

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF
CALIFORNIA

Resolution No. T-17443 Implements
new timelines for applicants to the
California Advanced Services Fund;
(CASF); how local government and
non-telephone corporations may apply
under Senate Bill 740 and how
existing providers may exercise right
of first refusal as provided in SB 740.
The Resolution lists areas in
California that various CASF-funded
regional consortia groups and state
agencies have identified as priorities
for broadband infrastructure
deployment. Broadband providers are
encouraged to target these areas in
their applications for CASF funding
so as to have funded projects that will
provide broadband access to no less
than 98% of California households by
no later than December 31, 2015.

Draft Res. T-17443
(Served May 27, 2014)

**REPLY TO THE 14 SETS OF COMMENTS
BY THOMAS W. WEST ON
DRAFT RESOLUTION T-17443**

June 16, 2014

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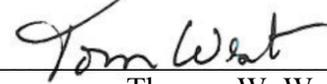
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Respectfully Submitted



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June 16, 2014

I. Introduction and Summary

Draft Resolution T-17443 implements new timelines for applicants to the California Advanced Services Fund (CASF). Pursuant to Public Utilities (PU) Code 311 (g), the draft resolution is available for public comments. Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (the “CPUC” or “Commission”), I (Thomas W. West) hereby submit this Reply to the 14 sets of Comments submitted on Draft Resolution T-17443 (“Draft Resolution”) issued by the CPUC’s Communications Division (“CD”) on May 27, 2014.

In the Discussion I make observations and offer opinions on the key points that are made in each set of comments. I have consolidated my observations and opinions of the comments submitted by the seven comments from eight regional consortia, given their similarity and overlap. I then turn to the remaining seven sets of comments individually, including my own.

Based on the 14 submitted sets of Comments it is my opinion Draft Resolution T-17443 should be modified to ensure that all the parties (broadband providers, regional consortia and Commission) can and will endorse the Resolution and begin working together to achieve the objective of this phase of the CASF Infrastructure Program; namely, to enable the CASF to fund projects in unserved and underserved priority areas, Appendix 4, no later than December 31, 2015 that will provide broadband access to no less than 98% of California households.

To that end, **Attachment #1** is a revision of Draft Resolution T-17443 based on perceptions, observations and recommendations gleaned from these 14 sets of Comments. This revision of the Draft Resolution focuses on changes dealing with the: 1) significant differences in designation (unserved, underserved, or served) of the 180+ priority areas submitted by the regional consortia in Appendix 4; 2) Right-of-First-Refusal for the Existing Broadband Providers; and, 3) involvement of non-telecommunications corporations, local government entities and tribal communities.

II. Discussion

A. The Seven Regional Consortia Comments

- Four of these consortia only request that five priority areas be added to the list in Appendix 4. *TWW-The CPUC should concur with these requests.*
- The other three consortia address the Right-of-First-Refusal for Existing Broadband Providers (EBPs). All endorse the proposed timelines to file letters of intent and complete the upgrades. At the same time they requested the EBPs be required to follow CASF project guidelines with progress reports, etc. As will be stated later by the providers in their comments the timelines and deadline are unreasonable. At the same time the providers are agreeable to providing progress reports. *TWW—I concur with all parties that providers should be required to supply progress reports. As for the timelines and deadlines I believe the Providers are correct in that not all the upgrades cannot be completed in six months. These two related issues are addressed in Attachment #1.*
- One set comments expresses concern the Right-of-First-Refusal process will delay implementation of vital broadband infrastructure projects and may be preemptive in that it would preclude other valid entities from applying for grants in that area. They question whether SB 740 is being applied properly. *TWW—I am not an expert, but do suggest a process in Attachment #1 I believe is fair and gives the best shot at filling many gaps.*
- One consortium points out that affordability is a major obstacle in disadvantaged communities to adoption and use of broadband. It calls on the CASF to maintain affordability as one of the key criteria in awarding grants. *TWW-I concur.*
- One consortium and the California Center for Rural Policy support creating a smaller subset / list 10-20 (or more) areas from the designated 180 communities in the CASF Priority Areas List, to identify common priority areas between CPUC and other state agencies – California Environmental Protection Agency (Cal EPA), California Department of Food and Agriculture, and Governor’s Office of Business and Economic Development (GO Biz). *TWW- This is a very negative suggestion. All the priority areas that are designated as unserved or underserved deserve to have the same opportunity to receive a CASF grant. Who determines what priority areas are in the smaller subset?*

B. The California Center for Rural Policy Comments

- CCRP is pleased with the timelines of the right-of-first-refusal process but is concerned about EBPs not following through or “cherry picking” underserved areas or anchor tenants making the remaining areas and households costly to connect; need assurance that EBP will provide “last mile” to all residences in the project area. *TWW-Concur. This has already happened as a result of “stove pipe” funding for schools and health facilities in these communities.*
- CCRP wants the Draft Resolution to include provisions and guidelines for rescinding a grant for lack of performance. *TWW- A good idea touched on it in Attachment #1.*

- CCRP wants it understood that Tribal Communities are not local government entities and can apply for CASF grants during any application round where an EBP has not agreed to upgrade services. *TWW-Concur and included a statement in Attachment #1.*

C. Office of Ratepayer Advocates Comments

- The ORA suggests the Draft Resolution sets up a right-or-first-refusal process by which existing providers might “game the system” in order to avoid making any firm commitment to upgrade its system and discourage any other potential providers from applying for CASF fund and offers an alternative approach in order to remedy these concerns. *TWW- Overall ORA’s detailed alternative approach is preferable to what is in the current Draft Resolution. With some modifications in terms of dates and specific requirements it is used in the revised Resolution, Attachment #1.*

D. Verizon Comments

- Verizon asserts the Draft Resolution is unlawful because it uses procedural steps to abrogate its substantive right-of-first-refusal. Verizon claims there is too much work to identify all the projects, engineer and cost out the projects and the deadlines to file intent and complete upgrades are unrealistic. *TWW-Verizon is demonstrating the most strident, “bad corporate behavior” by immediately taking the position of this being unlawful and not providing any constructive recommendations to address its concerns. No wonder when Verizon asks “Can you hear me now?” People answer “Hell NO!”*

E. Frontier Communications Comments

In contrast to Verizon, Frontier declares to be a strong supporter of the CASF program based on its experience with the program and as a rural local exchange provider. Frontier makes two recommendations:

