



June 16, 2014

Ryan Dulin, Director
Communications Division,
Broadband Policy and Analysis Branch
California Public Utilities
505 Van Ness Avenue
San Francisco, CA 94105

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

Dear Mr. Dulin:

The California Cable & Telecommunications Association (CCTA) files this letter in reply to the opening comments submitted in response to the above-referenced Draft Resolution.

CCTA's Comments urged the Commission to reject the proposed timelines in the Draft Resolution, and instead, provide rules to implement Senate Bill (SB) 740 that reflect the Commission's current rules and practice. This includes providing for a right of first refusal in response to specific project applications, just as counteroffers are currently provided for under the Commission's CASF rules. In addition, CCTA urged the Commission to provide existing providers the same 24-month period provided to CASF grant recipients to build out their infrastructure upgrades or build-outs. CCTA's comments are supported by other providers, like Verizon, (Verizon Comments at 1-2), and the Independent Small LECs (ISLECs at 2).

While other commenter's positions may have differed on the rules that will best implement SB 740 requirements, many other comments suggest that, at a minimum, the proposed rules must be changed. ORA suggests that the proposed timeline to implement SB 740's right of first refusal sets up a process by which existing providers might "game the system" preventing or discouraging other potential providers from applying for CASF funds (ORA at 1). The Central Coast and Central Sierra Connect Regional Broadband Consortia share a similar concern, that a Letter of Intent does not specifically address a commitment to a project, but only signifies an intent to upgrade (at 3).¹ While CCTA disagrees with the suggestion that existing providers will seek to block worthwhile projects that seek to upgrade networks where the existing provider does not intend to build, the comments do serve to support the conclusion that the proposed rule to implement a right of first refusal should be modified to address project by project proposals.

¹ The Central Coast and Central Sierra Connect Regional Broadband Consortia (at 3), and Valley Vision (at 4) also recommend that existing providers must meet the same standards as any CASF applicant (at 3). The existing provider, however, is not upgrading its network with public funds, nor is it necessarily a provider whose expenditures and plans for network upgrades are regulated by the Commission. Moreover, infrastructure plans and investments of fully regulated entities are otherwise regulated by the Commission aside from the CASF program.

CCTA's concerns that a 6 month timeframe to complete upgrades and buildouts is insufficient are equally echoed by Verizon and the Independent Small LECs.² The Independent Small LECs cogently argue that projects in rural, geographically challenged areas, areas most likely in need of new infrastructure, are the most likely to face construction delays (Comments at 4), while Verizon correctly notes that the timing is so unrealistic that it effectively abrogates the right of first refusal (Verizon at 1).

Other comments submitted suggest that the matrix appended to the Draft Resolution be modified and that the broadband maps be updated (See. E.g., Upstate Ca Connect at 1, Los Angeles County Regional Broadband Consortia at 1, ORA at 5). CCTA agrees that mapping and service levels must be continually updated, and notes that the Commission issued its June 12, 2014 notice to providers of their obligation to update broadband availability data. CCTA thus believes that the Commission's mapping efforts are continuous and that a serious effort is made to establish actual broadband speeds. Although the broadband data is not a part of the implementation timelines implementing SB 740, the continual need to update the data supports the importance of the existing CASF rules that allow an existing provider to challenge a CASF grant within 30 days by offering evidence regarding eligibility for funding. It also supports the contention that the submission of a letter of intent in September 2014 by existing providers that only provides for current infrastructure plans does little to assist anyone in assessing whether an area is eligible or ineligible for funding through the CASF program.

For these reasons, CCTA urges the Commission to reject the proposed timelines in its Draft Resolution and implement rules that reflect the current requirements allowing for counteroffers and allowing sufficient time to complete infrastructure upgrades.

Respectfully Submitted

California Cable & Telecommunications Assoc.

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² Verizon at 2,