

**Statement of Commissioner Rachelle Chong**  
**California Public Utilities Commission**  
**Section 706 Joint Conference on Advanced Services**  
**“Broadband Summit: Connecting America”**  
**November 6, 2008**

Colleagues:

I first would like to thank the Section 706 Joint Conference on Advanced Services for giving California the distinct privilege of hosting our meeting today. We are honored by the presence of our many distinguished guests here today. We ourselves learned much from visits to other broadband programs from other states, including Connect Kentucky, and so we are pleased to share our approach with others.

California is a very challenging state to cover with broadband given our large population (over 36 million persons), our sheer size (156,000 square miles), and great geographic diversity (mountains, deserts, marshes, and other challenging terrain).

Californians are fortunate because this is a place where our leaders clearly understand the importance of broadband to the economic development and social welfare of the Golden State. What has marked California's efforts is the leadership, beginning at the top, as shown by Governor Arnold Schwarzenegger's executive order on broadband in 2006. This Executive Order formed the California Broadband Taskforce, a group of experts tasked to study how to rapidly bring state-of-the-art broadband to our State. The California Broadband Taskforce in turn produced the first broadband mapping project for California, a pricing study, and a comprehensive set of recommendations. Now, our California state agencies and others are implementing those recommendations.

The good news from the mapping project is that our providers have provided broadband access to 96% of our households, and that is commendable.

Via our California Advanced Services Fund, the California Public Utilities Commission has addressed using public private partnerships to bringing broadband infrastructure to the last 4% of California households, which consists of nearly 2,000 communities and 1.4 million persons.

Via our California Emerging Technology Fund, California is issuing grants using \$60 million in donated shareholder funds from AT&T and Verizon to bridge the digital divide in California. This non profit organization is attacking problems such as affordability, access, and relevant applications through grants to groups who are successfully working on these areas in our state.

Via our California Telehealth Network, we expect to link about 500 health care sites to enable state-of-the-art telemedicine applications for our rural and tribal health care sites. This ambitious project will bring broadband to areas of the state where fast broadband has been lacking heretofore. We thank the FCC for the generous \$22.1 million grant through the FCC's Rural Health Care Pilot Program towards our new telehealth network. It was truly the catalyst that brought this amazing project into being.

The California Legislature also provided critical leadership, enacting the Digital Infrastructure and Video Competition Act of 2006. This Act allowed our incumbent local exchange carriers to enter the video business, and set forth a streamlined statewide franchising process for video providers in the state, including cable providers. Our carriers are now busy building fiber networks.

Also, the California PUC has been setting a favorable regulatory environment for our broadband providers, loosening outdated regulations and encouraging head to head competition on a level playing field.

In thinking about the goal of nationwide broadband, I would put forth the following suggestions:

1. Set as a nationwide goal having high speed broadband infrastructure to all Americans. Set forth milestones to reach this goal.
2. Adopt federal rules for nationwide broadband reporting in a more granular way. California found our broadband mapping approach to be useful to our policies and programs. California wants to benchmark itself against other states, in addition to other nations.
3. Ensure the broadband mapping program captures speed information. Gathering broadband speed information was critical to the California mapping project. While carriers were reluctant

initially, this information was helpful to achieve the speed goals that have been set out for us by the Taskforce.

4. We should aim high for broadband speed goals as a nation, for global competitiveness. For example, California's Broadband Taskforce aspires to 50 Mbps by 2015 as our state goal.
5. Once we have broadband data from a nationwide mapping project, create a new and targeted Broadband Fund. This new broadband fund would bring broadband to unserved areas where there are sizable communities, focusing first on those with schools, libraries and health care facilities. I believe such a fund should require a state matching grant, so the state has some "skin in the game."
6. We should consider a program for low income broadband support. We could also consider whether we need a federal program could subsidize installation costs for low income individuals similar to the Linkup program for low income phone consumers.
7. We should develop federal or state models for permitting standards and encourage collaboration among providers. For example, in California, CalTrans provides notice to interested telecommunications providers of highway projects, so that fiber conduit can be laid while the roads already are opened up for repair, or are being built.
8. We should encourage and reward broadband innovation and research.
9. We should continue to support the state telehealth networks begun by the FCC Rural Health Care Pilot Project with Rural Health Care Universal Service Funds on an ongoing basis.
10. We should continue leadership efforts at both the federal level through groups like this, and encourage leadership efforts at each state as to broadband deployment.
11. We should provide more spectrum for broadband uses.