

DRAFT  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division  
Carrier Oversight and Programs Branch

RESOLUTION T- 17195  
February 20, 2009

RESOLUTION

**Resolution T-17195 Approval of Funding for AT&T California Advanced Services Fund (CASF) Unserved Area Applications Amounting to \$255,068**

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**Summary**

This Resolution adopts funding for five (5) AT&T California (AT&T) broadband projects in unserved areas totaling \$255,068 from the California Advanced Services Fund (CASF). The amount granted represents 40% of the total project costs of these unserved area applications filed in accordance with Resolution T-17143. The following table identifies the projects and the CASF funding amounts approved.

<b>Project Name</b>	<b>CASF Funding</b>
Comptche	\$18,392
Alta	\$56,628
Warner Springs	\$93,896
Wallace	\$38,236
Carmel Valley	\$47,916
<b>TOTAL</b>	<b>\$255,068</b>

**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.<sup>3</sup> 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 unserved projects, to file their project proposals and funding requests on July 24, 2008. Twenty-three (23) project proposals were received that sought CASF funding for unserved areas. Of these, sixteen (16) were challenged by various parties contending that the areas proposed were already served. One (1) project proposed was not considered since the proponent was not a telephone corporation as defined under Public Utilities Code § 234. Unchallenged applications were approved in Resolution T-17182 on November 21, 2008.

The remaining challenged applications were evaluated by the Communications Division (CD) by determining whether or not each application contained areas that were already served by some form of terrestrial broadband. CD shared its findings with applicants who either modified or withdrew their submitted proposals. This specific resolution addresses five CASF proposals 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 "UNSERVED areas proposed to be served as of July 24, 2008: Census Block Groups (CBGs)". CBGs believed to be already served at speeds of 3 Megabits Per Second (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 \$255,068 in CASF funding support for five (5) AT&T broadband projects in unserved areas. The actual award amounts for these five (5) projects are described in detail in Appendix A.

For qualification purposes under the CASF program, unserved areas are defined as areas not served by any form of facilities-based broadband, or where Internet connectivity is available only through dial-up service or satellite. CD reviewed each project's eligibility in the unserved 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 unserved; potential subscriber size and household incomes; project construction schedule; project budget; proposed pricing and

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

commitment period for new subscribers; and, financial qualifications of the applicant. In addition, CD reviewed the Shapefiles 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 - Comptche, Pages A-1 and A-2 of Appendix A**

AT&T submitted a project proposal for the Comptche area of Mendocino County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where it has wire line facilities. This project will be able to serve 97 households covering an area of 11.51 square miles in 2 CBGs. The 40% CASF subsidy for the project is \$15,200 plus Contribution in Aid of Construction (CIAC) of \$3,192 for a total CASF award of \$18,392.

**AT & T - Alta, Pages A-3, and A-4 of Appendix A**

AT&T submitted a project proposal for the Alta/Blue Canyon area of Nevada/Placer Counties. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where it has wire line facilities. This project will be able to serve 236 households covering an area of 10.84 square miles in 4 CBGs. The 40% CASF subsidy for this project is \$46,800 plus CIAC of \$9,828 for a total CASF award of \$56,628.

**AT & T - Warner Springs, Pages A-5 and A-6 of Appendix A**

AT&T submitted a project proposal for the Warner Springs area of San Diego County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where it has wire line facilities. This project will be able to serve 66 households covering an area of 3.5 square miles in 3 CBGs. The 40% CASF subsidy for this project is \$77,600 plus CIAC of \$16,296 for a total CASF award of \$93,896.

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

AT&T submitted a project proposal for the Wallace area of San Joaquin/Calaveras Counties. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where it has wire line facilities. This project will be able to serve 35 households covering an area of 6.4 square miles in 4 CBGs. The 40% CASF subsidy for this project is \$31,600 plus CIAC of \$6,636 for a total CASF award of \$38,236.

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

AT&T submitted a project proposal for the Carmel Valley area of Monterey County. AT&T plans to offer high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where it has wire line facilities. This project will be able to serve 83 households covering an area of 4.44 square miles in 2 CBGs. The 40% CASF subsidy for this project is \$39,600 plus CIAC of \$8,316 for a total CASF award of \$47,916.