- The Resolution should be modified to provide a higher percentage of grant funding in order to reach the stated goal since many of the remaining unserved areas are in extremely high cost to serve areas of the state. In some cases the high cost may be associated with dealing with existing network that is copper-based. Furthermore, CASF should review each project on a case-by-case basis to determine at what level should be funded. *TWW-Yes, I have promoted this idea for the past three years. It is included in Attachment #1, Appendix 2.*
- The letter of intent, Appendix 3 should be modified to allow for providing the specific CAF funding locations and timeline commitments. *TWW-Great suggestion. This is the only entity linking CAF funding to the CASF program. CASF should take the lead to get us Californians organized to pursue CAF and other federal funds to help address our broadband needs.*

F. Small LECs Comments

- The Small LECs also support the Commission’s commitment to achieving a 98% broadband penetration rate in California. At the same time, they express a concern that the timelines are overly optimistic and may, as a consequence, result in inefficient use of CASF funds and resources. The Small LECs make three recommendations:
- Add an additional process by which current broadband providers may voluntarily correct the update the Commission’s broadband availability that could reduce delays in processing CASF applications by minimizing challenges that could inadvertently include

areas are erroneously shown as unserved or underserved on the Commission maps. ***TWW-This recommendation supports my argument for the regional consortia and broadband providers to work together to reconcile the designations for the 180 priority areas and is included Attachment #1.***

- Small LECs disagree that the right-of-first-refusal opportunity should be limited to just the period before the first application period. However, if it is adopted, the deadline of April 1, 2015 to complete upgrades should be eliminated to accommodate legitimate geographical, environmental and demand-related factors may impact construction schedule. ***TWW-I disagree the date for submitting a letter of intent should be eliminated. I do agree with giving a broadband provider sufficient time to complete the upgrade. The right-of-first-refusal process is dealt with in Attachment #1.***
- All CASF applications may be challenged if the request for funding to serve areas already served by existing broadband providers. ***TWW- Okay, Served areas should not qualify for CASF grants.***

G. Cable and Telecommunications Association Comments

- The Association takes the position the right-to-first-refusal rules, as written, fail both the legal requirements of SB 740 and its public interest in three ways: 1) the process does not provide the opportunity to demonstrate EDP's willingness to upgrade proposed priority areas within a reasonable time period; 2) since projects are not required to be completed by December 31, 2105, but, rather the CASF funds are to be approved by that date the deadline for completion of upgrades seems unreasonable; and, 3) the process ignores and is contrary to CASF rules providing a 45 day timeframe for responses to an application for CASF funds that present a counteroffer and the 30 days an EBP has to demonstrate the actual levels of broadband services already exist. ***TWW-The comments seem to confuse the intended purpose of the right-of-first-refusal process with the process of filing grant applications. I would hope revised Draft Resolution, Attachment #1, address some of the Association's concerns.***

H. My own (West) Comments

- I cited the designation differences of the 110 of the 180 priority areas and recommended the regional consortia (with community leaders of the area) and the broadband providers be required to work together to reconcile their differences in designation before the first round of applications is accepted by the CPUC. ***TWW-Given the comments of the Small LECs I would recommend reviewing all 180+ priority areas on the list, Appendix 4.***
- I raised the question, given the ongoing debate nationwide whether or not mobile wireless should be considered broadband, especially when it is the only technology available in a priority area? I went on to suggest the verification process test whether or not a fixed wireless or mobile wireless signal is available and consistent **inside** the household. ***TWW- I think this is a critical issue that must be addressed as part of getting the designations of the priority areas correct.***

Attachment #1, a proposed revision of Draft Resolution #1 is an attempt to incorporate the excellent suggestions made in these 14 sets of Comments.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Policy and Analysis Branch**

**RESOLUTION T- 17443
June 26, 2014**

R E S O L U T I O N

**Resolution T-17443 Implementation of New Timelines for California
Advanced Services Fund Applicants**

SUMMARY

This Resolution implements new timelines for applicants to the California Advanced Services Fund (CASF), including how and when local government agencies and non-telephone corporations may apply pursuant to Senate Bill (SB) 740. It also describes how existing providers may exercise their right of first refusal as provided under SB 740. In addition, this Resolution lists areas in California that various CASF-funded regional consortia groups and state agencies have identified as priorities for broadband infrastructure deployment. Broadband providers are encouraged to target these areas in their applications for CASF funding in order for the Commission to approve funding for infrastructure projects **by no later than December 31, 2015**, that will provide broadband access to no less than 98% of California households ~~by no later than December 31, 2015~~.

BACKGROUND

The preliminary scoping memo included in the Commission's Order Instituting Rulemaking (OIR) 12-10-012 issued on October 25, 2012, indicated that the issues in this proceeding are whether eligibility for CASF grants should be extended to facilities-based broadband providers, which are not telephone corporations and do not have a CPCN or a WIR and if so, what safeguards should be implemented to ensure compliance from those providers.¹

After reviewing the comments, an Administrative Law Judge's (ALJ) Ruling, issued March 18, 2013, sought additional comments from interested parties in order to supplement the record on the issue of safeguards.²

The OIR acknowledged that any change in eligibility requirements was contingent upon legislative action because these requirements are defined in statute.³ During the 2013-2014

¹ *Order Instituting Rulemaking to Consider Modifications to the California Advanced Services Fund* (2012) Cal. P.U.C. Rulemaking (R.) 12-10-012 at 23.

