Item #54
Agenda ID #8389

DRAFT
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division **RESOLUTION T- 17199**
Carrier Oversight and Programs Branch * **April 16, 2009**

R E S O L U T I O N

Resolution T-17199 Approval of Funding for AT&T California Advanced Services Fund (CASF) Underserved Area Applications Amounting to $389,154

Summary

This Resolution adopts funding for five (5) AT&T California (AT&T) broadband projects in underserved areas totaling $389,154 from the California Advanced Services Fund (CASF). The amount granted represents 40% of the total project costs of these underserved area applications filed in accordance with Resolution T-17143. The following table identifies the projects and the CASF funding amounts approved.

Project Name	CASF Funding
Vacaville	$171,914
Madera Acres	$43,301
Friant	$46,463
Clovis	$36,393
Carmel	$91,083
TOTAL	**$389,154**

Background

On December 20, 2007, the Commission approved Decision (D.) 07-12-054 which established the two-year CASF program to provide matching funds of up to 40% of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in

California.[3] Resolution T-17143, approved on June 12, 2008, adopted the application requirements, scoring criteria for the award of funds, and a prescribed timeline for other filings and notifications including a projected Commission Meeting date for final approval of award(s). This same Resolution directed interested applicants, seeking funding for underserved projects, to file their project proposals and funding requests on August 25, 2008. Thirty–three (33) project proposals have been received thus far seeking CASF funding for underserved areas. On March 12, 2009, the Commission, in Resolution T-17196 approved seven unchallenged underserved projects amounting to $620,093. Other applications required further review as these were challenged by other carriers or were confirmed to be served at speeds of more than 3 MBPS download or 1 MBPS upload. CD shared its findings with applicants who either modified or withdrew their submitted proposals.

This resolution addresses five (5) CASF underserved projects submitted by AT&T. Further details of the AT&T projects are shown in Appendix A and presented in the Discussion section of this resolution.

Notice/Protests

The Census Block Group (CBG) list appeared by county on the Commission's CASF website page under "UNDERSERVED areas proposed to be served as of August 25, 2008: Census Block Groups (CBGs)". CBGs believed to be already served at speeds of 3 MBPS or more download and 1 MBPS or more upload were challenged pursuant to Resolution T-17143. CD received challenges to AT&T's proposed CBGs from interested parties and challenged proposed areas itself based on information in the January 2008 Broadband Task Force Report (BBTF).

Discussion

This Resolution adopts a total of $389,154 in CASF funding support for five (5) AT&T broadband projects in underserved areas. The actual award amounts for these five (5) projects are described in detail in Appendix A.

For qualification purposes under the CASF program, underserved areas are defined as areas with broadband service offering less than 3 MBPS download and 1 MBPS upload. CD reviewed each project's eligibility in the underserved review phase by analyzing the required data submitted. These data include, but are not limited to: proof of CPCN registration; descriptions of current and proposed broadband infrastructure; Geographic Information System (GIS) formatted Shapefiles mapping the subject areas; assertion that the area is underserved; potential subscriber size and household incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and, financial qualifications of the applicant. In addition, CD reviewed the Shapefiles

[3] SB 1193 (Chapter 393, Statutes of 2008) established the California Advanced Services Fund as a new public purpose program.

submitted which mapped the broadband deployment proposed using United States 2000 Census data and the BBTF including its on-line maps, among others. Comparisons of submitted maps to that of the BBTF verified the existence or non-existence of broadband service as well as speeds in areas where broadband services are available.

When necessary, CD performed further verification with applicants which included the submission of additional data and/or meetings with the applicants in order to clarify their project proposals.

AT & T – Vacaville, Pages A-1 and A-2 of Appendix A

AT&T submitted a project proposal for the Vacaville area of Solano County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, and where it has wireline facilities. This project will be able to serve 33 households covering an area of 1.73 square miles in 5 CBGs. The 40% CASF subsidy for the project is $142,078 plus Contribution in Aid of Construction (CIAC) of $29,836 for a total CASF award of $171,914.

AT & T – Madera Acres, Pages A-3, and A-4 of Appendix A

AT&T submitted a project proposal for the Madera Acres area of Madera County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, and where it has wireline facilities. This project will be able to serve 20 households covering an area of 0.62 square miles in 2 CBGs. The 40% CASF subsidy for this project is $35,786 plus CIAC of $7,515 for a total CASF award of $43,301.

AT & T – Friant, Pages A-5 and A-6 of Appendix A

AT&T submitted a project proposal for the Friant area of Fresno County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, and where it has wireline facilities. This project will be able to serve 5 households covering an area of 0.5 square miles in 2 CBGs. The 40% CASF subsidy for this project is $38,399 plus CIAC of $8,064 for a total CASF award of $46,463.

