

## Broadband USA Applications Database

**Applicant Name:** California Valley Broadband, LLC

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### Public Notice Submissions

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-----**Service Area:** CVB Project 1

**Submitter:** Interwest Management Services Inc. dba Fire2Wire

**Comment:** Fire2Wire has been servicing rural areas within the San Joaquin Valley since 2002. The market price of residential broadband Internet service in this area is at a current low, due to wireline service promotions and other competing rural providers. The heavy use of license-exempt equipment for broadband Internet service, as well as for consumer devices, makes it unlikely that an additional operator could successfully deploy a wide-scale network using license-exempt equipment. In addition, the San Joaquin Valley's proximity to grandfathered fixed satellite stations makes deploying 3.65GHz equipment under FCC part 90 difficult in most areas. It is our belief that the proposed service area could not sustain additional competition without causing a notable loss of jobs within the various smaller rural providers.

**Submitter:** WaveDivision Holdings, LLC

**Comment:** WaveDivision Holdings, LLC ("Wave") is a facilities-based, terrestrial provider of high speed Internet, cable television and telephone services. Wave challenges the application of California Valley Broadband, LLC ("Applicant") for last mile funding because Applicant's proposed funded service area does not meet the requirement set forth in the Notice of Funds Availability to qualify as an "Underserved Area". The current aggregate broadband penetration in Applicant's proposed funded service area is significantly greater than the 40% standard set forth in the NOFA. Additionally, in the portion of Applicant's proposed service area that is served by Wave more than 50% of the households have access to facilities-based, terrestrial broadband service. Essentially 100% of the households in the areas Wave serves in the proposed funded service area have access to Wave's broadband services. Accordingly, NTIA and/or RUS must deny Applicant's funding proposal.

**Submitter:** AT&T

**Comment:** AT&T is providing data about its wireline and mobile broadband footprint to assist in determining whether the applicant's proposed

service area, which may be part of a larger application and project, satisfies the unserved and underserved eligibility requirements.

Additional information regarding other broadband service providers' currently operating in the service area may be needed in order to make a reasonable analysis or a conclusive determination.

**Submitter:** Kerman Telephone Company, dba Sebastian

**Comment:** Kerman Telephone, dba, Sebastian, is challenging the applications for ARRA funding for the Kerman Telephone exchange. The Kerman telephone exchange exceeds the federal NTIA/RUS unserved and underserved definition. Audeamus, a non-regulated affiliate of Sebastian launched high-speed Internet service back in 2000 and has availability to 100% of the customers in our service territory. Sebastian is currently offering the choice of 1.5Mbps, 4 Mbps, and 6Mbps to all our customers. The Kerman Telephone exchange has a broadband penetration rate of 41% and growing. As stated in the NOFA ARRA grants are designed to fund areas where no broadband connectivity exists (i.e. are either unserved or underserved). This is not the case in the Kerman exchange. Applicants also fail in the requirement to demonstrate that service would not exist absent support from the grant funds – services already exist in this area. As the area served by Sebastian does not meet the required criteria, the request for funding in our service territory for this application should be denied.

**Submitter:** Ponderosa Cablevision

**Comment:** Ponderosa has demonstrated that the service area submitted has sufficient subscribership, better than federally mandated broadband speeds and pricing equivalent to less rural areas.

**Submitter:** Northland Communications Corporation

**Comment:** No comment.

**Submitter:** SureWest Communications

**Comment:** Respondent disputes herein that some of the service area proposed for funding by Airtemis Networks Inc. is neither underserved nor unserved. Putting aside the issue of other existing providers, for alleged unserved area, respondent shows that in the proposed funded service area, it currently advertises and provides fixed broadband service with transmission speeds of at least 768 kbps

downstream and 200 kbps upstream, and that more than 10 percent of the households in the proposed funded service area currently have access to that service for alleged underserved area. Respondent also shows that in the proposed funded service area, 1) it currently advertises and provides fixed broadband service with transmission speeds of at least 3 mbps downstream, 2) that more than 50 percent of the households in the proposed funded service area currently have access to that service, and 3) that more than 40% of the households in the proposed funded service area currently subscribe to broadband service. The wireline broadband service providers in the area are AT&T, SureWest, and Comcast and various wireless broadband providers.