² *Administrative Law Judge's Ruling Soliciting Additional Comments on Issues Identified in Order Instituting Rulemaking 12-10-02*. (2012) Cal. P.U.C. (ALJ's Ruling).

legislative session, the Legislature passed SB 740 to expand eligibility.⁴ Through the legislative process, SB 740 was amended several times and ultimately its passage resulted in changes to other aspects of the CASF Program, in addition to eligibility.⁵ These changes required that the Commission give priority to last mile projects serving unserved households, newly eligible non-CPCN/ WIR holders must provide a last mile connection to an unserved household, the CPUC must give existing providers the opportunity to upgrade their networks in areas serving underserved households before funds are awarded to a new provider, and local governments may apply for funds only if its project provides a connection to an unserved household or business and no other eligible entity has applied.⁶

Additionally, during the 2013-2014 legislative session, the Legislature passed AB 1299.⁷ AB 1299 created an additional account under the CASF called the Broadband Public Housing Account to support projects to deploy local area networks and to increase adoption rates in publicly supported housing communities.⁸ These efforts will be funded through \$20 million from the CASF Broadband Infrastructure Account and \$5 million from the Revolving Loan Account, respectively.⁹

After receiving additional comments on safeguards, the Commission determined that it had built a sufficient record to issue a Decision to implement the provisions proposed through the initial OIR and the ALJ's Ruling.¹⁰ The Decision took into account the comments on the OIR and the ALJ's Ruling previously filed by parties in this proceeding, as well as additional Staff research.¹¹ And by this time, SB 740 had amended the statutory definition of eligibility for the CASF program and permitted the CPUC to amend its eligibility rules for the CASF Program accordingly. The Commission issued Decision (D.) 14-02-018 on February 27, 2014.

In order to address the additional issues raised by SB 740 and AB 1299, the Assigned Commissioner issued a Revised Scoping Memo and Ruling, on January 17, 2014, which expanded the rulemaking to add two additional phases. The first phase will implement the additional requirements of SB 740, aside from eligibility. The Assigned Commissioner determined that this is a matter of implementation of an existing program to be accomplished by a Communications Division (CD) Staff Resolution. The second phase will implement the requirements of AB 1299 establishing a new program and rules to be accomplished through a Proposed Decision.

This Resolution implements the remaining issues, in addition to eligibility, raised by SB 740. Changes to the CASF Broadband Infrastructure Program rules as a result of this Resolution are reflected in Appendix 1 and 2.

³ R. 12-10-012 at 2.

⁴ Senate Bill (SB) 740 (Padilla) Stats. 2013 Ch. 522, amending Public Utilities (P.U.) Code § 281.

⁵ *Id.*

⁶ *Id.*

⁷ Assembly Bill (AB) 1299 (Bradford) Stats. 2013 Ch. 507, amending P.U. Code § 281.

⁸ *Id.*

⁹ *Id.*

¹⁰ D.14-02-018. at 38.

¹¹ *Id.*

NOTICE/PROTESTS

In compliance with Public Utilities (P.U.) Code Section 311(g), a copy of this proposed Resolution was either mailed or e-mailed to all parties of record in R. 12-10-012 and the CASF distribution list on May 27, 2014.

DISCUSSION

SB 740 made the following changes to the CASF program:

1. A program goal to approve funding for infrastructure projects **by no later than December 31, 2015**, that will provide broadband access to no less than 98% of California households ~~by no later than December 31, 2015~~.
2. Authorization for the Commission to collect an additional \$90 million which will be deposited into the Broadband Infrastructure Grant Account; supplementing the \$200 million previously authorized for CASF broadband infrastructure grants.
3. Entities that are not a telephone corporation shall be eligible to apply to participate in the CASF program to provide access to broadband to an unserved or underserved household. Such entities must meet the CASF eligibility requirements and comply with program requirements. These requirements shall include all of the following:
 - A. Entities must provide last-mile broadband access to households that are unserved by an existing facilities-based broadband provider and only receive funding to provide broadband access to households that are unserved or underserved, as defined in Commission Decision D.12-02-015.
 - B. Funding for a CASF project proposing to provide broadband access to an underserved household shall not be approved until after any existing facilities-based provider has had an opportunity to demonstrate to the Commission that it will, within a reasonable timeframe, upgrade existing service. An existing facilities-based provider may, but is not required to, apply for CASF funding to make that upgrade.
 - C. A local governmental agency may be eligible for an infrastructure grant only if the infrastructure project is for an unserved household or business, the Commission has conducted an open application process, and no other eligible entity applied.¹²

As stated previously, the Commission determined that it had built a sufficient record to issue D.14-02-018 to implement the eligibility provisions under item 3 above and the safeguard provisions proposed through the initial OIR and the ALJ's Ruling.¹³ The safeguards implemented included a construction phase performance bond and a liquidity

¹² SB 740 (Padilla) Stats. 2013 Ch. 522, amending Cal. Pub. Util. Code § 281.

¹³ *The Proposed Decision Implementing Revised Eligibility Criteria for the California Advanced Services Fund Program* (2012)) Cal. P.U.C. Decision (D.) 14-02-018
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M084/K556/84556127.PDF>.

requirement.¹⁴ The Commission also determined that it would rely on penalty provisions of Public Utilities Code § 2111 to enforce other requirements of the program.¹⁵ On January 17, 2014 the Assigned Commissioner's Scoping Memo and Ruling (Commissioner's Scoping Memo) determined that of the remaining requirements instituted by SB 740, items 1 and 2 regarding the CASF program goals and funding authorization do not affect current program operations.¹⁶ However, items 3A through 3C do affect current program operations. The Commissioner's Scoping Memo determined that the Commission can implement these changes without alterations to existing CASF rules and guidelines.¹⁷ Specifically, these changes can be implemented by setting a new timeline for CASF applications. Therefore, the Commissioner's Scoping Memo determined that this is an implementation issue that can be resolved through a Resolution issued by the Communications Division (CD) Staff for Commission approval.¹⁸ This Resolution resolves those issues.

Regional Consortia Priority Areas

Based on each consortium's familiarity with the broadband availability in its region, CD asked currently existing regional consortia to determine priority areas for broadband projects in each of their regions for the purposes of SB 740. These consortia as well as four unrepresented counties designated 180 communities in 46 different counties as priority areas in their regions.¹⁹ **As displayed in Appendix 4, Column 5, each of 177 priority areas was designated as either unserved or underserved by the consortia and counties.**

These priority areas were presented at the CASF's Annual Consortia Learning Summit in March 2014.²⁰ The consortia identified these priority areas based on several considerations that include social and economic impact, feasibility, anchor institutions, income levels, opportunities for resource management, and number of households without broadband access at served speeds. We note that this Resolution would not limit staff's ability to bring projects that meet the goals and objectives of CASF in front of the Commission and the Commission designates Staff with the flexibility to implement these priorities to meet the goals and objectives of the CASF.