AT & T - Clovis, Pages A-7 and A-8 of Appendix A

AT&T submitted a project proposal for the Clovis area of Fresno County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, and where it has wireline facilities. This project will be able to serve 125 households covering an area of 0.3 square miles in 2 CBGs. The 40% CASF subsidy for this project is $30,077 plus CIAC of $6,316 for a total CASF award of $36,393.

AT & T - Carmel, Pages A-9 and A-10 of Appendix A

AT&T submitted a project proposal for the Carmel area of Monterey County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, and where it has wireline facilities. This project will be able to serve 14 households covering an area of 0.99 square miles in 2 CBGs. The 40% CASF subsidy for this project is $75,275 plus CIAC of $15,808 for a total CASF award of $91,083.

A map of all AT&T's approved projects can be found on page A-11 of Appendix A.

All of the above projects were evaluated using the scoring criteria adopted in Resolution T-17143. The Application Requirements and Guidelines on the awarding of CASF funds[4] provide that the execution of a Performance Bond is not required if 60% of the total project costs comes from the applicant's capital budget and is not obtained from outside financing sources. AT&T has established a track record with the Commission and has satisfied this requirement. Therefore, they will not be required to post a performance bond. However, a performance bond may be required in future awards in order to protect the interests of the Commission, and the public, in the event that CASF fund recipients do not complete the broadband projects approved by the Commission.

AT&T states in its application that it will offer high speed internet service which is stand-alone and powered by IP connections over AT&T's backbone subject to the availability and operational limitations of the necessary equipment and associated wireline facilities in the proposed areas. Since AT&T will use existing wireline facilities, AT&T is exempt from the California Environmental Quality Act. However, AT&T is required to comply with all other guidelines, requirements and conditions associated with the granting of CASF funds as specified in Resolution T-17143 including the submission of Form 477.

Payments to CASF Recipients

Submission of invoices and payments to CASF recipients shall be made in accordance with Section IX of Appendix A of Resolution T-17143 and according to the guidelines and supporting documentation required in Resolution T-17143.

Since CASF funding is limited to entities with a Certificate of Public Convenience and Necessity (CPCN) that qualify as a "telephone corporation" as defined under P. U. Code §234 or wireless carriers registered with the Commission over which the Commission has jurisdiction, payment to recipients shall essentially follow the process adopted for funds created under Public Utilities Code §270. The following table describes the timeline for processing CASF payments.

[4] Resolution T-17143

Event	Payment Cycle 1 (Day/Month)	Payment Cycle 2 (Day/Month)
Invoices due from CASF recipients to CD	5th of Month 1	20th of Month 1
Payment letters from CD to Information and Management Services Division (IMSD) [5]	On 19th of Month 1	On 4th of Month 2
Invoices submitted from IMSD to State Controller's Office (SCO) for payments	20th through 26th of Month 1	5th through 13th of Month 2

AT&T may submit their invoices under Payment Cycle 1 or 2.

If any date in this payment schedule falls on a weekend or holiday, that date will be advanced to the next business day but the remaining dates in the payment schedule will remain unchanged. SCO requires 14 to 21 days to issue payment from the day that requests are received by SCO.

Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on March 17, 2009 informing a) all applicants filing for underserved areas and b) parties on the service list of R.06-06-028 of the availability of the draft of this Resolution for public comments at the Commission's website http://www.cpuc.ca.gov/static/documents/index.htm. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and will be available at this same website.

The Commission did not receive any comments on the draft resolution.

Findings

1. The California Advanced Services Fund (CASF) was implemented by Decision (D.) 07-12-054. The CASF was established as a two-year program that will provide matching funds of up to 40% of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in California.
2. Resolution T-17143, approved on June 12, 2008, adopts the application requirements and scoring criteria for the award of funds, a prescribed timeline for other filings and notifications including a projected Commission Meeting date for final approval of

[5] The above schedule is contingent on the CASF recipient submitting clear, complete and error free invoices to CD. Additionally time to process payments may be necessary if CD finds problems with the submitted invoices.

award(s). T-17143 directed interested applicants seeking funding for underserved projects to file their project proposals and funding requests on August 25, 2008.

