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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Broadband Infrastructure Deployment and to Support Service Providers in the State of California.	R. 20-09-001 (Filed September 10, 2020)

REPLY COMMENTS OF USTELECOM – THE BROADBAND ASSOCIATION ON ASSIGNED COMMISSIONER'S RULING DATED AUGUST 6, 2021 REGARDING MIDDLE-MILE BROADBAND NETWORK

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REPLY COMMENTS OF USTELECOM – THE BROADBAND ASSOCIATION

USTelecom – The Broadband Association ("USTelecom")[1] submits these reply comments in response to the Assigned Commissioner's Ruling ("Ruling") issued August 6, 2021 and the Assigned Administrative Law Judge's August 20, 2021 ruling extending the deadline for filing reply comments until September 21, 2021.

USTelecom members have a long track record of delivering resilient, reliable, and secure 21st century broadband internet service across California and share the Commission's goal of expanding connectivity as effectively and efficiently as possible to communities that need it most.

Based on their experiences, USTelecom recommends the Commission should: 1) prioritize unserved and isolated areas; 2) deploy networks and determine rates that support future growth; 3) coordinate with state and federal agencies to avoid duplicating existing broadband deployment efforts; 4) take advantage of existing open access infrastructure; 5) connect the middle mile network to areas where private broadband providers are investing in last mile networks; and 6) invest in fiber capacities that futureproof the network.

[1] USTelecom is the premier trade association representing service providers and suppliers for the communications industry. USTelecom members provide a full array of services, including broadband, voice, data, and video over wireline and wireless networks. Its diverse membership ranges from international publicly traded corporations to local and regional companies and cooperatives, serving consumers and businesses in every corner of the country.

USTelecom appreciates the opportunity to offer its perspective on how to best ensure California's statewide open access middle mile broadband network connects as many communities as possible to high quality broadband service.

I. Identifying Existing Middle Mile Infrastructure

Prioritize Unserved and Isolated Areas

In order to ensure connectivity reaches every household, school, and business throughout California, the Commission should prioritize funding to focus on unserved and isolated areas, taking into consideration that even currently served areas have pockets of underserved communities. While we are unable to provide specific route recommendations, the Commission's recommendations to the Third Party Administrator (TPA) should be nuanced sufficiently to accomplish the goals of SB 156, which not only include serving currently underserved and unserved areas at the 25/3 Mbps standard, but ensuring that last mile projects achieve speeds of 100 down and 20 up once the open access middle mile is built.[2] As the Director of the Communications Division explained during the Middle Mile Advisory Committee open meeting on August 18, 2021, the Anchor Build Fiber Highways map shows routes to communities that have less than 100 Mbps download speeds. Route recommendations to the TPA should include two maps: one to achieve the 100/20 Mbps goal, and one to identify the communities served with speed at or under 25/3 Mbps.

The Commission should make sure to avoid overbuilding existing routes that already meet the goals of SB 156. Duplicating broadband routes that have already been built would be contrary to the Governor's and Commission's goal of delivering connectivity as far and wide as possible to the communities in need. Similarly, building a middle mile network without an

[2] See Section 281(f)(5) ("Projects eligible for grant awards shall deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 Mbps downstream and 20 Mbps upstream.").

established or planned last mile network provider that can interconnect with it would not accomplish this goal as it would result in zero service improvements to zero customers.

Deploy Networks and Determine Rates that Support Future Growth

The state should invest wisely in deploying robust and expandable connections that can support future growth, since it is easier to add fiber on the front end of a project as opposed to after the fact. The state also should deploy vacant conduit(s) to their builds so that intermediate fibers can be added at a later time at a low cost. Determining sufficient capacity and affordable rates will vary depending on the method of deployment and last mile needs of the area(s) being served.

Each service provider middle mile proposal should be evaluated on its merits, and no further structure is needed or justified. A data request regarding service term sheets, rates, approximate dark fiber, lit fiber, or conduit is sufficient to verify whether a route has sufficient capacity at an affordable rate. The state also should consider if a route has business to business leases in place to help verify that the route is open access and has sufficient capacity at affordable rates. Such leasing agreements demonstrate that the price is appropriate and the market is working.

II. Priority Areas

While coordination with various state agencies will be key to identifying locations where the Commission can leverage existing infrastructure and construction projects to more quickly deploy new middle mile infrastructure, coordination with federal agencies will also be critical. The Commission should consult with relevant federal agencies that have up to date information on where existing service is being provided and which areas are in the process of receiving federal funding for the deployment of high-speed networks in presently unserved areas. On June 25, the FCC, the Department of Agriculture and the National Telecommunications and

Information Administration (NTIA) entered into an interagency agreement specifically to ensure that these agencies coordinate in order to avoid duplication of efforts. While these programs are designed to provide last mile connectivity, they also will necessarily require robust middle mile connectivity to enable the last mile. The state should coordinate with these agencies to ensure public funds are spent efficiently and effectively to reach as many unserved communities as possible.

When determining areas with a disproportionately high number of unserved households, a threshold of 50% or more households unserved at 100 Mbps download may not always work since California has 78 counties and some are very large. The mapping the Commission has already done is robust, and there seems to be little reason to find a shortcut using county percentages. Instead, the Commission should focus on using right of way maps and customer-address-specific input from stakeholders to determine precisely where middle mile needs exist. The state also should assess priorities with an eye to public safety, redundancy and resiliency opportunities. Areas where microwave backhaul is being used as well as tier 2 and tier 3 high fire areas may be appropriate locations for middle mile investment.

III. Assessing the Affordability of Middle Mile Infrastructure

When considering the costs of middle mile services, the Commission must acknowledge that rural middle mile is necessarily more expensive. Difficult terrain such as state and federal parks, forestland, and tribal lands requires more fiber, labor, and pole attachments due to the distance involved. The Commission should additionally consider, in light of its focus on network resiliency, that hardening the infrastructure from the outset (i.e., undergrounding the middle mile) will be a necessary cost component.

IV. Leasing Existing Infrastructure

Private sector broadband providers have invested billions in middle mile infrastructure throughout California. The Commission should direct funding away from areas where open access infrastructure already exists. It is not clear why the state would need to lease additional capacity on open access infrastructure but to the extent necessary it should work with providers to negotiate appropriate leasing terms on a normal commercial basis.

V. Interconnection

The middle mile network should connect to areas where private sector broadband providers with proven track records are already investing heavily to expand the reach of their networks and have viable business plans to complete qualifying last mile infrastructure projects. End users will not benefit from middle mile investment unless providers are committed to connecting and extending to last mile networks. As previously stated, the state also should deploy vacant conduit(s) and meeting points into their network to allow for future development and expansion.

VI. Network Route Capacity

The state must ensure it does not repeat the failings of other public funding initiatives by underinvesting on day one and thus squandering limited public resources. The state should invest a greater number of strands of fiber than is presently needed in order to futureproof the network. The savings of a lower fiber count would not translate into a materially higher number of fiber miles overall, because fiber is the minor cost of deployment. Trenching and other deployment costs are what really drive broadband deployment project expenses. Further, these factors should not change based on the population density and distance from the core network.

Service providers should specify capacity in their proposals. There is no need for the Commission to consider other requirements or standards to determine sufficient capacity. The

government sponsor of the project should choose among competing proposals. If a government sponsor helped create the capacity, then excess capacity should be available for lease to other service providers on a non-discriminatory basis.

VII. Conclusion

USTelecom appreciates the opportunity to submit these comments. Our members look forward to working with the Commission to continue their commitment of expanding high-speed broadband connectivity throughout California.

Respectfully submitted,

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