SB 1040 (Padilla), which the Legislature enacted in September 2010, authorized CASF funding for regional consortia. SB 1040 expanded the CASF into three accounts, including one for the Rural and Urban Regional Broadband Consortia Account (Consortia Grant program) funded with \$10 million. The Legislature stated that this account was "to fund

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Scoping Memo and Ruling of Assigned Commissioner* (2012) Cal. P.U.C. Rulemaking (R.) 10-12-008.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Of these 180 designated communities, Staff is continuing to work with Consortia to determine geographic coordinates for three designated communities and therefore these three are not shown in Appendix 4 which lists all priorities.

²⁰ Consortia presentations available at:

<http://www.cpuc.ca.gov/PUC/Telco/CASF+Consortia/CASF+2014+Annual+Summit+Presentations.htm>.

the cost of broadband deployment activities other than the capital cost of facilities, as specified by the Commission.”

The Commission opened an OIR (R.10-12-008) in October 2010 to implement the provisions of SB 1040 and to address possible changes to the program based on CASF’s three-year implementation experience.²¹ The first phase of the rulemaking implemented a process to select eligible consortia and set guidelines to award and disburse funds for qualifying Consortia Grant program activities.²² On June 23, 2011 the Commission issued D.11-06-038 which adopted rules governing the Consortia Program.²³ The Commission awarded grants to 14 consortia groups in Resolutions T-17349 and T-17355, issued in December 2011 and February 2012, respectively.

Grant funds under the Consortia Account have been used to promote ubiquitous broadband deployment and to advance broadband adoption in unserved and underserved areas by:

- Increasing sustainability of broadband infrastructure and projects;
- Promoting broadband deployment (availability) for residences in California;
- Promoting broadband access and adoption (knowledge of service options and ability to utilize services as well as subscription of services) for residences in California;
- Increasing the rate of broadband adoption by facilitating the impact of consumer education, outreach, and training;
- Supporting those community-based parties, especially anchor institutions, who are working to increase deployment, access, and adoption.

The priority areas were named by community or by multiple communities and included a set of coordinates that generally represents the geographical center of the area. Where a consortium failed to identify a set of coordinates, Staff designated one based on the name of the community. Consortia also listed whether they believed the priority area is unserved or underserved and whether they had received public feedback regarding the area’s level of service.

Staff performed a high-level validation of the consortia’s submitted data by comparing the coordinates for each priority area with the California Broadband Availability Map.²⁴ **As depicted in Appendix 4, Column 6, 110 of these 177 projects areas are considered served areas, based on the broadband providers reported data to the CPUC.**

Staff concedes that there may be areas identified as served in the Interactive Broadband Map that have been deemed actually underserved or unserved by mobile speed tests or public feedback. We also acknowledge that there may be areas without any mobile speed tests or public feedback that could actually be underserved or unserved areas. ~~However, the high level validation only serves to alert broadband providers, consortia or other interested stakeholders to the general broadband status of these communities as currently identified by Staff. Staff believes that this information can be used to spur “ground-~~

²¹ *Decision Implementing Broadband Consortia Grant* (2011) Cal. P.U.C. Decision (D.) 11-06-038.

²² *Id.*

²³ *Id.*

~~truthing” efforts in areas without adequate data to determine actual levels of service. Lastly, Staff recognizes that this validation was performed with specific coordinates and that a project may be proposed which does not encompass or overlap those exact coordinates. Again, this list and the high level validation performed by Staff is meant to spur information gathering which in turn can facilitate broadband deployment in these priority areas.~~

Given magnitude of the differences in the designations of the 180 priority areas Staff recommend the regional consortia (with community leaders of the area) and the existing facilities-based broadband providers be requested to work together to reconcile their differences in designations before the first round of applications is accepted by the CPUC.

Priority Area Designation Reconciliation Process

Between July 1, 2014 and October 24, 2014. For each priority area listed in Appendix 4, the regional consortium (with community leaders of the area) and the existing facilities-based broadband provider serving the area should work together to reconcile their differences in the designation.

By October 24, 2014. They are to submit a joint letter to the Director of the Communications, as shown in Appendix 5, declaring that they agree or disagree that the priority area is served, or underserved, or unserved. If they disagree, each party is permitted to submit a one-page attachment providing data to support its position.

By October 31, 2014. The CPUC will determine the designation for the priority areas reprinted back with a disagreement between the regional consortia and existing facilities-based broadband providers.

On November 1, 2014. The CPUC will issue an updated Appendix 4, eliminating the priority areas designated as being served. Going forward the CASF program will use the unserved and underserved designated priority areas in Appendix 4. The California Broadband Availability Map will also be updated.

Existing Facilities-based Broadband Providers – Right of First Refusal

Although non-telephone corporations are now eligible to apply for funds, existing **facilities-based** broadband providers, which may include telephone corporations, are entitled to a “right of first refusal” in their current service territories which serve underserved households. Staff is also mindful of the statutory goal of awarding projects **by no later than December 31, 2015**, that will provide broadband access to no less than 98% of California households ~~by the end of 2015~~.

After the Commission passes this Resolution, **existing facilities-based** broadband providers will have ~~three months or~~ **until November 14, 2014** ~~September 26, 2014~~ to signify to the Commission that they intend to upgrade their broadband networks in their existing service territory if it is in a **priority** area which is identified as encompassing underserved households according to the **updated** California Broadband Availability Map²⁵ **and Appendix 4, as of November 1, 2014**. Staff believes that **four plus three**

²⁵The California Broadband Availability Map can be found at:
<http://www.broadbandmap.ca.gov/map/>.

months is sufficient time for an existing provider to confer with engineering and others and to declare its intent to exercise its option to increase broadband speeds in ~~the a~~ **priority** area to served speeds or 6mbps downstream/ 1.5mbps upstream (6/1.5). ~~The longer an existing provider takes to make a decision regarding its intent delays the amount of time projects can be completed before the 2015 statutory goal.~~ The existing **facilities-based broadband** provider must submit a letter to the Director of the Communications Division and must email a copy to the CASF distribution list to declare its intent. An example of an acceptable letter is attached in Appendix 3.

Right-of-First-Refusal Process

By November 14, 2014. Each existing facilities-based broadband provider submits an Letter of Intent stating whether it will use its own money or seek CASF funding to upgrade its broadband network in one or more specific unserved and underserved priority areas in its existing service territory, as listed in Appendix 4.

If the existing facilities-based broadband provider chooses to make an upgrade for one or more specific unserved and underserved priority areas in its existing service territory with CASF funds, it should clearly indicate its intent to apply for CASF funds in its Letter of Intent.