3. Underserved areas are defined as areas with broadband service offering less than 3 MBPS download and 1 MBPS upload
4. A list of census block groups (CBGs) appeared by county on the Commission's CASF website page under "UNDERSERVED areas proposed to be served as of August 25, 2008: Census Block Groups (CBGs)". The Communications Division (CD) proceeded with its independent review and analysis of these AT&T challenged project areas to verify that they were underserved as of the applicants' filing date.
5. CD reviewed each application's eligibility in the underserved review phase through the analysis of required data submitted. These data include, but are not limited to: proof of CPCN registration; descriptions of current and proposed broadband infrastructure; geographic information system (GIS) formatted Shapefiles mapping the subject areas; assertion that the area is underserved; potential subscriber size and household incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and, financial qualifications of the applicant.
6. Shapefiles, which mapped the broadband deployment, were reviewed by CD using sources including, but not limited to, the United States 2000 Census data and the January, 2008, Broadband Task Force Report and its available on-line maps. These maps helped to verify the existence of or non-existence of broadband service areas and broadband speeds, where available.
7. CD verified each project and, when necessary, requested additional information and/or meetings with applicants to clarify/modify their project proposals.
8. After its review, CD determined that five (5) AT&T applications for underserved areas were eligible to receive funding under CASF.
9. The five (5) projects proposed that have been found to be eligible for CASF funding are as follows:

Project Name	**CASF Funding**
Vacaville	$171,914
Madera Acres	$43,301
Friant	$46,463
Clovis	$36,393
Carmel	$91,083
TOTAL	**$389,154**

10. AT&T should not be required to post a performance bond as AT&T has a proven track record with the Commission and 60% of the total project cost will be financed through AT&T's capital budget.
11. AT&T is exempt from the California Environmental Quality Act review for the projects listed in this Resolution because it will be using its existing wireline facilities.
12. AT&T should comply with all other requirements and conditions associated with the granting of CASF funds as specified in Resolution T-17143 including, but not limited to, the submission of Form 477.
13. A notice letter was emailed on March 17, 2009 informing: a) all applicants filing for underserved areas and, b) parties on the service list of R.06-06-028 of the availability of the draft of this Resolution for public comments at the Commission's website http://www.cpuc.ca.gov/static/documents/index.htm. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and will be available at this same website.
14. The Commission did not receive any comments on the draft resolution.
15. The Commission finds CD's recommended CASF awards for underserved areas for the five (5) projects, as summarized in Appendix A of this Resolution, reasonable and consistent with Commission orders and should be adopted.

THEREFORE, IT IS ORDERED that:

1. The California Advanced Services Fund award for five (5) AT&T projects for underserved areas, as described in the Discussion portion and summarized in Appendix A of this Resolution and as summarized below, is adopted.

Project Name	CASF Funding
Vacaville	$171,914
Madera Acres	$43,301
Friant	$46,463
Clovis	$36,393
Carmel	$91,083
TOTAL	**$389,154**

2. AT&T shall not be required to post a performance bond.
3. The program fund payment of $389,154 for the five (5) Commission-approved underserved projects shall be paid out of the CASF fund in accordance with the guidelines adopted in Resolution T-17143.

4. Payments to AT&T shall be in accordance with Section IX of Appendix A of Resolution T-17143 and in accordance with the process defined in the "Payments to CASF Recipients" section of this Resolution.
5. AT&T shall be exempt from the California Environmental Quality Act review for the projects listed in this Resolution.
6. AT&T shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in Resolution T-17143.

This Resolution is effective today.