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. While these projects' metrics did not meet the 3 MBPS download and 1 MBPS upload speed or did not score highly in the each of the scoring criterion, these projects were the only proposals received for these proposed unserved areas. As such these proposals will expand broadband service into new unserved communities. Further, given that there is \$100 million available for the CASF projects and only \$373,000 have been approved to date, approval of these 5 projects will not significantly affect the availability of funds for future applications.

The Application Requirements and Guidelines on the awarding of CASF funds<sup>4</sup> 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 is required to comply with all the guidelines, requirements and conditions associated with the granting of CASF funds as specified in Resolution T-17143 including the submission of Form 477 and compliance with the California Environmental Quality Act.

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<sup>4</sup> Resolution T-17143

### 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.

Event	Payment Cycle 1 (Day/Month)	Payment Cycle 2 (Day/Month)
Invoices due from CASF recipients to CD	5 <sup>th</sup> of Month 1	20 <sup>th</sup> of Month 1
Payment letters from CD to Information and Management Services Division (IMSD) <sup>5</sup>	On 19 <sup>th</sup> of Month 1	On 4 <sup>th</sup> of Month 2
Invoices submitted from IMSD to State’s Controller Office (SCO) for payments	20 <sup>th</sup> through 26 <sup>th</sup> of Month 1	5 <sup>th</sup> through 13 <sup>th</sup> 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 January 20, 2009 informing a) all applicants filing for unserved 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.

<sup>5</sup> 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.

Responses to timely filed comments will be addressed in this 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 award(s). T-17143 directed interested applicants seeking funding for unserved projects to file their project proposals and funding requests on July 24, 2008.
3. Unserved areas are defined as areas which are not served by any form of facilities-based broadband, or where Internet connectivity is available only through dial-up or satellite service.
4. A list of census block groups (CBGs) appeared by county on the Commission's CASF website page under "UNSERVED areas proposed to be served as of July 24, 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 unserved as of the applicants' filing date.
5. CD reviewed each application's eligibility in the unserved 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 unserved; 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 unserved areas were eligible to receive funding under CASF.
9. The five projects proposed that have been found to be eligible for CASF funding are as follows:

<b>Project Name</b>	<b>CASF Funding</b>
Comptche	\$18,392
Alta	\$56,628
Warner Springs	\$93,896
Wallace	\$38,236
Carmel Valley	\$47,916
<b>TOTAL</b>	<b>\$255,068</b>

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 should comply with all guidelines, requirements and conditions associated with the granting of CASF funds as specified in Resolution T-17143 including the submission of Form 477 and compliance with the California Environmental Quality Act, among others.
12. A notice letter was emailed on January 20, 2009 informing: a) all applicants filing for unserved 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 finds CD's recommended CASF awards for unserved 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 unserved areas, as described in the Discussion portion and summarized in Appendix A of this Resolution and as summarized below, is adopted.

<b>Project Name</b>	<b>CASF Funding</b>
Comptche	\$18,392
Alta	\$56,628
Warner Springs	\$93,896
Wallace	\$38,236
Carmel Valley	\$47,916

<b>TOTAL</b>	<b>\$255,068</b>
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2. AT&T shall not be required to post a performance bond.
3. The program fund payment of \$255,068 for the five (5) Commission-approved unserved 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 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 February 20, 2009. The following Commissioners approved it:

