=4>.

through distance learning or who want to enroll in job-skills development courses, preparing them for better paying and more sustainable careers. Courses or video trainings that are offered online are made possible through a broadband infrastructure.

Recommendations

Many of these benefits can be realized in California through SB 1563, which required the PUC to “develop a plan (emphasis added) for encouraging the widespread availability and use of advanced communications infrastructure.” We believe that creating such an important plan is a significant undertaking that will not be sufficiently addressed by OIR 03-04-003. First, this OIR allows only 60 days to submit opening comments. Moreover, the Commission’s ability to solicit comments from a broad cross-section of community groups is limited, since this OIR has been mailed out only to parties from previous proceedings; and during those proceedings, very few community-based organizations submitted comments. Since SB 1563 gives the Commission a deadline of December 31, 2004 to report back to the legislature, we believe that there is time to study this issue more thoroughly and thoughtfully than permitted by OIR 03-04-003.

Consequently, for a plan to adequately address this issue and involve a wide cross-section of stakeholders, CCTPG *recommends that the Commission create a Blue-Ribbon Task Force, not to exceed more than ten individuals, consisting of telecommunications industry representatives, telecommunications policy experts, educators, health care representatives, business owners, and representatives from consumer groups, community-based organizations, and community technology programs.* In addition, this Task Force *should hold a series of workshops throughout the state to solicit and*

incorporate community comments into the plan. CPUC staff will work closely with the Blue-Ribbon Task Force and include recommendations from this Task Force in their report to the legislature.⁵

Finally, as laid out in SB 1563, this Task Force should develop a plan that will:

[I]dentify factors preventing the ubiquitous availability and use of advanced communications services, assess the consequences of, and develop strategies for, addressing these factors while encouraging the deployment of adequate investment for advanced communications infrastructure that serves the public good and is consistent with the policies described in Section 709.

More specifically, this Blue-Ribbon Task Force should:

- Study and assess the availability and cost of current broadband platforms;
- Examine and develop policies to deploy broadband more ubiquitously; and
- Recommend strategies to increase broadband penetration rates and use.

First, the Task Force should study and assess the availability and cost of current broadband platforms. To accomplish this task, the Commission should create a statewide map identifying where broadband is currently provided, including DSL, cable, microwave, wireless, etc., as well as where dark fiber exists. With an understanding of the current availability of broadband infrastructure, the Task Force should hold a series of workshops throughout the state, inviting a broad cross-section of the community, to

⁵ CCTPG supports the multiple recommendations made by Latino Issues Forum and the Greenlining Institute to create a Blue-Ribbon Panel in both their Opening and Reply Comments to OIR 01-05-046, Filed July 27, 2001 and August 20, 2001, respectively.

solicit input into how broadband could be further deployed and accessed, including comments on barriers that prevent broadband services from being used or built.

Second, based upon this study and needs assessment, the Task Force should then **examine and develop policies to deploy broadband more ubiquitously**. These policies should consider not just platforms regulated by the Commission, but also platforms regulated by local and federal governments, such as cable and satellite. Taking a broad and inclusive approach, policies could be developed to ensure all communities have access to advanced telecommunications services. For example, in some states, policies have been developed to provide incentives, such as in Idaho, where companies that build a broadband infrastructure receive a 3% tax credit.⁶

In addition to creating incentives for the deployment of broadband, the panel should also look at emerging technology that could be a conduit for broadband access. For example, one promising technology is the use of powerlines to connect the homes to broadband, which would cover almost every household. Without favoring any type of platform over another, new technologies could be encouraged to increase consumer options.

Third, in anticipation of the state developing a ubiquitous broadband infrastructure, the Task Force **should recommend strategies to increase broadband penetration rates and use**, such as by making broadband use affordable and developing online content that drives traffic. Traditionally, low-income and rural communities have had a lower penetration rate than other communities either because broadband was too expensive or it was not available. However, even with an infrastructure in place, purchasing broadband

may still be too expensive. Consequently, public programs, such as High-Cost Funds or Universal Lifeline Telephone Service, should be considered to facilitate adoption.

While the high cost of and uneven deployment of broadband contributes to the low penetration rate, there is another factor: lack of relevant online material. Although the Internet provides rich educational materials, there is a severe shortage of relevant online content available for people with limited literacy skills, who speak a language other than English, or who have special cultural practices.⁷ This disconnect between available online content and the needs and interests of residents in low-income communities provides a disincentive for communities to log onto the Internet. Consequently, if relevant content could be developed, it could help motivate residents to use the Internet, and in turn, create more demand for these services. This Task Force should explore using, for example, the California Teleconnect Fund, which could encourage content developers to create content relevant for low-income communities.

⁶ Session Law Chapter 35 of 2002, Section 63-3029I.

⁷ Wendy Lazarus and Francisco Mora, *Online Content For Low-Income And Underserved Americans: The Digital Divide's New Frontier* (The Children's Partnership, March 2000).

Conclusion

CCTPG thanks the Commission for its efforts to encourage the widespread availability and use of advanced communications infrastructure. We believe that the Commission can accomplish its charge most effectively through the creation of a Blue-Ribbon Task Force, which conducts a series of workshops throughout the state to develop a plan that deploys advanced communications infrastructure ubiquitously.

Dated: June 10, 2003

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Chabran". The signature is fluid and cursive, with a long horizontal stroke at the end.

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Attachment A

California Community Technology Policy Group (CCTPG) (Partial Listing)

Alliance for Technology Access (Statewide)
Break Away Technologies (Los Angeles)
Bresee Foundation (Los Angeles)
Casa Familiar (San Ysidro)
Central Valley Digital Network, Great Valley Center (Central Valley)
Community Digital Initiative (Riverside)
Community Partners (Statewide)
Community Technology Organizing Committee (CTOC) (Greater Los Angeles)
Community Technology Network of the Bay Area (Bay Area)
Community Technology Policy Council (Western states)
CompuMentor (National)
C.T. Learning, Inc. (Fresno)
Desert Oasis Community Computer Center (El Centro)
Eastmont Computer Center (Oakland)
Happy Camp Community Computer Center, Karuk Tribe of California (Northern California)
Latino Issues Forum (Statewide)
Plugged In (Palo Alto)
Plumas County Public Health Agency (Plumas County)
PolicyLink (National)
San Diego Community Technology Coalition (Greater San Diego)
Santa Barbara City College, Continuing Education Division (Santa Barbara)
Katarina del Valle, Service Employees International Union, Western Region
Sunset Neighborhood Beacon Center (San Francisco)
The Children's Partnership (National)
Women's Economic Agenda Project (Oakland)

CERTIFICATE OF SERVICE

I, James Lau, hereby declare:

1. My business address is 1351 3rd Street Promenade, #206, Santa Monica, California 90401, and I am employed in the County of Los Angeles. I am over the age of eighteen years.
2. On June 10, 2003, I caused service of true and correct copies of this document:

Comments by the California Community Technology Policy Group dated June 10, 2003,

upon all parties to Rulemaking 03-04-003 by transmitting a true and correct copy of this document by electronic mail to the attached service list.

I declare under penalty of perjury that the foregoing is true and correct, and that I executed this proof of service in Santa Monica, California, this 10th day of June 2003.

A handwritten signature in black ink, appearing to be 'James Lau', with a long horizontal flourish extending to the right.

James Lau
Declarant

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