

July 18, 2011

Board of Supervisors
City and County of San Francisco, California
Board.of.Supervisors@sfgov.org

Re: AT&T Network "Lightspeed" upgrade project, environmental review

Dear Board of Supervisors:

This letter is being sent by email only. We understand from speaking with the Office of the Clerk of the Board today that this letter will be distributed to you before your July 19, 2011 meeting so you may consider our comments.

I am writing to you on behalf of Sonic Telecom, to advise you of Sonic Telecom's position regarding the Board of Supervisors' determination whether to affirm or reverse the Planning Department's determination that the AT&T Network "Lightspeed" upgrade project is exempt from environmental review (File Nos. 110345, 110346, and 110347).

Sonic Telecom neither supports nor opposes the requested exemption. However, if the Board of Supervisors determines that it will affirm the exemption from environmental review, and from the city's policy of underground placement, Sonic Telecom respectfully requests that the Board at the same time confirm that it will apply the same exemption standard to Sonic Telecom when it applies to install its own surface utility boxes adjacent to AT&T's boxes, to permit Sonic Telecom to provide its own competitive telecommunications and data services.

Sonic Telecom is a competitive telecommunications and data services provider, which holds certificates from the California Public Utilities Commission and the Federal Communications Commission to provide telecommunications services and which provides those services as part of a suite of services which includes telephone and high speed Internet access. Sonic Telecom is based in California, and its primary service area is the San Francisco Bay Area.

Sonic Telecom offers a low-cost, high quality package of services to its customers, with quality customer support provided by local service and support staff. Our company was recently featured in an article in the San Francisco Chronicle, which is attached.

Sonic Telecom is in the process of extending its current services to residential and business customers in San Francisco. In order to provide faster broadband services to many of its San Francisco customers, Sonic Telecom would need to put its own equipment into the AT&T surface or underground utility enclosures, if space were available. This is called "collocation."

It is apparent from the proposed AT&T surface utility box configuration that space is not likely to be available for competitive carriers to collocate inside the proposed new surface utility boxes. Larger surface utility boxes could be placed, or underground controlled environmental vaults, which generally have more overall space, more readily allowing for collocation. We respectfully suggest a cabinet or vault configuration that would allow space for at least two additional collocators.

Barring this, under applicable federal law, competitive carriers are permitted to place

their own surface utility boxes in proximity to AT&T's surface utility box and then to "cross-connect" to the AT&T copper wires which run from AT&T surface utility boxes to customers' homes and businesses.

It is important for Sonic Telecom's business planning and deployment of service in San Francisco that it be assured that, when it is time for Sonic Telecom to place its own surface utility boxes in proximity to the AT&T boxes, Sonic Telecom's boxes will be accorded no less favorable treatment by the Board of Supervisors than AT&T's.

Therefore, if cabinets or vaults do not allow space for collocators, Sonic Telecom respectfully requests that the Board of Supervisors condition any approval of AT&T's request on the Board of Supervisors' commitment to treat future surface utility boxes in the City with the same exemption offered to AT&T.

We will be happy to answer any questions regarding this letter or our services.

Thank you for your consideration of this request.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Dane Jasper". The signature is stylized and cursive.

Dane Jasper
CEO & Co-Founder
Sonic Telecom

Sonic.net bucking the data cap trend

James Temple

Wednesday, July 6, 2011

Early last month, this column highlighted the disappointing pattern of companies eliminating all-you-can-eat Internet data plans. That included the two main options for residential broadband in the Bay Area: AT&T and Comcast.

At least one local company, however, is swimming against the telecom tide.

Sonic.net, a 17-year-old Santa Rosa firm, continues to offer broadband plans without data caps and recently dropped its speed limits, meaning all connections now run as fast as the pipes allow for the same price. Perhaps more interestingly, the company is gearing up to vastly accelerate those speeds in certain areas, to levels far higher than what's generally available in the region today.