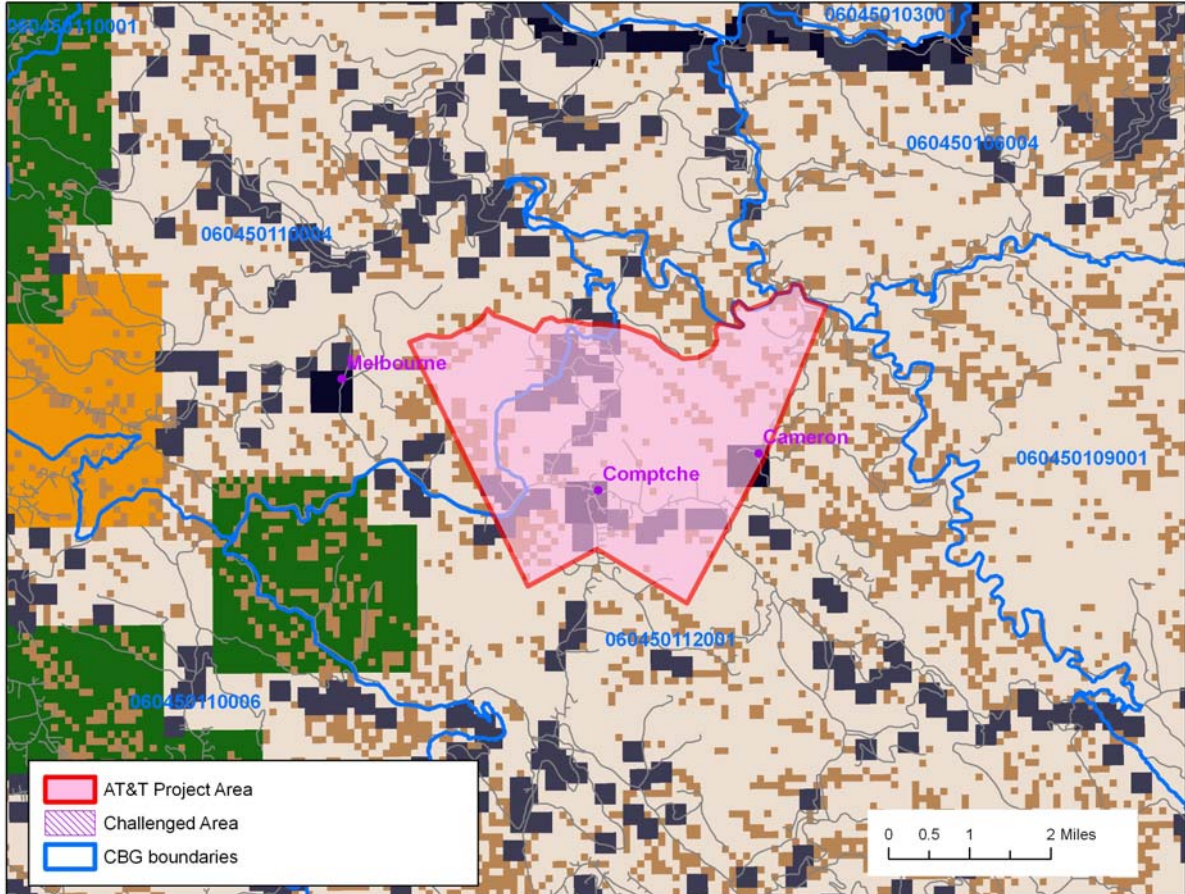
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PAUL CLANON  
Executive Director

**APPENDIX A**  
**Resolution T- 17195**  
**Comptche Project Key Information**

<b>1</b>	<b>Project ID</b>	<b>ATT 2008-03</b>	
<b>2</b>	<b>Project Name</b>	<b>Comptche</b>	
<b>3</b>	<b>Project Plan</b>	high speed, stand alone, internet access service, , where technically feasible using existing DSL technology and where AT&T-CA has wire line facilities	
<b>4</b>	<b>Project Size (in square miles)</b>	11.51	
<b>5</b>	<b>Download speed</b>	up to 1.5 MBPS	
<b>6</b>	<b>Upload speed</b>	up to 384 KBPS	
<b>7</b>	<b>Location</b>	Mendocino	
<b>a)</b>	<b>Community Name</b>	Comptche	
<b>b)</b>	<b>CBGs/Household Income</b>	060450110004	\$45,952
		060450112001	\$42,500
<b>c)</b>	<b>Zip Codes</b>	95460	
		95427	
<b>8</b>	<b>Estimated Potential Subscriber Size</b>		
<b>a)</b>	<b>Households</b>	97	
<b>9</b>	<b>Deployment Schedule (from Commission approval)</b>	18 - 20 months	
<b>10</b>	<b>Proposed Project Budget</b>		
	<b>CASF (40%)</b>	\$15,200	
	<b>CIAC</b>	\$3,192	
	<b>Amount of CASF Funds Requested</b>	<b>\$18,392</b>	