If the existing facilities-based broadband provider chooses not to upgrade one or more specific unserved and underserved priority areas in its existing service territory the right-of-first-refusal expires for the area and area becomes available to other grant applicants to submit their CASF applications for the priority area by January 3, 2015.

Any other grant applicant who is also interested in serving a priority area(s) in an existing facilities-based broadband provider's service territory may submit a letter by November 14, 2014 identifying the area(s) it wants to serve and its intent to file a CASF application(s) if the right-of-first-refusal is not exercised or the existing facilities-based broadband provider's CASF grant application(s) is (are) later denied.

By January 3, 2015. If an existing facilities-based broadband provider decides to seek CASF funding for one or more of these priority areas, it must file a CASF grant application for each priority area. If it fails to do so, then its right-of-first-refusal for that priority area expires and becomes available to other grant applicants to submit their CASF application for this priority area by April 1, 2015

By March 1, 2015. If the existing facilities-based broadband provider's CASF grant application is not challenged nor has any issues, CD notifies the existing facilities-based broadband provider of its determination on the CASF grant application. Since there would be only one application to review per priority area, the evaluation should consider the following factors, in addition to other factors currently applied by CD in assessing CASF applications: 1) the existing facilities-based broadband provider's financial ability to fund the upgrade without CASF funds or with partial CASF funds lower than the amount requested by the existing facilities-based broadband provider and 2) whether there are any other potential grant applicants willing to serve the area (as indicated by their November 14, 2014, notices).

On March 1, 2015. If CD denies the request in whole or grants only partial CASF funding (i.e., a grant amount lower than that requested by the existing facilities-based broadband provider), then the existing facilities-based broadband provider has five (5) days to notify CD that it will accept the CASF funding amount determined by CD. If such notification is provided, then CD will prepare a Resolution for the Commission's approval at a later date.

By March 5, 2015. In the event CD rejects the existing facilities-based broadband provider's funding request, then the existing facilities-based broadband provider has the same 5 days to notify CD that it will self-fund the upgrades; this would be a binding commitment on the part of the existing facilities-based broadband provider and it must complete the upgrade within 24 months, or by March 5, 2017. Thus, this five-day period gives the existing facilities-based broadband provider time to decide what to do and provides other interested parties time to prepare their CASF applications. If the existing facilities-based broadband provider does not self-fund or does not accept CD's CASF grant offer or is otherwise silent in this five day period, then its right-of-first-refusal expires and it cannot exercise it again for the life of the CASF program.

By April 1, 2015. If the existing facilities-based broadband provider decides not to accept CD's determination and/or not to self-fund for a priority area, then all other grant applicants or interested parties can submit their CASF application for this priority area starting April 1, 2015.

Commitments and Obligations

Self-Funded Upgrades. If the existing facilities-based broadband provider chooses to self-fund an upgrade of a priority area, then its commitment to the Commission is binding and the upgrade must be completed within 24 months, or by November 14, 2016.

By January 3, 2015 the existing facilities-based broadband provider will submit to the Commission documents that show the planned project area; demonstrate the project will be accessible by all the unserved and underserved households and many other entities in the priority area; and state the technology to be deployed and speed tiers that will be available at the completion of the project.

To enable the Commission to monitor progress the existing facilities-based broadband provider will submit a progress report after six months, one year and 18 months. The report will identify the status of the project against its project plan and cite any barriers to completion on time.

At project completion, the existing facilities-based broadband provider will submit to the Commission documents that show the completed project area, broadband availability to all the unserved and underserved households and many other entities in the priority area and the speed tiers available with speed tests showing that the project indeed meets the program requirements.

The Commission will not award a CASF grant to any other entity for the area so long as the existing facilities-based broadband provider is making satisfactory progress towards project completion within the 24 months.

CASF-Funded Upgrades. If the existing facilities-based broadband provider receives a

CASF grant to upgrade a priority area, then its commitment to the Commission is binding and subject to all the requirements set forth in the CASF program including completing the upgrade within 24 months of award.

~~As stated previously, we set these deadlines mindful that “the goal of the program is, no later than December 31, 2015, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households.” An application for a CASF grant can be very a lengthy process and require significant company resources. Thus, most, if not all, companies will wait to see which areas are claimed by existing providers exercising their right of first refusal before expending those resources to apply for a CASF grant. This reasoning is also why we decline to let existing providers exercise their right of first refusal after applications are submitted. However, all applications received following the right of first refusal period will be considered and will compete among other project applications, in particular, those received to serve the same area.~~

~~An existing provider will have six months (which will encompass the first two application rounds) from October 1, 2014 until April 1, 2015 to complete the project by upgrading its network to served speeds. During those six months (or first two application rounds), the CPUC will not award a CASF grant to fund a broadband project in that same project area.~~

~~CD established the six month timeline based on several CASF project applications we have received in the past for projects that upgrade existing facilities and the December 31, 2015 statutory goal. If an existing provider were able to continuously delay the completion date of its upgrade, it could possibly prevent the CPUC from ever granting funds to another provider in that area. This could result in an area not obtaining broadband in a timely manner when it otherwise might have been able to through a CASF funded project. Additionally, as discussed below, we must also set a time after which local government entities may apply for funds and for the same reasoning, we do not want to unduly delay their ability to apply for funds either.~~

~~At project completion, the Commission will require the provider to submit documents showing the project area, broadband availability and the speed tiers available with speed tests showing that the project indeed meets the program requirements. Where an existing provider fails to finish a project to provide served speeds within six months, staff may complete their review and bring for Commission consideration other competing projects applications in that same area.~~

Timing of Applications

Previously, the Commission set three application deadlines.²⁶ The first deadline was for projects in unserved areas and the second was for projects in underserved areas where the existing infrastructure or broadband infrastructure under construction was not partially funded by CASF.²⁷ The application deadline for underserved projects included

²⁶ *Decision Implementing Broadband Grant and Revolving Loan Program Provisions* (2012) Cal. P.U.C. Rulemaking (R. 10-12-008).

²⁷ *Id.*

hybrid unserved and underserved projects.²⁸ The third application window was for projects in underserved areas where the existing infrastructure or broadband infrastructure under construction was partially funded by CASF.²⁹ Those deadlines have passed.