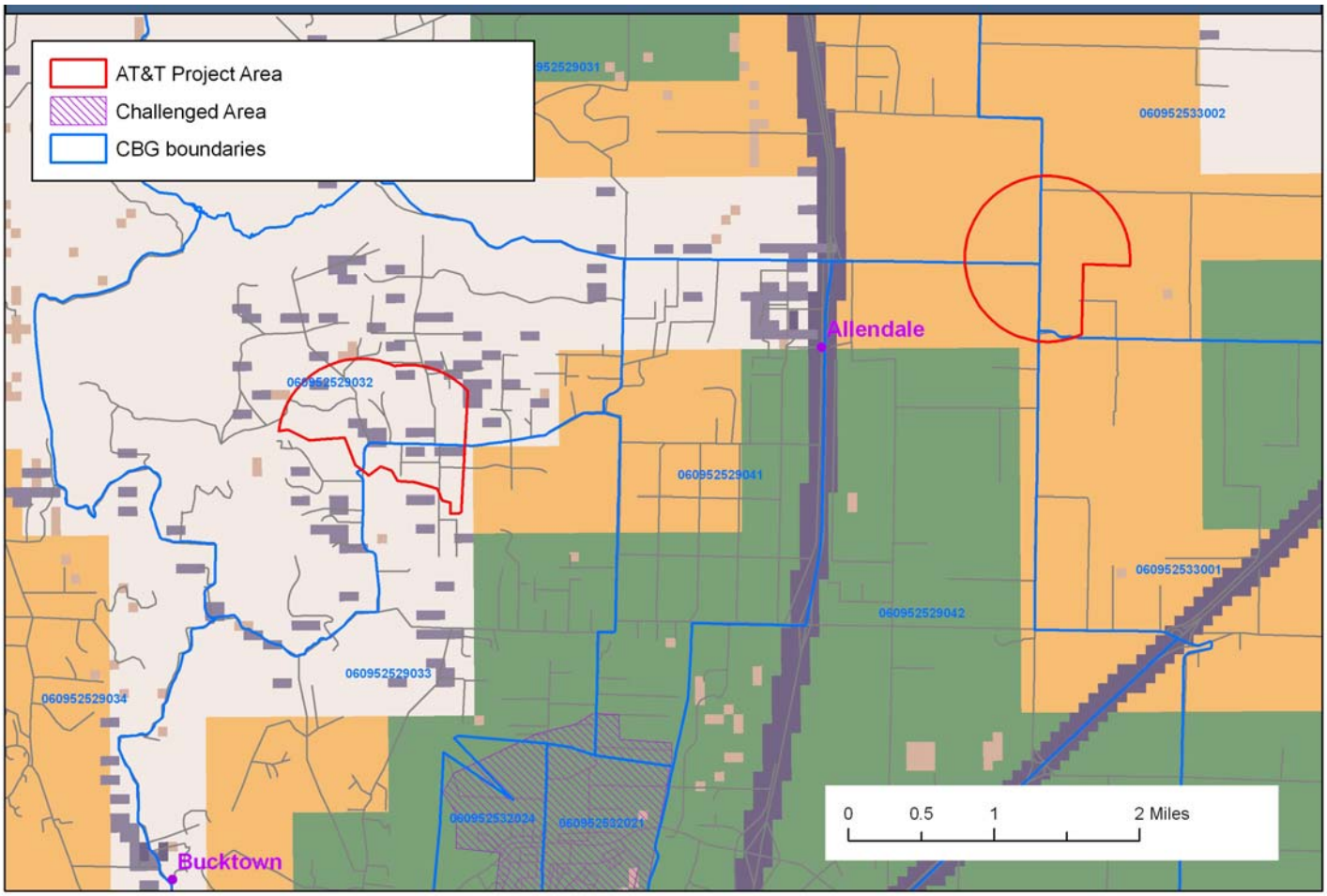
I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 16, 2009. The following Commissioners approved it:

PAUL CLANON
Executive Director

APPENDIX A
Resolution T- 17199
Vacaville Project Key Information

1	*Project ID*	**ATT 2008-1002**	
2	*Project Name*	**Vacaville**	
3	*Project Plan*	high speed, stand alone, internet access service, powered by IP connections over AT&T's backbone; service offering will be subject to the availability and operational limitations of the necessary equipment and associated wireline facilities	
4	*Project Size (in square miles)*	1.73	
5	*Download speed*	up to 10 MBPS	
6	*Upload speed*	up to 1.5 MBPS	
7	*Location*	Solano	
a)	*Community Name*	Vacaville	
b)	*CBGs/Household Income*	060952529031	$93,632
		060952529033	$119,349
		060952529032	$89,750
		060952529042	$74,091
		060952533002	$67,383
c)	*Zip Codes*	95620	
		95688	
		95694	
8	*Estimated Potential Subscriber Size*		
a)	*Households*	33	
9	*Deployment Schedule (from Commission approval)*	9 - 24 months	
10	*Proposed Project Budget*		
	CASF (40%)	$142,078	
	CIAC	$29,836	
	Amount of CASF Funds Requested	**$171,914**	