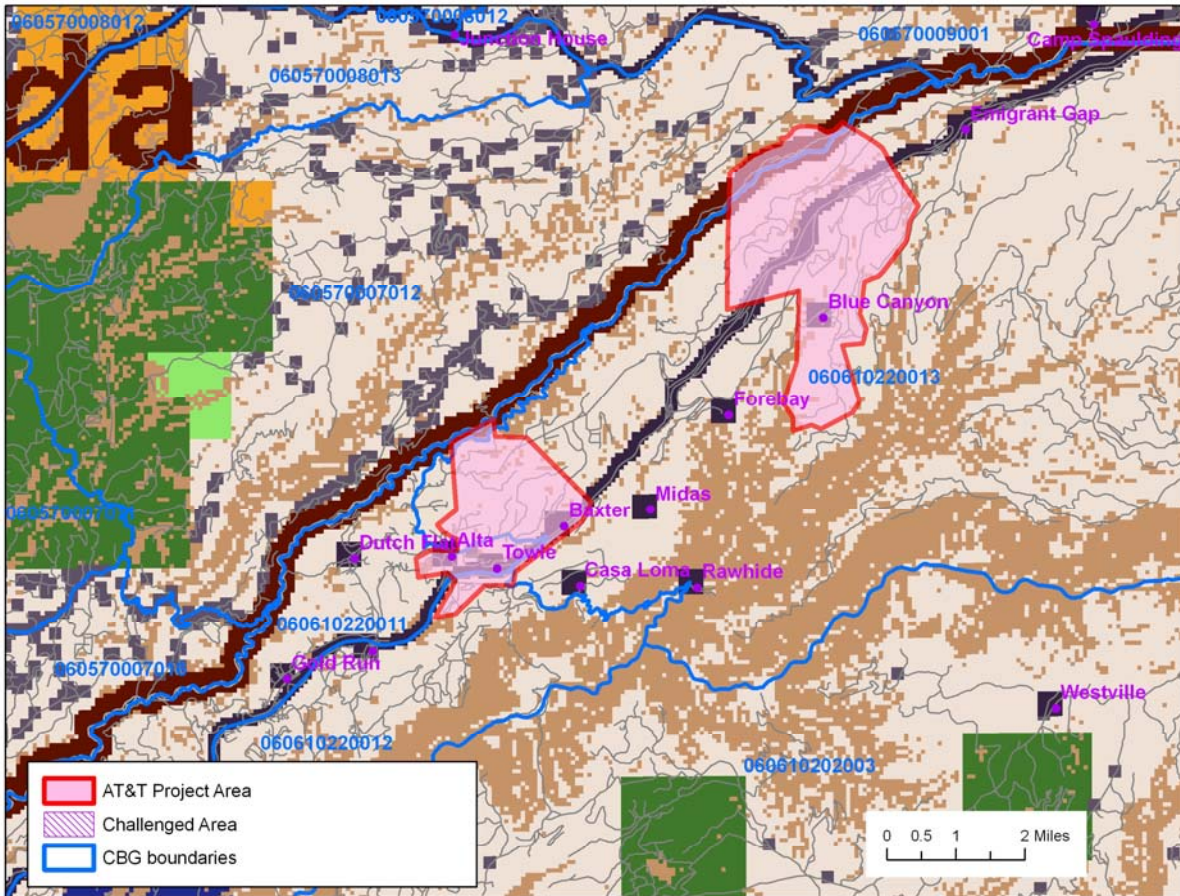
### APPENDIX A Resolution T- 17195 Comptche Project Shapefile



