



June 16, 2014

Mr. Ryan Dulin
Director of Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: CCRP reply comments: Draft Resolution T-17443 Implementation of New Timelines for California Advanced Services Fund Applicants

The California Center for Rural Policy respectfully submits these reply comments in response to comments received on Draft Resolution T-17443 Implementation of New Timelines for California Advanced Services Fund Applicants

A. The CPUC need to clear up the Confusion on the “Right of First Refusal”

There is a wide range of interpretation on the CPUC coined phrase “Right of First Refusal” which is not termed used in SB 740.

Verizon’s comments, which seem to have broadest interpretation, claim that the CPUC should offer project by project “Right of First Refusal.”

CCRP believes this is a great overstatement of the intent of the relevant section SB 740:

(2)In approving infrastructure projects, the commission shall give priority to projects that provide last-mile broadband access to households that are unserved by an existing facilities-based broadband provider. The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.¹



CCR believes the Draft Resolution rightly suggests that every provider in the state should be asked whether they intend to upgrade to the CPUC standard definition of served.

On February 1, 2012 the Commission approved D.12-02-015, which set a new definition of an underserved area, “where broadband is available, but no wireline or wireless facilities-based provider offers service at advertised speeds of at least 6 mbps download and 1.5 mbps upload.”

CCR believes that the timeline suggested in the Draft Resolution is adequate. If the provider is not willing to upgrade, then communities should be encouraged to seek investment. It would be an unacceptable burden to suggest potential providers should develop a full grant proposal and then know whether an existing telecom is willing to upgrade.

Providers have incentives to upgrade more populated areas of the state; CASF makes it more feasible to invest in less populated places. CCR believes Verizon’s interpretation of the “Right of First Refusal” project by project would lead to what ORA referred to as “gaming the system.”

Respectfully,

Connie Stewart
Executive Director

ⁱ from Section 281 (b)(2) of the Public Utilities Code Ch. 522