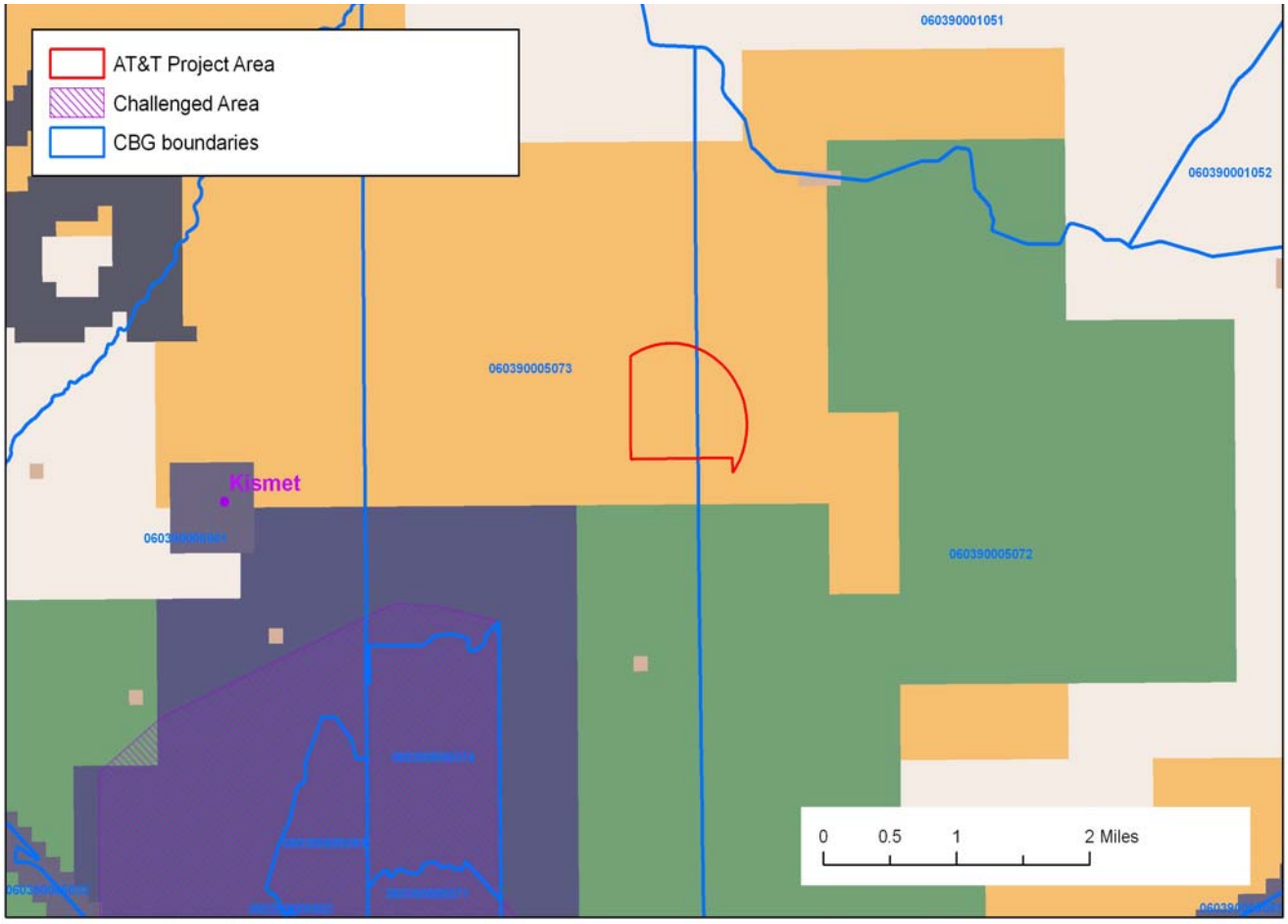
APPENDIX A
Resolution T- 17199
Vacaville Project Shapefile



APPENDIX A
Resolution T- 17199
Madera Acres Project Key Information

1	*Project ID*	**ATT 2008-1011**	
2	*Project Name*	**Madera Acres**	
3	*Project Plan*	high speed, stand alone, internet access service, powered by IP connections over AT&T's backbone; service offering will be subject to the availability and operational limitations of the necessary equipment and associated wireline facilities	
4	*Project Size (in square miles)*	0.62	
5	*Download speed*	up to 10 MBPS	
6	*Upload speed*	up to 1.5 MBPS	
7	*Location*	Madera	
a)	*Community Name*	Madera Acres	
b)	*CBGs/Household Income*	060390005072	$58,667
		060390005073	$39,794
c)	*Zip Codes*	93638	
8	*Estimated Potential Subscriber Size*		
a)	*Households*	20	
9	*Deployment Schedule (from Commission approval)*	9 - 24 months	
10	*Proposed CASF Funding*		
	CASF (40%)	$35,786	
	CIAC	$7,515	
	Amount of CASF Funds Requested	**$43,301**	