**APPENDIX A**  
**Resolution T- 17195**  
**Alta Project Key Information**

<b>1 Project ID</b>		<b>ATT 2008-05</b>	
<b>2</b>	<b>Project Name</b>	<b>Alta</b>	
<b>3</b>	<b>Project Plan</b>	high speed, stand alone, internet access service, , where technically feasible, using existing DSL technology and where AT&T-CA has wire line facilities	
<b>4</b>	<b>Project Size (in square miles)</b>	10.84	
<b>5</b>	<b>Download speed</b>	up to 1.5 MBPS	
<b>6</b>	<b>Upload speed</b>	up to 384 KBPS	
<b>7</b>	<b>Location</b>	Nevada/Placer	
<b>a)</b>	<b>Community Name</b>	Alta/Blue Canyon	
<b>b)</b>	<b>CBGs/Household Income</b>	060610220011	\$64,563
		060570007012	\$64,817
		060610220013	\$44,620
		060610220012	\$45,588
<b>c)</b>	<b>Zip Codes</b>	95945	
		95701	
		95714	
		95715	
<b>8</b>	<b>Estimated Potential Subscriber Size</b>		
<b>a)</b>	<b>Households</b>	236	
<b>9</b>	<b>Deployment Schedule (from Commission approval)</b>	18 - 20 months	
<b>10</b>	<b>Proposed CASF Funding</b>		
	<b>CASF (40%)</b>	\$46,800	
	<b>CIAC</b>	\$9,828	
	<b>Amount of CASF Funds Requested</b>	<b>\$56,628</b>	

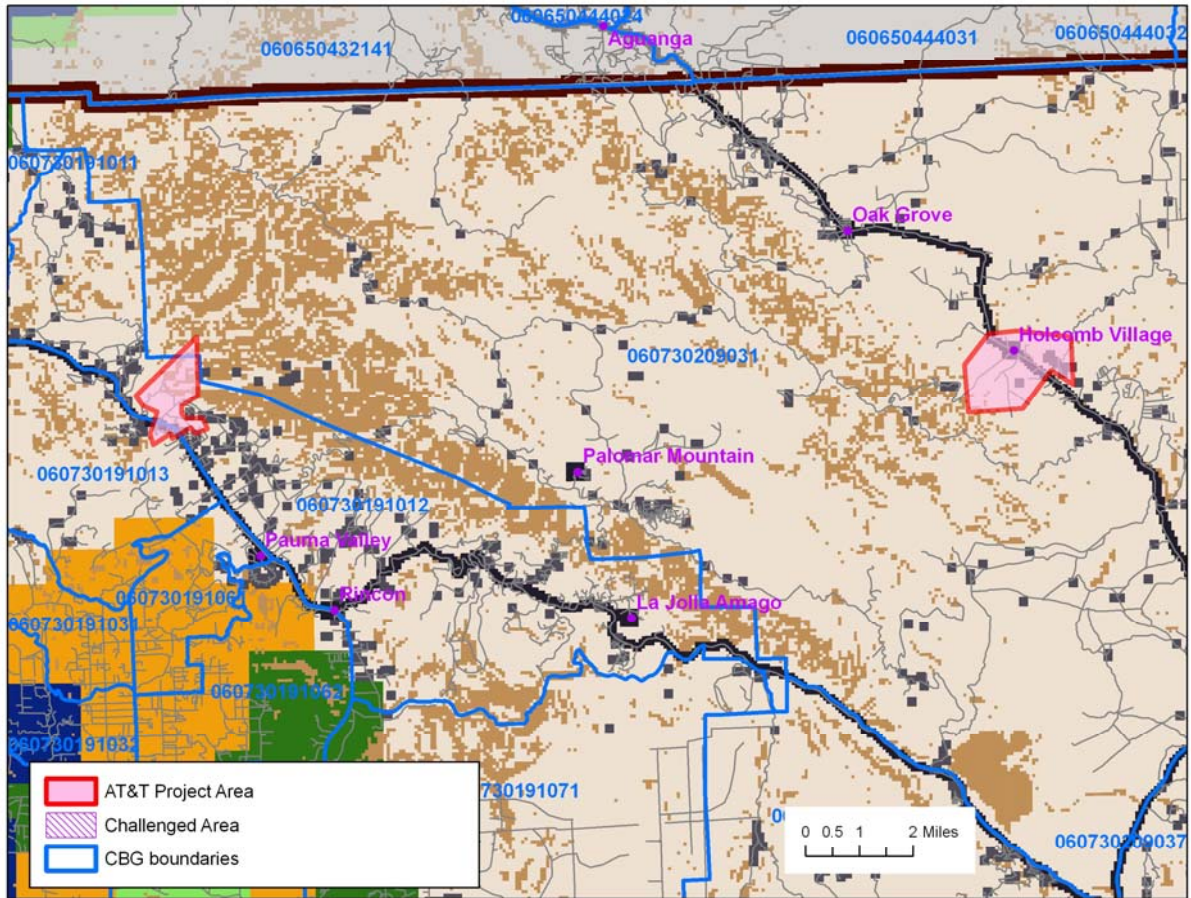
APPENDIX A  
Resolution T- 17195  
Alta Project Shapefile



