

**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
(Filed October 25, 2012)

**OPENING COMMENTS OF THE RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA TO THE ASSIGNED COMMISSIONER'S RULING
REQUESTING COMMENTS ON BROADBAND INFRASTRUCTURE
RULES AND APPLICATION WINDOWS**

Tracy Rhine
Legislative Advocate
Rural County Representatives of California
1215 K Street, Suite 1650, Sacramento, CA 95814
Tel: (916) 447-4806
E-mail: trhine@rcrcnet.org

Dated: April 15, 2020

**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
(Filed October 25, 2012)

**OPENING COMMENTS OF THE RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA TO THE ASSIGNED COMMISSIONER’S RULING
REQUESTING COMMENTS ON BROADBAND INFRASTRUCTURE
RULES AND APPLICATION WINDOWS**

I. Introduction

In accordance with Rule 6.2 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the Rural County Representatives of California (RCRC) submits comments to the Order Instituting Rulemaking 12-10-012 (“Rulemaking”).

II. Comments

On behalf of the Rural County Representatives of California (RCRC), we are pleased to offer comments to the Assigned Commissioner’s Ruling requesting comments on Broadband Infrastructure Rules and Application Windows dated March 26, 2020. RCRC submitted a Motion for Party Status on April 8, 2020 and submits these comments in anticipation of being granted party status. RCRC is an association of thirty-seven rural California counties and its Board of Directors is comprised of elected supervisors from those member counties.

As requested, our comments are outlined based on the questions posed by the Assigned Commissioner’s Ruling.

Future Activities in this Proceeding

Question 2: Should the Commission close this proceeding and open a new rulemaking to consider rules established in prior CASF decisions?

The Commission should close this proceeding and open a new rulemaking in order to consider new data and circumstances.

Federal Funds and Other Funding Sources

Question 13: Can and should CASF be used to match other grants including local government grants?

The Commission should not prohibit CASF monies from being utilized as a match to other grants, loans, local government bonds or private contributions for broadband projects.

Question 14: Can and should CASF be used to provide no-interest for a term or low-interest loans to deploy broadband in a manner more flexible than provided for by the CASF revolving loan account?

The current structure of funding through the Broadband Infrastructure Grant Account is restrictive and discourages the formation of innovative broadband deployment models. The Commission should make a number of modifications to the CASF program funding structure, project requirements, and applicant eligibility to allow for greater utilization in the most unserved, and underserved, regions of the state. Primarily, as will be discussed further in response to Question 18, allowing local governments to have equivalent eligibility for broadband project funding is paramount. Local governments can leverage local resources, build partnerships with local non-profits, and expedite needed land use decisions for construction.

Additionally, the Commission should restructure CASF funding rules to allow program funds to be used to leverage and invite private sector investment in a fiber network for the most high-cost areas of the state. By allowing CASF funds to be used as a reserve fund and/or loan guarantee fund for the issuance of private bonds, the public dollars (CASF) can be leveraged to secure scalable private investment in a fiber network. Once fiber has been deployed in a specific area with private bond funds and the reserve fund and/or loan guarantee is no longer needed (at approximately years four through seven), the remaining CASF dollars are reinvested back into the next unserved/under-served project area, serving as a reserve fund and/or loan guarantee for the

bond issuance that will build the fiber network in this area. The use of CASF funds in this manner will attract private investment, thus enabling the development of a scalable fiber network that serves all of California – not just the urban areas – utilizing a significantly lower amount of public funds and resulting in greater coverage, in both households served and speeds, than under the current CASF structure. It is anticipated that an annual allocation of CASF funds for use in this manner over a period of multiple years would result in a fiber network that provides service to nearly all of households/addresses in the state’s unserved/under-served areas.

Notice of Intent

Question 16: Should Staff provide a notice of intent form and process for applicants to apply for CSF infrastructure grants to better gauge the level of interest in grants, improve application quality, and improve customer service and interaction with the applicant?

The Commission should formally institute a *notice of intent* process for infrastructure grants. By establishing a process for applicants to signal interest in applying for funding, the Commission can mitigate potential issues prior to application submission, thereby saving resources for both the applicant and the Commission.

Rules Regarding Waiver Process

Question 18: To facilitate these applications should a request for waiver or inapplicability of certain requirements be filed with an application? Should the Commission eliminate or change the current rules and requirements?

The Commission should reassess CASF application and project eligibility requirements. Specifically, local governments are currently only eligible to apply for infrastructure funding for last-mile projects, and only if another eligible entity fails to submit an application for that area. As mentioned in Question 14, local governments are in the best position to administer broadband projects in their jurisdictions. Local government officials make public policy decisions for their respective communities based on the needs of their residents, not strictly on return on investment. And, as the current COVID-19 pandemic has highlighted, access to robust, reliable broadband is virtually indispensable to all facets of our existence and should be considered with the same degree of necessity as any public utility service. Therefore, the Commission should allow local government entities to be eligible applicants for CASF project funding without additional

conditions. The Commission should also consider making other non-CPCN and non-WIR entities eligible for grant funding if it would further promote the goals of the CASF program.

There are a number of other CASF program provisions that are detrimental to expanding high quality, dependable broadband to the marginalized populations living in the state's isolated rural communities, most notably, the definition of "served." The combination of classifying connection speeds of 6 Mbps/1Mbps as adequate service, and allowing the delivery of those speeds to only one household in a census block to meet the definition of "serving" the area, has consigned large geographic expanses of the state to substandard telecommunication capabilities. Further, precluding CASF funding for three years in areas that previously received a CASF funded project greatly reduces the probability of broadband deployment to the remaining unserved census block residents. In order to provide scalable connectivity that can foster economic equity throughout the state, CASF monies should only fund projects that provide fiber, or fiber- equivalent speeds, to all households in a census block.

Lastly, the Commission should consider providing waivers to the middle-mile construction project threshold and the last-mile only requirement for project funding. RCRC understands that these changes, as well as others suggested, are potentially beyond the Commission's rulemaking authority and therefore may require statutory changes. We request that the Commission pursue these much-needed changes through any appropriate means, including sponsored legislation.

III. Conclusion

The Rural County Representatives of California respectfully requests that the Commission's Docket Office be directed to accept these comments for filing and incorporate the suggestions made therein.

Dated: April 15, 2020

Respectfully submitted,

/s/ Tracy Rhine

Tracy Rhine

Legislative Advocate

Rural County Representatives of California

Tel: (916) 447-4806

E-mail: trhine@rcrcnet.org