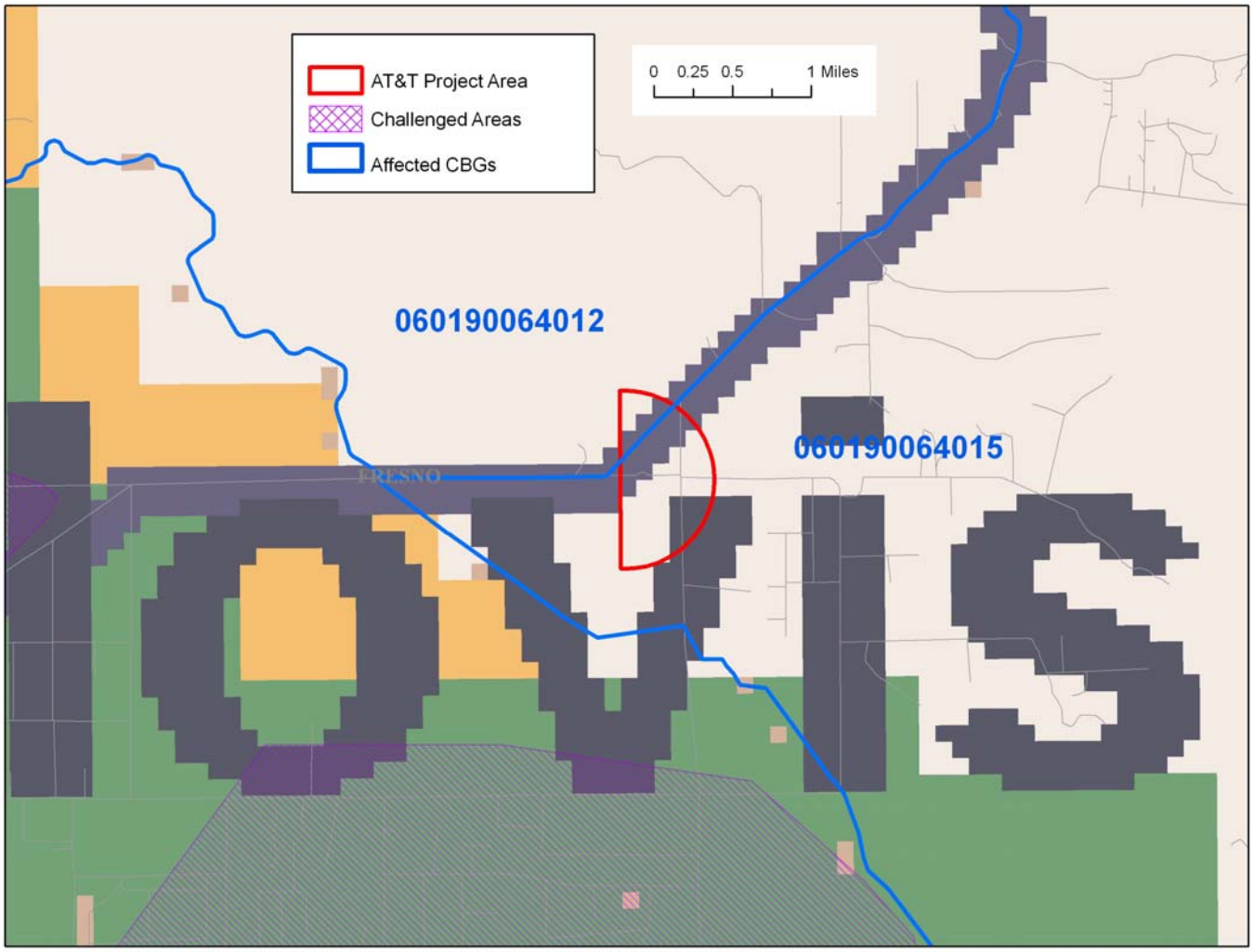
APPENDIX A
Resolution T- 17199
Madera Acres Project Shapefile



APPENDIX A
Resolution T- 17199
Friant Project Key Information

1	*Project ID*	**ATT 2008-1012**	
2	*Project Name*	**Friant**	
3	*Project Plan*	high speed, stand alone, internet access service, powered by IP connections over AT&T's backbone; service offering will be subject to the availability and operational limitations of the necessary equipment and associated wireline facilities	
4	*Project Size (in square miles)*	0.5	
5	*Download speed*	up to 10 MBPS	
6	*Upload speed*	up to 1.5 MBPS	
7	*Location*	Fresno	
a)	*Community Name*	Friant	
b)	*CBGs/Household Income*	060190064015	$74,364
		060190064012	No data available
c)	*Zip Codes*	93619	
8	*Estimated Potential Subscriber Size*		
a)	*Households*	5	
9	*Deployment Schedule (from Commission approval)*	9 - 24 months	
10	*Proposed CASF Funding*		
	CASF (40%)	$38,399	
	CIAC	$8,064	
	Amount of CASF Funds Requested	**$46,463**	