**APPENDIX A**  
**Resolution T- 17195**  
**Warner Springs Project Key Information**

<b>1</b>	<b>Project ID</b>	<b>ATT 2008-06</b>	
<b>2</b>	<b>Project Name</b>	<b>Warner Springs</b>	
<b>3</b>	<b>Project Plan</b>	high speed, stand alone, internet access service, where technically feasible, using existing DSL technology and where AT&T-CA has wire line facilities	
<b>4</b>	<b>Project Size (in square miles)</b>	3.5	
<b>5</b>	<b>Download speed</b>	up to 1.5 MBPS	
<b>6</b>	<b>Upload speed</b>	up to 384 KBPS	
<b>7</b>	<b>Location</b>	San Diego	
<b>a)</b>	<b>Community Name</b>	Warner Springs	
<b>b)</b>	<b>CBGs/Household Income</b>	060730209031	\$42,955
		060730191013	\$58,152
		060730191012	\$49,063
<b>c)</b>	<b>Zip Codes</b>	92086	
		92061	
		92059	
<b>8</b>	<b>Estimated Potential Subscriber Size</b>		
<b>a)</b>	<b>Households</b>	66	
<b>9</b>	<b>Deployment Schedule (from Commission approval)</b>	18 - 20 months	
<b>10</b>	<b>Proposed CASF Funding</b>		
	<b>CASF (40%)</b>	\$77,600	
	<b>CIAC</b>	\$16,296	
	<b>Amount of CASF Funds Requested</b>	<b>\$93,896</b>	

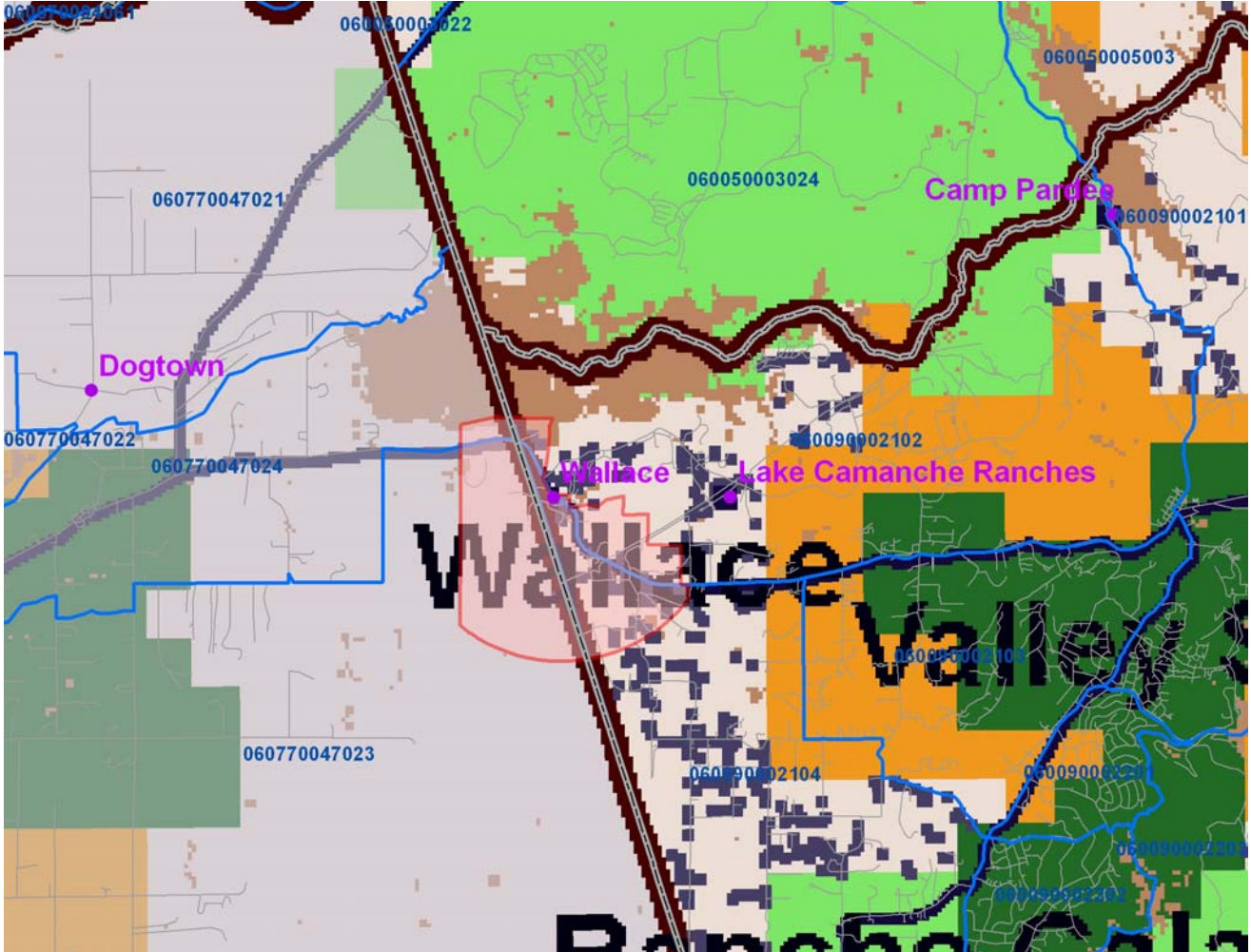
**APPENDIX A**  
**Resolution T- 17195**  
**Warner Springs Project Shapefile**



