

**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.

RULEMAKING 10-12-008

(December 22, 2010)

**Reply Comments Of Broadband Communities Coalition On The Proposed Decision On The
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.**

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Introduction

These are the reply comments of the Broadband Communities Coalition respectfully submitted June 17, 2011. These comments are supported by Broadband Communities Coalition as well as additional supporting organizations with over 50 years of experience as follows:

Access Humboldt | contact: Sean McLaughlin, Executive Director, P.O. Box 157, Eureka, CA 95502

Tribal Digital Village | contact: Matthew Rantanen, Director of Technology, P.O. Box 1470, Valley Center, CA 92082

I. Discussion

Broadband Communities Coalition offers these reply comments to help identify actual conditions on the ground in our least served communities and to help illuminate facts that were omitted in previous comments. We seek to clarify and complete the record for this proceeding.

We particularly applaud the recognition of need for sustainability and the acknowledgement that both deployment and adoption support are needed to advance the interests of our least served communities.

We find it necessary that the Commission give special consideration to the unique needs and interests of California Tribes. Native Public Media and the New America Foundation released an extensive report in 2009 titled "New Media, Technology and Internet Use in Indian Country: Quantitative and Qualitative Analyses," documenting the special case for native populations across the

nation.¹

National policy of NTIA and a new office at the FCC also recognize that broadband deployment and adoption is a serious issue among Native Nations. Therefore, we recommend that California Tribes be allowed to apply as a region or as regions if they choose to do so in order to represent some of our least served populations.

Our greatest concern lies in the integrity of the CASF allocation process and the potential for conflict of interests with regard to the Commission's President serving also as President of the California Emerging Technologies Fund (CETF) and as author of the proposed Rule.

It is possible that the public's interests may benefit from coordination of the public resources being allocated through CETF providing a match or added leverage for public investments made through the CASF program of CPUC. However, it is also possible that conflicts of interest from ongoing CETF contracts, relationships and activities will provide an unfair advantage or bias toward funding CETF, favoring pre-existing projects already funded by CETF to the detriment of other applicants for CASF support who may be more qualified to represent local community interests.

Given the special and close relationship between CPUC and CETF, the best way to avoid interest conflicts is to disqualify CETF from being a recipient of CASF grants and to require that CETF adhere to a clearly delineated, open and transparent process for allocating and awarding any matching support to regional consortia. Ideally, CETF will use their privately managed resources to support any Regional Consortia that CPUC funds through CASF. It would be a shame to let the tail wag the dog and have CPUC in the position of merely supporting programs under the direction of CETF.

¹ <http://www.nativepublicmedia.org/images/stories/documents/npm-naf-new-media-study-2009.pdf>

We applaud the Proposed decision that “Consortia’ s processes, meetings, etc., should be widely noticed and open to public scrutiny,” with the added requirement that meetings be held locally in local places that are meaningful for each region.

In our view, the critical feature of an open ethical process is that allocations and management of public funds for Regional Consortia must be directly accountable in each Region they are designed to represent.

Dated: June 20, 2011

Respectfully submitted,

____/s/_____
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