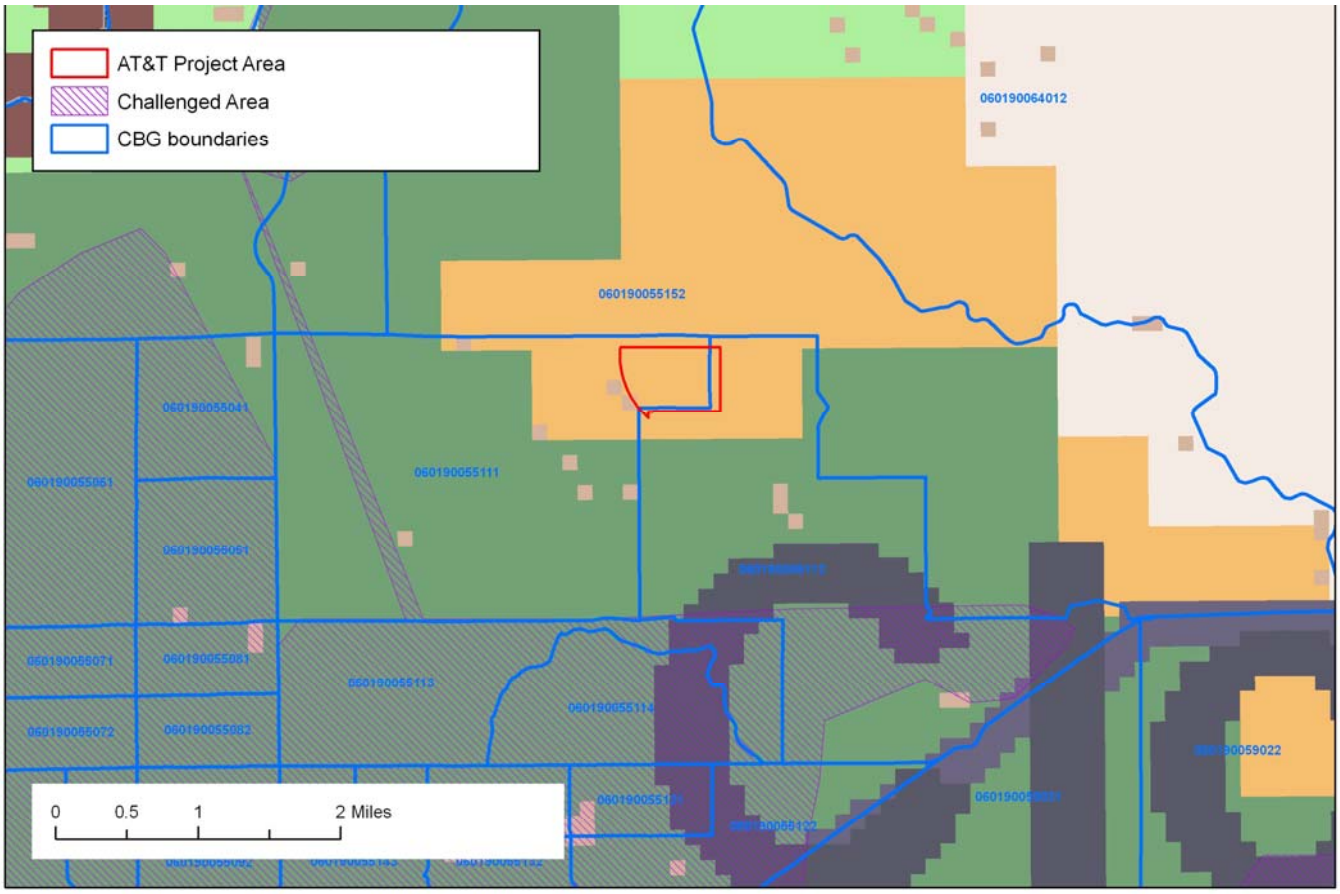
APPENDIX A
Resolution T- 17199
Friant Project Shapefile



APPENDIX A
Resolution T- 17199
Clovis Project Key Information

1	*Project ID*	**ATT 2008-1013**	
2	*Project Name*	**Clovis**	
3	*Project Plan*	high speed, stand alone, internet access service, powered by IP connections over AT&T's backbone; service offering will be subject to the availability and operational limitations of the necessary equipment and associated wireline facilities	
4	*Project Size (in square miles)*	0.3	
5	*Download speed*	up to 10 MBPS	
6	*Upload speed*	up to 1.5 MBPS	
7	*Location*	Fresno	
a)	*Community Name*	Clovis	
b)	*CBGs/Household Income*	060190055112	$66,734
		060190055111	$88,599
c)	*Zip Codes*	93619	
8	*Estimated Potential Subscriber Size*		
a)	*Households*	125	
9	*Deployment Schedule (from Commission approval)*	9 - 24 months	
10	*Proposed CASF Funding*		
	CASF (40%)	$30,077	
	CIAC	$6,316	
	Amount of CASF Funds Requested	**$36,393**	