**APPENDIX A**  
**Resolution T- 17195**  
**Wallace Project Key Information**

1	<i>Project ID</i>	ATT 2008-08	
2	<i>Project Name</i>	Wallace	
3	<i>Project Plan</i>	high speed, stand alone, internet access service, , where technically feasible, using existing DSL technology and where AT&T-CA has wire line facilities	
4	<i>Project Size (in square miles)</i>	6.4	
5	<i>Download speed</i>	up to 1.5 MBPS	
6	<i>Upload speed</i>	up to 384 KBPS	
7	<i>Location</i>	San Joaquin/Calaveras	
a)	<i>Community Name</i>	Wallace	
b)	<i>CBGs/Household Income</i>	060770047024	\$77,344
		060770047023	\$73,710
		060090002102	\$56,061
		060090002104	\$69,258
c)	<i>Zip Codes</i>	95236	
		95220	
		95252	
8	<i>Estimated Potential Subscriber Size</i>		
a)	<i>Households</i>	35	
9	<i>Deployment Schedule (from Commission approval)</i>	14 - 15 months	
10	<i>Proposed CASF Funding</i>		
	<i>CASF (40%)</i>	\$31,600	
	<i>CIAC</i>	\$6,636	
	<i>Amount of CASF Funds Requested</i>	\$38,236	