Sonic has begun a "fiber to the home" pilot project in Sebastopol, replacing the aging copper wires that reach most homes with fiber cables offering speeds of up to 1 gigabit per second. Translation: You could download most standard-definition movies in about 30 seconds.

The offerings beg the obvious question: If a small regional Internet service provider thinks it can profitably deliver such services, what's stopping its huge, high-margin rivals?

The first homes will be switched on this month, and the final ones should be up and running early next year.

The company, which Google selected to operate an experimental fiber-to-the-home network at Stanford, plans to install the blazing service in other cities once the market share there justifies the up-front investment. The sweet spot is somewhere between 20 and 40 percent, depending on the particular costs and regulatory headaches posed by any given municipality, said Dane Jasper, chief executive of Sonic.

Cities in the running to get fiber to the home next are Forestville, Santa Rosa and Healdsburg. San Francisco is 12th on the list but moving up fast. Oakland is 16th, and San Jose comes in at 17.

\$39.95 basic package

Sonic now offers a standard broadband service throughout much of the Bay Area featuring download speeds of up to 20 megabits per second, along with a flat rate phone line, for \$39.95 per month. Its high-level service includes two lines and speeds of up to 40 Mbps for \$69.95.

As the company swaps out copper for fiber, it plans to maintain those prices, even as the speeds rev up to 100 Mbps for the basic service and 1,000 Mbps (1 gigabit) for the top end.

Apples-to-apples comparisons with AT&T and Comcast get a little messy since each service offers

different packages, add-ons, features and introductory rates. But at this point, Sonic's fiber network promises to be a faster Internet service, with no data limits at prices comparable to or cheaper than its competitors' full-throttle residential offerings.

Here are a few comparative figures (with apologies for the data dump):

-- Comcast's monthly charge for Xfinity Internet Blast, its cable Internet service with download speeds of up to 20 Mbps, ranges from \$52.95 to \$70.95 after introductory offers expire, according to its website. In some areas, it also offers a plan with download speeds of up to 105 Mbps, for the pricey standard rate of \$129.95 per month.

-- After promotional pricing, AT&T charges \$63 a month for the fastest version of U-verse Internet, its fiber service with download speeds of up to 24 Mbps.

Fiber stops short

U-Verse, which is available to about a million homes in the Bay Area, is mostly a "fiber-to-the-node" service, an ugly bit of industry gibberish meaning the fiber cable ends at a box a short distance from the homes. For our purposes, what that means it's slower.

AT&T is building out a fiber-to-the-home service like Sonic around areas of new residential construction - but, of course, there's not exactly a lot of that in the Bay Area right now.

To be fair, of course, describing Sonic's network as even nascent would be generous at this point. It will be a long time before fiber to the home is a real option for most Bay Area residents, and there's still plenty that can go wrong in the rollout.

AT&T spokesman John Britton emphasizes that there are a lot of reasons why customers will continue to choose the big players in the market, including a wider range of products and features.

"What people want is an integrated, easy experience," he said. "People like going with the market leader and the people innovating and creating the future."

But by eschewing data limits and revving up its service, Sonic is doing exactly what any business underdog should: providing a competitive choice in the marketplace that, hopefully, tugs **the giants** in a direction that benefits all consumers.

So why aren't AT&T and Comcast delivering similar services at comparable prices? In all likelihood, only because the little competition that exists hasn't compelled them to do so.

But in a market brimming with Internet power users, Sonic's increasingly differentiated products seem to be catching on.

The company's customer base has been expanding by more than 10 percent a month, forcing it to boost staff by more than 30 percent in the past six months.

"We have been overwhelmed with demand," CEO Jasper said.

If AT&T and Comcast don't bother to take notice, their customers should.

Dot-commentary runs Wednesdays, Fridays and Sundays. Follow [@jtemple](#) on Twitter or e-mail jtemple@sfchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/07/06/BUFD1K6GF7.DTL>

This article appeared on page **D - 1** of the San Francisco Chronicle

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