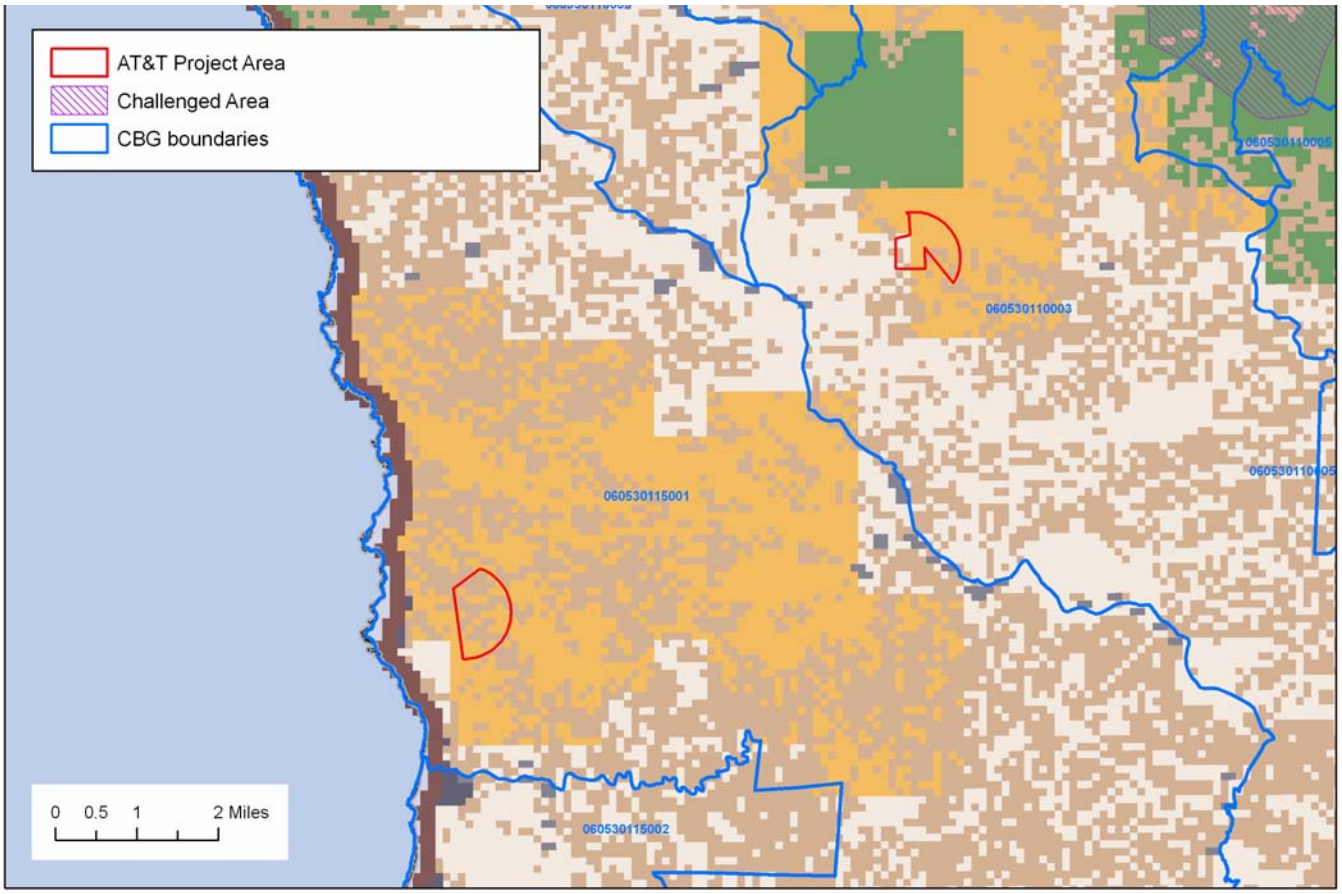
APPENDIX A
Resolution T- 17199
Clovis Project Shapefile



APPENDIX A
Resolution T- 17199
Carmel Project Key Information

1	*Project ID*	**ATT 2008-1015**	
2	*Project Name*	**Carmel**	
3	*Project Plan*	high speed, stand alone, internet access service, powered by IP connections over AT&T's backbone; service offering will be subject to the availability and operational limitations of the necessary equipment and associated wireline facilities	
4	*Project Size (in square miles)*	0.99	
5	*Download speed*	up to 10 MBPS	
6	*Upload speed*	up to 1.5 MBPS	
7	*Location*	Monterey	
a)	*Community Name*	Carmel	
b)	*CBGs/Household Income*	060530110003	$108,266
		060530115001	$51,250
c)	*Zip Codes*	93923	
8	*Estimated Potential Subscriber Size*		
a)	*Households*	14	
9	*Deployment Schedule (from Commission approval)*	9 - 24 months	
10	*Proposed CASF Funding*		
	CASF (40%)	$75,275	
	CIAC	$15,808	
	Amount of CASF Funds Requested	**$91,083**	

APPENDIX A
Resolution T- 17199
Carmel Project Shapefile



APPENDIX A
Resolution T- 17199
Statewide Proposed Project Map