



**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

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Order Instituting Rulemaking to Consider
Modifications to the California Advanced
Services Fund Including Those Necessary to
Implement Loan Program and Other
Provisions of Recent Legislation.

R.10-12-008

**COMMENTS OF PACIFIC BELL TELEPHONE COMPANY DBA AT&T
CALIFORNIA (U 1001 C); AT&T ADVANCED SOLUTIONS, INC. (U 6346 C); AT&T
COMMUNICATIONS OF CALIFORNIA (U 5002 C);
TCG SAN FRANCISCO (U 5454 C); TCG LOS ANGELES, INC. (U 5462 C);
TCG SAN DIEGO (U 5389 C); AND AT&T MOBILITY LLC (NEW CINGULAR
WIRELESS PCS, LLC (U 3060 C); CAGAL CELLULAR COMMUNICATIONS (U 3021
C); SANTA BARBARA CELLULAR SYSTEMS LTD. (U 3015 C); AND VISALIA
CELLULAR TELEPHONE COMPANY (U 3014 C))
ON ORDER INSTITUTING RULEMAKING**

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AT&T¹ hereby submits its comments in response to the Order Instituting Rulemaking to Consider Modifications to the California Advanced Services Fund (“CASF”) Including Those Necessary to Implement Loan Program and Other Provisions of Recent Legislation, dated December 16, 2010.²

I. The CASF Funding CAP of 40% Should Be Modified.

At page 9, the OIR asks whether the 40% funding cap should be increased. In our November 5, 2008 comments responding to a request soliciting suggested revisions to the CASF program in Rulemaking No. 06-06-028, AT&T advocated for a change to the cost categories and an increase in the cap.³ In those comments, we detailed how the limitations imposed by funding only capital costs, and by the 40% cap, unduly hamper the Commission’s efforts to expand broadband access. AT&T will not repeat the facts presented in those comments. But we incorporate those prior comments herein and urge the Commission to make the proposed changes to the cap and cost categories.

II. The Definition of “Underserved Area” Should Not Be Modified To Be that No More than 50% of the Households Have Access to Service Greater than the Benchmarks Speeds.

At page 10, the OIR proposes to modify the definition of an underserved area so that an underserved area can qualify for CASF support so long as no more than 50% of the households have access to service at greater than the benchmark transmission speeds. Practically, that means 50% of the households in a proposed area can currently have access to broadband above the benchmark transmission speeds, and CASF support can be obtained. This extent of overbuilding

¹ AT&T California (U 1001 C); AT&T Advanced Solutions, Inc. (U 6346 C); AT&T Communications of California (U 5002 C); TCG San Francisco (U 5454 C); TCG Los Angeles, Inc. (U 5462 C); TCG San Diego (U 5389 C); and AT&T Mobility LLC (New Cingular Wireless PCS, LLC (U 3060 C); Cagal Cellular Communications (U 3021 C); Santa Barbara Cellular Systems Ltd. (U 3015 C); and Visalia Cellular Telephone Company (U 3014 C)).

² Ordering Paragraph 7 provides that responsive comments be filed within 30 days following the mailing of R.10-12-008. R.10-12-008 was issued on December 22, 2020, making today the due date for this response.

³ See R.06-06-028, Comments of AT&T in Response to the Assigned Commissioner’s Ruling Soliciting Comments on Revisions in the California Advanced Services Fund Program, pp. 2-5 (Nov. 5, 2008).

is inefficient. While it makes sense that some amount of overlapping be permitted, 50% is simply too much, given that there are still areas of the state that lack *any* broadband access. Before such overbuilds are funded, the Commission should first address the unserved areas. Also, any funding of a project that includes areas where households already have access to broadband above the benchmark speeds should be pro-rated to exclude costs pertaining to those areas.

III. The Commission Should Not Increase the Benchmark Speed.

At page 12, the OIR inquires as to whether the Commission should increase the benchmark speed from its current 3 Mbps download and 1 Mbps upload to 4 Mbps download and 1 Mbps upload. Such a change should not be made. The current benchmark is consistent with the current speeds of Digital Subscriber Line (“DSL”) service offered by many wireline providers. The speed of DSL can be increased by having shorter copper loop lengths; but, this increases the cost of DSL and may result in DSL deployment becoming uneconomic. It is a very real possibility that increasing the benchmark will prevent unserved households from receiving any broadband service. While increased speed is certainly a good goal, it should not come at the cost of depriving those without broadband access from getting any broadband access.

IV. The Commission Should Not Condition CASF on Open Access.

At page 13, the OIR asks whether CASF-funded networks should be required to be open to competitive providers. This type of debate has been ongoing at the federal level for many years. The FCC and Congress have already dealt with the many complicated issues related to open access and net neutrality. Anything the Commission does in this area that is different from the resolution of these issues at the federal level will only drive investment away from California, and will deprive those without any broadband access from any improvement. Therefore, such requirements should not be adopted.

V. The Commission Should Neither Require a Plan Encouraging Adoption, nor Cap Prices.

At page 13, the OIR raises whether the applicants should submit a plan for encouraging adoption and whether there should be caps on prices. Neither should be done. CASF recipients invest their own money and have every incentive to maximize subscribership in any way possible, through pricing, advertising, etc., in order to maximize their return. Controlling pricing only stifles competition.

Dated at San Francisco, California, this 21st day of January 2011.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing COMMENTS OF PACIFIC BELL TELEPHONE COMPANY D/B/A AT&T CALIFORNIA (U 1001 C); AT&T ADVANCED SOLUTIONS, INC. (U 6346 C); AT&T COMMUNICATIONS OF CALIFORNIA (U 5002 C); TCG SAN FRANCISCO (U 5454 C); TCG LOS ANGELES, INC. (U 5462 C); TCG SAN DIEGO (U 5389 C); AND AT&T MOBILITY LLC (NEW CINGULAR WIRELESS PCS, LLC (U 3060 C); CAGAL CELLULAR COMMUNICATIONS (U 3021 C); SANTA BARBARA CELLULAR SYSTEMS LTD. (U 3015 C); AND VISALIA CELLULAR TELEPHONE COMPANY (U 3014 C)) ON ORDER INSTITUTING RULEMAKING, by electronic mail, U.S. Mail, and/or hand-delivery to the persons on the attached official Service List for this proceeding.

Dated this 21st day of January 2011 at San Francisco, California.

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