

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 November 1, 2012)

**OPENING COMMENTS OF THE CITY AND  
COUNTY OF SAN FRANCISCO ON THE ORDER INSTITUTING  
RULEMAKING TO CONSIDER MODIFICATIONS TO THE CALIFORNIA  
ADVANCED SERVICES FUND**

**INTRODUCTION**

The City and County of San Francisco (“City”) submits these comments on the California Public Utilities Commission’s (“Commission”) rulemaking to consider modifications to the eligibility requirements for participation in the California Advanced Services Fund (“CASF”).

**COMMENTS**

**I. THE CITY SUPPORTS THE COMMISSION’S EFFORTS TO PERMIT  
NON-TELEPHONE CORPORATIONS, INCLUDING LOCAL  
GOVERNMENTS, TO APPLY FOR CASF FUNDS**

The CASF provides a means for the Commission to award grants to support deployment of broadband infrastructure projects offering advanced communications services. Under State law, the Commission may only make such grants to entities that are “telephone corporations” as that term is defined in Section 234 of the Public Utilities Code.<sup>1</sup>

The City applauds the Commission’s efforts to expand the Commission’s authority to provide these funds to entities other than “telephone corporations.” One of those entities should be local governments.

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<sup>1</sup> See Decision 12-02-015 (Feb, 1, 2012), at pp. 19-20.

The City agrees with the Commission that under existing legislation the Commission could not make CASF grants to local governments. The City, therefore, would support the Commission's efforts to seek legislative action to change the current eligibility requirements to include local governments.

**II. THE COMMISSION SHOULD ALSO USE THIS PROCEEDING TO CONSIDER AMENDING THE DEFINITION OF THE TERMS "UNSERVED" AND "UNDERSERVED" AREAS TO ALLOW THE COMMISSION TO MAKE CASF GRANTS IN URBAN AREAS**

Under the Commission's rules, the Commission may provide CASF grants only for projects in areas that are "unserved" or "underserved" by broadband providers. An area is considered "unserved" if Internet connectivity is available only through dial-up service. An area is considered "underserved" if no facilities-based provider offers service that meets the benchmark speeds of at least 6 megabits per second (mbps) download and 1.5 mbps upload.<sup>2</sup> Because of these definitions, no eligible service provider in San Francisco would be eligible for a CASF grant. It is unlikely that service providers in any urban areas would be eligible for CASF funding.

These highly restrictive don't allow the Commission to use CASF grants to support the broadband needs of all Californians. In San Francisco and other urban areas there are still significant digital divide concerns. While high-speed Internet service may be available, the cost is prohibitive for many low-income urban residents. The Commission, therefore, should take this opportunity to consider expanding the definitions of "unserved" and "underserved" so that the Commission can provide CASF grants to eligible participants that would provide broadband service to "unserved" and "underserved" residents of urban environments.

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<sup>2</sup> See Decision 12-02-015 (Feb, 1, 2012) at pp. 12-17.

## CONCLUSION

The City supports this rulemaking, but requests that it be expanded. The City, together with non-profit partners, currently provides wireless broadband service to San Francisco Housing Authority residents. The changes to the CASF grant program the Commission has proposed in this rulemaking, along with the changes the City has proposed in these comments, would allow the City to expand and strengthen that program. These changes would also allow other communities to pursue this approach to addressing the digital divide.

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Respectfully submitted,  
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