Going forward, the Commission will take applications on a quarterly basis and permit projects in both unserved and underserved areas to apply at the same time. However, we will continue to give priority to unserved areas by considering those projects for funding first. The first applications will be due by ~~January 3, 2015~~ ~~October 1, 2014~~. If an existing provider wishes to apply for CASF grant funds to upgrade its network, it must apply by ~~January 3, 2015~~ ~~October 1, 2014~~. The Commission will review its application and score it according to the existing CASF rules. However, this does not guarantee that the project will be funded and the Commission reserves its right to reject an application as it always has under the CASF program rules. ~~As stated earlier, the~~ ~~The~~ existing provider may still use its own funds to upgrade its network.

The next round of applications will be due by April 1, 2015 ~~January 1, 2015~~. After these first two application rounds, ~~if an existing provider has not finished a project as it indicated it would in September, Staff may review applications received for projects that would serve part or the same entire area for Commission consideration. Additionally at this time, as long as no entity has applied for funds in a particular unserved area, a local entity may apply for funds to provide broadband service in that area.~~ The next round of applications will be due quarterly, on ~~July 1, 2015~~ ~~April 1, 2015~~ through January 1, 2016, or until all funds are expended. If a deadline falls on a weekend or holiday, the next business day will be ~~the~~ deadline.

The following table outlines the deadlines for the above mentioned actions.

CASF Application Schedule	Deadline
Last Date for Existing Providers to Declare their Intent to Exercise Right of First Refusal	November 14, 2014 September 26, 2014
1st Application Deadline	October 1, 2014
1st 2nd Application Deadline	January 3 1, 2015
2nd 3rd Application Deadline	April 1, 2015
3rd 4th Application Deadline	July 1, 2015
4th 5th Application Deadline	October 1, 2015
5th 6th Application Deadline	January 1, 2016

Non Telephone Corporations – Project Requirements

Non-telephone corporations are now eligible to apply for funds to serve unserved or underserved households. The Commission implemented the eligibility requirements for non-telephone corporations in the latest decision in this rulemaking, D. 14-05-018.³⁰ However, SB 740 also required that a project proposed by a non-telephone corporation must “provide last-mile broadband access to households that are unserved by an existing

²⁸ *Id.*

²⁹ *Id.*

³⁰ D. 14-05-018 at 38.

facilities-based provider and only receive funding to provide access to households that are unserved or underserved.”³¹ **Tribal Communities are considered to be equivalent to Non Telephone Corporations, therefore, now eligible to apply for funds for unserved and underserved households.**

Local Government Entities

SB 740 states that a local government entity “may be eligible for an infrastructure grant only if the infrastructure project is for an unserved household or business, the commission has conducted an open application process, and no other eligible entity applied.” The statute does not indicate at what point the open application process ends.

~~Again, we consider that “the goal of the program is, no later than December 31, 2015, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households.” Additionally, we consider the fact that some non-telephone corporation providers may wait until the second application deadline to apply since they may not have a chance to put together an application for the October deadline after existing providers invoke their first right of refusal by September 26, 2014. Therefore, we propose that **Non-Telephone Corporations** non-local government entities will have two application cycles, or until **April 1, 2015** ~~January 1, 2015~~ to apply for funds. If, at that time no entity has applied for funds for an unserved area, the CPUC may award a CASF grant to a local government entity to fund a broadband project in that area.~~³²

Additional Input

Additionally, Staff sought input from other state agencies to determine whether they had designated any areas as high priority for broadband infrastructure and whether those areas overlapped with the priority areas designated by the regional consortia. The CPUC received input from the California Environmental Protection Agency (Cal EPA), California Department of Food and Agriculture, and Governor’s Office of Business and Economic Development (GO Biz). The California Department of Food and Agriculture identified the communities of Orange Cove, Reedley, Parlier, and Coalinga. It especially highlighted Coalinga because West Hills Community College is located there and is a Farm of the Future hub. Farm of the Future deploys applied agricultural technology career education in an economically disadvantaged area, and works in alliance with University of California, Merced, California State University, Fresno, California Polytechnic State University, San Luis Obispo and six San Joaquin Valley community colleges. These areas had not been designated by any consortia as a priority area and do not overlap. Therefore, these areas do not appear in the table in Appendix 4 listing priority areas.

The Cal EPA and the Office of Environmental Health Hazard Assessment released the draft version 2.0 of its California Communities Health Screening Tool in April 2014. This Tool shows which portions of the State have higher pollution burdens and vulnerabilities than other areas, and therefore are most in need of assistance. The tool uses existing environmental, health, demographic and socioeconomic data to create a screening score of communities across the State. An area with a high score would be expected to experience much higher impacts than areas with low scores. These scores were then

³¹ Cal. Pub. Util. Code. § 281(e)(3)(A).

³² Cal. Pub. Util. Code. § 281(e)(3)(D).

ranked based on their overall score. A percentile for the overall score is then calculated from the ordered values. An area's CalEnviroScreen percentile equals the percentage of all ordered CalEnviroScreen scores that fall below the score for that area. Using the percentile given to all census tracts in California, Staff ranked each community identified as a priority by the regional consortia. A higher rank corresponds to a higher CalEnviroScreen percentile or an area that has higher impacts than others.

GO Biz provided Staff with two types of priority areas; Geographically-Targeted Economic Development Areas (G-TEDAs) and areas with the highest unemployment and poverty rates. California has four types of Geographically-Targeted Economic Development Areas, which include Enterprise Zones (EZs), Local Agency Military Base Recovery Areas (LAMBRAs), Manufacturing Enhancement Areas (MEAs), and Targeted Tax Area (TTAs). Each of these areas has related tax incentive benefits as well as a variety of locally provided incentives and benefits. Designated EZs provide tax incentives to businesses and allow private-sector market forces to revive the local economy. The LAMBRA designations are similar to EZs but focus on closed military facilities. Additionally, there is a TTA in Tulare County and two MEAs in Imperial County which are similar to the EZ program. The areas with the highest unemployment and poverty rates were determined using 2010 US Census Bureau data. The data were collected by census tract and were ranked. GO Biz designated areas in the highest quartile as priority areas. Staff received this information as a geographic information system shapefile which was intersected with the geographic coordinates of each consortia-designated priority area to determine any overlap. In the GO Biz category of the priority list, we have labeled any areas which overlap with consortia priorities with an "E" for economic development areas, "P" for areas with the highest unemployment and poverty rates, and "B" for areas which are both.

