

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking into the  
Review of the California High Cost  
Fund-A Program.

Rulemaking 11-11-007

**REPLY COMMENTS OF THE PUBLIC ADVOCATES OFFICE  
ON THE ASSIGNED COMMISSIONER'S FIFTH AMENDED  
SCOPING MEMO AND RULING**

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## I. INTRODUCTION

Pursuant to Commissioner Guzman Aceves' December 13, 2019 Fifth Amended Scoping Memo and Ruling (Scoping Memo), the Public Advocates Office at the California Public Utilities Commission (Public Advocates Office) provides these reply comments in response to the February 28, 2020 opening comments of the Small Independent Local Exchange Carriers (Small ILECs), The Utility Reform Network (TURN), and the California Cable & Telecommunications Association (CCTA), as well as Pacific Bell Telephone Company d/b/a AT&T California (U 1001 C) (AT&T California) and Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U 1024 C), Frontier Communications of the Southwest Inc. (U 1026 C), and Frontier California Inc. (U 1002 C) (collectively, "Frontier") hereinafter AT&T California and Frontier are identified as the "Joint Respondents." As detailed below, the Commission should hold additional workshops to develop a Tribal Broadband Deployment pilot program that would support both capital expenditures for broadband infrastructure and ongoing operational expenses to support both deployment and affordability of voice and broadband service to unserved and underserved tribal communities.

## II. DISCUSSION

### A. **The Commission should develop a pilot program to increase access to communications services (voice and broadband services) in tribal, rural, low-income, unserved, and underserved areas.**

CCTA and Joint Respondents claim that the California High Cost Fund - B (CHCF-B) funds cannot be used for any purpose other than those identified in Public Utilities (PU) Code Section 276 (a).<sup>1 2</sup> Both point to the May 2018 Communications Division (CD) memo "The California High-Cost Fund B Options for Decreasing the

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<sup>1</sup> Opening Comments of the California Cable & Telecommunications Association on Fifth Amended Assigned Commissioner's Scoping Memo and Ruling, February 28, 2020, p. 2.

<sup>2</sup> Comments of AT&T and Frontier on the Fifth Amended Commissioner's Scoping Memo and Ruling Regarding the Review of the California High Cost Fund-A Program, February 28, 2020, p. 3.

Fund Balance” where CD staff concluded that legislation would be required to facilitate the transfer of CHCF-B funds to other programs. TURN supports the use of California High Cost Fund - A (CHCF-A) and CHCF-B fund, along with other public purpose programs, to “extend service or bolster networks” in high cost service areas.<sup>3</sup> The Small ILECs claim that the CHCF-B fund is “better suited” to support pilot programs or grants than the CHCF-A fund while noting statutory requirements for recipients to be a “rural telephone company” to receive CHCF-A funds or a “telephone corporation” to receive CHCF-B funds.<sup>4</sup>

The Public Advocates Office disagrees with CCTA and Joint Respondents’ comments that the Commission would be diverting CHCF-B funds for another purpose if it were to implement the proposed pilot program. The proposed pilot program would be consistent with the purpose of the CHCF-B program and would not require the transfer of funds to a different program. The Fifth Amended Assigned Commissioner’s Scoping Memo and Ruling indicates that it would use CHCF-B funds “to fully implement the universal service needs in tribal (both federally-recognized and non-federally recognized tribal communities), rural, low-income and underserved areas throughout California.” PU Code Section 276.5 (a) states that “[t]he purpose of the [CHCF-B program] shall be to promote the goals of universal telephone service and to reduce any disparity in the rates charged by those companies. Except as otherwise explicitly provided, this subdivision does not limit the manner in which the commission collects and disburses funds ...” Therefore, the Commission has the authority to develop the proposed pilot program to ensure universal telephone service and to reduce any disparity in rates. Developing a pilot program to provide service to tribal, rural, low-income and

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<sup>3</sup> Response of the Utility Reform Network to the Fifth Amended Assigned Commissioner’s Scoping Memo and Ruling, February 28, 2020, p. 3.

<sup>4</sup> Opening Comments of Calaveras Telephone Company (U 1004 C), Cal-Ore Telephone Co. (U 1006 C), Ducor Telephone Company (U 1007 C), Foresthill Telephone Co. (U 1009 C), Kerman Telephone Co. (U 1012 C), Pinnacles Telephone Co. (U 1013 C), The Ponderosa Telephone Co. (U 1014 C), Sierra Telephone Company, Inc. (U 1016 C), The Siskiyou Telephone Company (U 1017 C) and Volcano Telephone Company (U 1019 C), (“Independent Small LECs”) on the Fifth Amended Scoping Memo and Ruling Seeking Comment on Funding Low-Income and Tribal Communities, February 28, 2020, pp. 5-7.

underserved areas is not a “diversion” of CHCF-B funds, but instead, is consistent with the purpose of the CHCF-B program to meet the Commission’s universal service goals.

The Commission should develop a pilot program for eligible tribal communities (i.e. the tribal communities that have formed a telephone corporation). The pilot program should incorporate California Advanced Services Fund (CASF) grant funds supporting deployment of broadband infrastructure and high-cost funds from the CHCF-B Program to support ongoing costs.<sup>5</sup>

**B. The Commission should hold additional workshops to develop the proposed Tribal Broadband Deployment pilot program.**

TURN supports the Commission implementing a collaborative process going forward.<sup>6</sup> The Public Advocates Office recommends additional workshops where stakeholders would develop further details for a Tribal Broadband Deployment pilot program. The series of workshops held thus far have highlighted the challenges several tribes face in securing high speed broadband service. Additional workshops should focus on developing a pilot program that will deliver effective and affordable solutions for increasing broadband deployment and adoption of communications services in unserved and underserved tribal areas as described above and in the Public Advocates Office’s Opening Comments.<sup>7</sup>

**III. CONCLUSION**

The Commission should hold additional workshops to develop a Tribal Broadband Deployment pilot program that would support both capital expenditures for deployment of broadband infrastructure and ongoing operational expenses to support both

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<sup>5</sup> Opening Comments of the Public Advocates Office on the Assigned Commissioner’s Fifth Amended Scoping Memo and Ruling (Public), February 28, 2020, p.6.

<sup>6</sup> Response of The Utility Reform Network to the Fifth Amended Assigned Commissioner’s Scoping Memo and Ruling, February 28, 2020, p33.

<sup>7</sup> Opening Comments of the Public Advocates Office on the Assigned Commissioner’s Fifth Amended Scoping Memo and Ruling (Public), February 28, 2020, p.7.

deployment and affordability of voice and broadband service to unserved and underserved tribal communities in support of the Commission's universal service goals.

Respectfully submitted,

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