



March 15, 2017

VIA EMAIL

Ms. Clover Sellden
Senior Regulatory Analyst
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: CPUC CASF High Impact Areas for Broadband Availability White Paper

Dear Ms. Sellden:

Please find below the California Emerging Technology Fund (CETF) comments on the California Public Utilities Commission (CPUC) California Advanced Services Fund (CASF) High Impact Areas for Broadband Availability White Paper.

Thank you for the opportunity to submit feedback and we look forward to working with CASF staff going forward

Sincerely,

A handwritten signature in blue ink that reads "Sunne Wright McPeak". The signature is fluid and cursive, with the first and last names being more prominent.

Sunne Wright McPeak
President and CEO

A handwritten signature in blue ink that reads "Gladys N. Palpallatoc". The signature is cursive and somewhat stylized, with the first and last names being more prominent.

Gladys N. Palpallatoc
Associate Vice President



California Emerging Technology Fund
Comments on “Staff White Paper” for California Advanced Services Fund
High Impact Areas for Broadband Availability
March 15, 2017

Introduction and Background

The California Emerging Technology Fund (CETF) is a statewide non-profit organization with the mission to close the Digital Divide in California. CETF was founded as a public benefit from the mergers of SBC-AT&T and Verizon-MCI approved by the California Public Utilities Commission (CPUC) in 2015. CETF studies and addresses the challenges of both “supply” (deployment) and “demand” (adoption) of technologies enabled by “broadband,” a generic term for high-speed Internet infrastructure including both wireline and wireless networks. CETF is technology neutral and underscores the need to assess the appropriateness of any given technology in terms of its functionality for the spectrum of specific consumers. When CETF began operations in 2007, CETF set forth overarching goals for California to achieve in a decade: 98% deployment (at least 98% of all households will have high-speed Internet infrastructure access, including 2/3 of all the unserved rural households that existed in 2007 which requires a focus on each region); and 80% adoption (that at least 80% of all households statewide will be accessing the Internet from home with high-speed service, with no region or significant demographic group less than 70%). However, CETF receives no funding from the CPUC or the California Advanced Services Fund (CASF) and has no role in administering CASF other than as public-interest stakeholder. It is in the context of the mission and overall goals that the CETF reviewed the CPUC Communications Division Staff White Paper *High Impact Areas for Broadband Availability* and prepared these comments.

CETF Commends the CPUC Communications Division

CETF commends the CPUC Communications Division (CD) for preparing the document, conducting the initial workshop, and inviting public comments. These are positive steps to becoming more proactive in managing CASF consistent with the Legislature’s intent and to achieve the statutory goal of 98% broadband infrastructure deployment. CD needs to continue to conduct workshops throughout the state in collaboration with the Regional Consortia to convene and consult stakeholders to consider options and opportunities for developing infrastructure project proposals that will reach 98% of all households in each region and address the needs of other consumers (public safety agencies, anchor institutions, major employers, small businesses, and other infrastructure such as water and power). CD needs to take responsibility to achieve the 98% deployment goal by fostering public-private collaboration and facilitating consensus on the most cost-effective approaches to reach unserved households and improve service for underserved areas. CD should actively engage the Regional Consortia to assist and support this activity, which also requires purposeful leadership from CD.

Recommendations

CETF recommends the following policies and practices in administering CASF to achieve the Legislature's 98% broadband deployment goal:

- Set overall goals by region for broadband deployment and performance objectives for timely review of applications. Seek needed resources to achieve the goals and meet performance objectives, including: revising personnel descriptions and requested positions to support administration; convening peer review panels (drawing upon university and non-profit experts); and obtaining project review and management expertise through open competitive proposals. CD also should take responsibility to coordinate the environmental assessment and permitting processes for major infrastructure projects to accelerate projection construction and completion to ensure the Legislature's 98% deployment goal is achieved as soon as possible.
- Recognize that deployment of infrastructure to last-mile unserved households is dependent on cost-effective middle-mile backhaul. Further, cost per household or location is greatly affected by the scale of the project and the number of end-users being reached. However, larger projects require more coordination among all the providers, stakeholders, and governmental reviewing and permitting agencies. Thus, this reality begs for CD leadership to bring together all the stakeholders in a region in collaboration with the Regional Consortia to review the high-impact areas identified in the document and to explore how to achieve the 98% goal. CD and Regional Consortia need to take responsibility to encourage government agencies to identify public assets (right-of-way access, utility poles, public buildings, aggregated demand and purchasing, coordinated and streamlined environmental assessments and permitting) that can be matched to private investment. This kind of leadership must come from an entity able to operating in the public interest, and CD is the foremost agencies to take on the role.
- Consult the incumbent broadband providers accepting Connect American Fund (CAF) 2 funds and implementing public benefit deployment obligations from several corporate consolidations (memorialized in Memoranda of Understanding with various legal parties) to determine specific plans for building and determine the feasibility of reaching additional unserved and underserved households and upgrading service to other customers by building upon the CAF2 obligations and MOU capital commitments. This also will be an important strategy to comply with the new "dig once" statute. The private capital being invested in infrastructure deployment and upgrades pursuant to these obligations and commitments should be counted as match for the additional deployment funded by CASF. CASF funds should not be used to supplant the companies' existing capital obligations.
- CD should analyze the number of unserved households that need to be reached to achieve the 98% goal statewide and by region and prepare a projection of the range of additional collections that will be needed in the CASF Infrastructure Account. This analysis should be submitted to the CPUC Commission and Legislature to reach agreement on pending legislation regarding CASF. Without additional collections into CASF, the identification of high impact areas for broadband availability is simply academic.