~~The list of priority areas is shown in Appendix 4.~~

FINDINGS

1. Given magnitude of the differences in the designations (served or underserved or unserved) of the 180 priority areas it is reasonable request the regional consortia (with community leaders of the area) and the broadband providers to work together to reconcile their differences in designations before the first round of applications is accepted by the CPUC.
2. It is reasonable they submit a joint letter by October 24, 2014 to the Director of the Communications, as shown in Appendix 5, declaring that they agree or disagree that the priority area is served, or underserved, or unserved.
3. It is reasonable to require an existing broadband provider to submit a letter by ~~November 14, 2014~~ September 26, 2014 to the Director of the Communications Division, as shown in Appendix 3, to declare its intent to upgrade its network in an existing territory for the reasons discussed above.
4. It is reasonable to require an existing provider to upgrade its facilities **within 24 months** by April 1, 2015 and submit documents showing the project area, broadband availability and the speed tiers available with speed tests showing that the project indeed provides served speeds or 6 mbps downstream and 1.5mbps upstream for the reasons discussed above.

- ~~5. It is reasonable for the Commission to grant CASF funds for a project in an area where an existing provider fails to finish a project by April 1, 2015 for the reasons discussed above.~~
6. **5.** Applications will be taken on a quarterly basis with the first applications due on ~~October 1, 2014, then~~ January ~~3 1, 2015, then~~ April 1, 2015; July 1, 2015, October 1, 2015; and January 1, 2016.
7. **6.** Pursuant to SB 740, if, after an open application process, no entity has applied for funds for an unserved area, a local government entity will be permitted to apply for funds for that unserved area. We find that it is reasonable to permit non-local government entity providers two application cycles or until after ~~April 1 January 1, 2015~~ to apply for funds for the reasons discussed above. If, at that time no entity has applied for funds for an unserved area, the CPUC may award a CASF grant to a local government entity to fund a broadband project in that area.
8. **7.** Pursuant to SB 740, a non-telephone corporation is only eligible to apply for projects which “provide last-mile broadband access to households that are unserved by an existing facilities-based provider.”
- ~~9. Regional Consortia and four unrepresented counties have designated 180 areas as priority for broadband infrastructure projects, some of which overlap with other California priority areas.~~

THEREFORE, IT IS ORDERED that:

- 1. The regional consortia (with community leaders of the area) and the existing facilities-based broadband providers submit a joint letter by October 24, 2014 to the Director of the Communications, as shown in Appendix 5, declaring that they agree or disagree that the priority area is served, or underserved, or unserved.**
2. An existing broadband provider must submit a letter by **November 14, 2014** ~~September 26, 2014~~ to the Director of the Communications Division, as shown in Appendix 3, to declare its intent to upgrade its network in an existing territory to served speeds or 6mbps downstream and 1.5mbps upstream.
- 3. The CPUC will accept applications on a quarterly basis with the first applications due on October 1, 2014, then** January ~~3 1, 2015, then~~ April 1, 2015; July 1, 2015; October 1, 2015 and January 1, 2016.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 26, 2014. The following Commissioners approved it:

PAUL CLANON
Executive Director

APPENDIX 1

Rules on the participation of ~~non-telephone corporations~~ in the California Advanced Services Fund

The following rules are adopted to implement rules initiated by Senate Bill 740, which places conditions on the participation of ~~non-telephone corporations~~ in the California Advanced Services Fund, **including for non-telephone corporations, local government entities and Tribal communities.**

1. To address the designation (served or underserved or unserved) for each of the 184 priority areas, Appendix 4, the Commission requests the existing facilities-based broadband providers and regional consortia (with community leaders of the priority area) to work together to reconcile their differences. They jointly report the outcome of this process to the Communications Division by October 26, 2014 so the Commission Availability Map and this Resolution's Appendix 4 can be updated. Only the priority areas designated as unserved or underserved in the revised Appendix 4 will be eligible for submission of CASF grant applications.
2. Based on the revised Appendix 4, an existing facilities-based broadband provider must submit a letter by December 1, 2014 to the Director of the Communications Division, as shown in Appendix 3, in order to indicate its intent to upgrade its broadband network in unserved or underserved priority area(s), Appendix 4, in its existing service territory.
3. If an existing facilities-based broadband provider exercises its right-of-first-refusal it will have 24 months to complete the upgrade to served speeds. The Commission and existing broadband provider will agree on the start date. During those 24 months, the CPUC will not grant CASF funds to any other broadband provider in that same project area.
4. The existing facilities-based broadband provider will provide progress reports to the Commission every six months on the status of the project and any barriers to completion. At project completion, the existing broadband provider will submit to the Commission documents showing the project area, broadband availability and the speed tiers available with speed tests showing that the project indeed provides served speeds or 6 mbps downstream and 1.5mbps upstream.
5. Where an existing facilities-based broadband provider fails to finish a project to provide served speeds or 6 mbps downstream and 1.5mbps upstream by the end of the 24 months, the Commission may grant CASF funds for a broadband project in that area.
6. If an existing broadband provider does not exercise its right-of-first refusal for an unserved or underserved priority area in its service territory that priority area will be eligible for other broadband providers, non-telephone corporations, local government entities and Tribal communities to apply for CASF funds.

7. Any entity will have the opportunity to challenge a CASF application for the reasons outlined in the CASF Guidelines, regardless of whether or not the existing facilities-based broadband provider exercised its right-of-first-refusal.

8. A non-telephone corporation is only eligible to apply for projects which “provide last-mile broadband access to households that are unserved by an existing facilities-based provider.”

9. The CPUC will accept applications on a quarterly basis with the first application round opening January 1, 2015, then April 1, 2015; July 1, 2015; October 1, 2015; and January 1, 2016.