The applicant crosses as specified above in an area that is neither un-served or underserved. The specific CBGs are 0093071-0093072, 0093081-0093083, 0093091-0093092, 0093101-0093103, 0093141, 0093221-0093222, 0093231-0093232, 0093151-0093153.

**Submitter:** Sierra Telephone Company, Incl

**Comment:** Public Response:

Sierra Telephone Company, Inc. and its affiliates (collectively "Sierra Telephone") hereby challenges this application for American Recovery and Reinvestment Act ("ARRA") funding in Sierra Telephone's service territory. Sierra Telephone provides Broadband services over a Digital Subscriber Line platform in its service territory, in a manner that exceeds the federal National Telecommunications and Information Administration ("NTIA") and Rural Utilities Service ("RUS") unserved and underserved definitions. The area for which ARRA funding is sought in this application overlaps with the area that Sierra Telephone serves with broadband, and to the extent of such overlap, the application must be denied.

Sierra Telephone's service territory is neither "unserved" nor "underserved." As defined in the Notice of Funds Availability ("NOFA"), an area is classified as unserved if 90% of households lack access to broadband services. The percentage of households that lack access to broadband services at the minimum broadband transmission speeds in Sierra Telephone's service territory that overlap the applicant's proposed unserved area is well below the 90% threshold.

As defined in the NOFA, an area is classified as underserved if one of the following criteria are met: (1) no more than 50 percent of the households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed of 768 kbps downstream and 200 kbps upstream; (2) no fixed or mobile broadband service

provider advertises broadband transmission speeds of at least three megabits per second downstream in the proposed funded service area; or (3) the rate of broadband subscribership in the proposed funded service area is 40% or less. None of these standards for defining an underserved area can be met as to the portion of the proposed funded area that overlaps with Sierra Telephone's service territory. The rate of broadband subscribership for households in Sierra Telephone's service territory that overlap the applicant's proposed underserved area is well above the 40% threshold. Further, Sierra Telephone provides facilities-based, terrestrial broadband service to more than 50% of the households in its service territory. Sierra Telephone does not have information in its possession regarding the advertised speeds for any fixed or mobile broadband offerings in the proposed funded service area. However, Sierra Telephone understands that a satellite-based Internet Service Provider, HughesNet, offers broadband speeds of 3Mbps or greater.

As stated in the NOFA, ARRA grants are designed to fund areas where insufficient broadband connectivity exists (i.e. it is designed to target areas that are either unserved or underserved). This is not the case in Sierra Telephone's service territory. In addition to the applicant's failure to meet the proper definitions of unserved and underserved relative to the proposed funded service area, the applicant also has demonstrated that service would not exist absent support from the grant funds. As described herein, services already exist in this area, including those provided by Sierra Telephone. Broadband is widely available in the area, and subscribership exceeds the 40% threshold. Since the portion of the proposed funding area that overlaps Sierra Telephone's service territory does not meet the required criteria, the request for funding in Sierra Telephone's service territory for this applicant must be denied.

**Submitter:** Personal Network Computing

**Comment:** Personal Network Computing, Inc. dba Valley Internet, has been providing fast and reliable broadband Internet service in the marked area within Solano county since 2005. While we are not protesting the California Valley Broadband LLC application, we wanted the government and the public to be aware that low latency, fast Internet service is available in this area, with speed plans as fast as 8mbit downloads.

While the overlap area between our company's entire service areas and California Valley Broadband LLC' proposed service area, is relatively small, the rural areas of Suisun Valley, Gordon Valley, Fairfield and Vacaville, represent a significant portion of our business.

If California Valley Broadband LLC is to receive government funding to provide service in this area, and our company is declined, this will most likely take us out of business and create a counter effect from the one the stimulus funds intended to do.