

**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

**COMMENTS OF SIERRA ECONOMIC DEVELOPMENT CORPORATION (SEDCorp)**

**ON RULEMAKING 12-10-012 FOR OIR TO  
CONSIDER MODIFICATIONS TO THE CASE**

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November 20, 2012

Sierra Economic Development Corporation (SEDCorp) hereby submits its Comments in response to the **Order Instituting Rulemaking 12-10-012 to Consider Modifications to the California Advanced Services Fund.**

SEDCorp supports the elimination of the Certificate of Public Convenience and Necessity (CPCN) and Wireless Identification Registration (WIR) requirements of the California Advanced Services Fund (CASF). The eligibility modification will increase the pool of applicants and will lead to increased infrastructure expansion and consequential broadband service adoption. We agree with the CASF staff that eligibility requirements should be changed so that funding can be provided to non-CPCN/WIR candidates who may be the most logical applicants to achieve the most cost-effective deployment of broadband infrastructure in a region. Proposals should be encouraged from providers and organizations such as:

- Wireless Internet Service Providers (WISPs, mobile or fixed) who may best serve the difficult terrain and low-density population distribution in California;
- Providers using predominately unlicensed spectrum used for Wi-Fi capability;
- Providers that build fiber optic based middle mile facilities;
- Providers who use unlicensed microwave to provide middle mile facilities more efficiently;
- Any non-profit entity, including government entities or community anchor institutions; and
- Tribal entities.

Without this flexibility, there will be significant impacts on reaching the goal of 98% broadband deployment and 80% adoption for California by 2015 – goals acknowledged by the California

Broadband Council (CBC), California Public Utilities Commission (CPUC), and California Emerging Technology Fund (CETF).

There is precedence for removal of the CPCN/WIR requirement. The CPUC permitted non-CPCN/WIR CASF applicants as a matching component to American Recovery and Reinvestment Act (ARRA) broadband infrastructure awards approximately two years ago. At that time, CETF, non-telephone company Internet service providers (ISPs), former CETF grantees, and current CASF Regional Consortia leaders and members submitted comments to the CPUC regarding the need to expand the CASF program to any organization that is willing to deploy broadband into un-served and underserved communities.

WISPs in particular, utilizing a technology that is one of the most flexible and cost-effective, are able to provide technical solutions for California's challenging terrain and population distribution. WISPs are typically owned or operated by very small or small independent organizations lead by entrepreneurs with heavy community focus and are, therefore, more inclined to invest resources into small and less-densely populated underserved, and un-served rural communities. WISPs do not typically possess a CPCN or a WIR and must either gain such status at significant cost or partner with another provider that holds a CPCN/WIR in order to submit a proposal to the CPUC CASF program. However, WISPs have found it difficult to forge partnerships with CPCN/WIR providers because they are frequently competitors.

Overall, we recommend that the CPUC ensure that the CASF funds for infrastructure deployment be used in the most cost-effective and efficient manner to achieve the goal of

providing broadband access to 98% of all residences in California. The removal of the CPCN/WIR requirement will help facilitate critical broadband innovation and investment in the remaining un-served and underserved regions in California. CASF is the primary resource in California that supports and subsidizes broadband infrastructure deployment. It is critical that the funds be used to reach the hardest-to-serve communities. Ubiquitous broadband infrastructure is and will continue to be critical to spur economic development and improve public safety, education, healthcare and more. Thank you in advance for your consideration of our comments.

Dated: November 20, 2012

Respectfully submitted,

SIERRA ECONOMIC DEVELOPMENT CORPORATION

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