~~An existing broadband provider must submit a letter by September 26, 2014 to the Director of the Communications Division, as shown in Appendix 3, in order to indicate its intent to upgrade its broadband network in its existing territory.~~

~~2. The existing provider will have until April 1, 2015 to complete the project by upgrading its network to served speeds. During those six months (or first two application rounds), the CPUC will not grant CASF funds to any other broadband provider in that same project area.~~

~~3. At project completion, the Commission will require the provider to submit documents showing the project area, broadband availability and the speed tiers available with speed tests showing that the project indeed provides served speeds or 6 mbps downstream and 1.5mbps upstream.~~

~~4. Where an existing provider fails to finish a project to provide served speeds or 6 mbps downstream and 1.5mbps upstream by April 1, 2015, the Commission may grant CASF funds for a broadband project in that area.~~

~~5. A non-telephone corporation is only eligible to apply for projects which “provide last-mile broadband access to households that are unserved by an existing facilities-based provider.”~~

~~6. If, after six months (or two application rounds), no entity has applied for funds for an unserved area, a local government entity will be permitted to apply for funds to serve that unserved area.~~

~~7. The CPUC will accept applications on a quarterly basis with the first application round opening October 1, 2014, then January 1, 2015; April 1, 2015; July 1, 2015; October 1, 2015; and January 1, 2016.~~

APPENDIX 2

Broadband Infrastructure Grant Account– Revised Application Requirements and Guidelines

1. **Background**

NO CHANGES RECOMENDED

1.1. Amount Available for Grants

THE COMMISSION SHOULD SERIOUSLY CONSIDER FRONTIER'S
RECOMMENDATION

In its Comments, Frontier recommended that the Commission eliminate the contribution threshold and instead review each project on a case-by-case basis to determine whether the project should be funded, and for each project funded what amount and/or percentage the applicants should be required to contribute. Applicants should be required in their applications to specify the level of funding they are prepared to contribute to a project and explain their basis for the contribution level. To the extent an applicant commits to provide a greater share of the budget for the proposed broadband project, the Commission may want to give that applicant's proposal a higher preference in being granted CASF funds. However, the Commission should be flexible and consider whether CASF funds should be awarded based on the overall merits of the applicant's request and whether the awarding of funds advances the primary CASF goal to bring broadband infrastructure and service to rural areas that currently do not have service.

2. **Definitions**

NO CHANGES RECOMMENDED TO THE REMAINDER OF THIS APPENDIX

APPENDIX 3

Sample Letter – Self-Funded

Date

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

Dear Mr. Dulin:

Pursuant to §281 (e)(3)(B), Company Name hereby provides notice to the CPUC that it will exercise its option to ~~upgrade increase internet speeds~~ **the _____ priority area with** in the following census block groups and zip codes _____, which are shown in the attached project area map.

Company Name **chooses to self-fund the upgrade of this priority area and commits to the Commission to complete it within 24 months, or by November 14, 2016.**

By January 3, 2015 the Company Name will submit to the Commission documents showing the planned project area, the number of households and other entities having access, the technology to be deployed, and the speed tiers that will be available at the completion of the project.

To enable the Commission to monitor progress the Company Name will submit progress after six months, one year and 18 months. The report will identify the status of the project against its project plan and cite any barriers to completion on time.

At project completion, Company Name will submit to the Commission documents showing the completed project area, broadband availability to households and other entities and the speed tiers available with speed tests showing that the project indeed meets the program requirements.

The Commission will not award a CASF grant to any other entity for the area so long as the Company Name is making satisfactory progress towards project completion within the 24 months.

~~This upgrade will be performed April 1, 2015. During this time, the CPUC will not award a CASF grant to fund a broadband project in this same area.~~

~~On or before April 1, 2015, Company Name will provide the CPUC with documents showing the final project area, broadband availability and speed tiers available with speed tests showing that the project indeed provides served speeds.~~

Please contact Name at telephone number or email address for any further questions.

Sincerely,
Name

Sample Letter – CASF Grant Funded

Date

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

Dear Mr. Dulin:

Pursuant to §281 (e)(3)(B), Company Name hereby provides notice to the CPUC that it will exercise its option to ~~upgrade increase internet speeds~~ the _____ priority area with ~~in~~ the following census block groups and zip codes _____, which are shown in the attached project area map.

Company Name chooses to fund the upgrade of this priority area with a CASF grant. By January 3, 2015 Company Name will submit a grant application

If Company Name receives a CASF grant to upgrade this priority area it understands Company Name is subject to all the requirements set forth in the CASF program including completing the upgrade within 24 months of award.

Please contact Name at telephone number or email address for any further questions.

Sincerely,

Name

Sample Letter – Declines to Upgrade

Date

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

Dear Mr. Dulin:

Pursuant to §281 (e)(3)(B), Company Name hereby provides notice to the CPUC that it will not exercise its option to ~~upgrade increase internet speeds~~ the _____ priority area with in the following census block groups and zip codes _____, which are shown in the attached project area map.

By declining its option Company Name understands its right-of-first-refusal expires for this priority area and this area becomes available to other grant applicants to submit their CASF applications for this area starting January 3, 2015.

Please contact Name at telephone number or email address for any further questions.

Sincerely,

Name

APPENDIX 4

In their Comments, four consortia requested that five priority areas be added to the list in Appendix 4. These five areas should be added to the list that will be reviewed by the regional consortia and existing facilities-based broadband providers.

APPENDIX 5

Sample Letter – Agreement on Priority Area Designation

Date

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

Dear Mr. Dulin:

Pursuant to §281 (e)(3)(B), Company Name and Regional Consortium Name hereby provide notice to the CPUC that they **agree** on the designation of the _____ priority area with the following census block groups and zip codes _____, which are shown in the attached project area map.

This priority area is to be designates as _____ on the California Broadband Availability Map and in Appendix 4.

Company _____

Signature _____

Date _____

Regional Consortium _____

Signature _____

Date _____

Sample Letter – Disagreement on Priority Area Designation

Date _____

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

Dear Mr. Dulin:

Pursuant to §281 (e)(3)(B), Company Name and Regional Consortium Name hereby provide notice to the CPUC that they **disagree** on the designation of the _____ priority area with the following census block groups and zip codes _____, which are shown in the attached project area map.

Company Name designates the priority area to be _____

Regional Consortium Name designates the priority area to be _____

Each party has attached a one pager documenting its position.

The parties understand the CPUC will determine the designation and will update the California Broadband Availability Map and Appendix 4.

Company _____

Signature _____

Date _____

Regional Consortium _____

Signature _____

Date _____

Respectfully Submitted



Thomas W. West
44 Coral Reef

Newport Coast, CA 92567
Home Phone: 959.494.2797

Cell Phone: 562.858.9378
Email: tom@westfamily.org

June 16, 2014