**APPENDIX A**  
**Resolution T- 17195**  
**Wallace Project Shapefile**



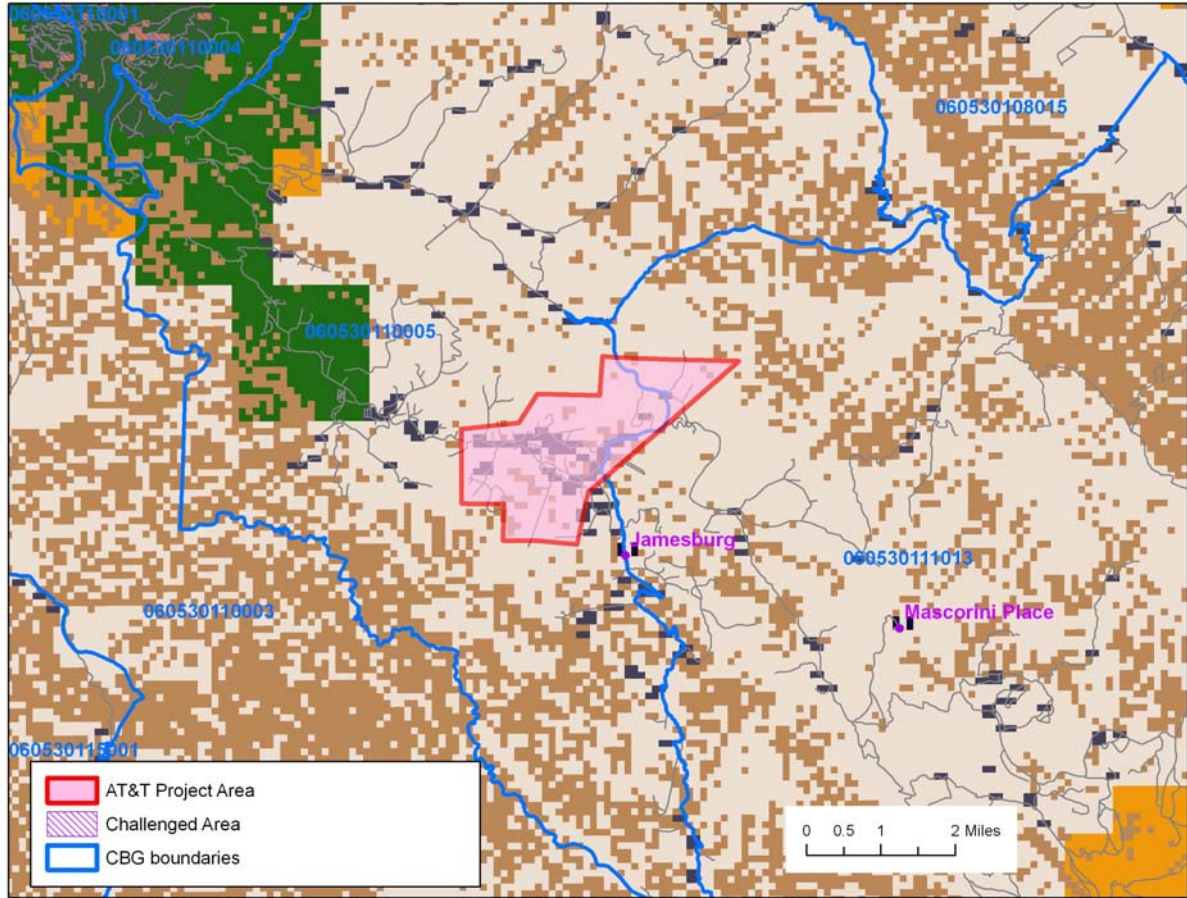
**APPENDIX A**  
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**Carmel Valley Project Key Information**

<b>1</b>	<b>Project ID</b>	<b>ATT 2008-11</b>	
<b>2</b>	<b>Project Name</b>	<b>Carmel Valley</b>	
<b>3</b>	<b>Project Plan</b>	high speed, stand alone, internet access service, , where technically feasible, using existing DSL technology and where AT&T-CA has wire line facilities	
<b>4</b>	<b>Project Size (in square miles)</b>	4.44	
<b>5</b>	<b>Download speed</b>	up to 1.5 MBPS	
<b>6</b>	<b>Upload speed</b>	up to 384 KBPS	
<b>7</b>	<b>Location</b>	Monterey	
<b>a)</b>	<b>Community Name</b>	Carmel Valley	
<b>b)</b>	<b>CBGs/Household Income</b>	060530111013	\$72,500
		060530110005	\$58,654
<b>c)</b>	<b>Zip Codes</b>	93924	
<b>8</b>	<b>Estimated Potential Subscriber Size</b>		
<b>a)</b>	<b>Households</b>	83	
<b>9</b>	<b>Deployment Schedule (from Commission approval)</b>	18 - 20 months	
<b>10</b>	<b>Proposed CASF Funding</b>		
	<b>CASF (40%)</b>	\$39,600	
	<b>CIAC</b>	\$8,316	
	<b>Amount of CASF Funds Requested</b>	<b>\$47,916</b>	

### APPENDIX A

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#### Carmel Valley Project Shapefile



## APPENDIX A

### Resolution T- 17195

### Statewide Proposed Project Map



[T-17195 Notice of Availability.](#)