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CPUC APPROVES GRANTS FOR HIGH-SPEED INTERNET TO UNSERVED AND UNDERSERVED AREAS

SAN FRANCISCO, October 29, 2009 – The California Public Utilities Commission (CPUC) today conditionally approved California Advanced Services Fund (CASF) grants for two broadband projects as part of its ongoing to commitment to increasing broadband access in the state.

The CPUC conditionally approved \$2,247,308 in CASF funding for Inyo Networks, Inc.'s Last Mile Project in Mono, Inyo, Kern, and San Bernardino Counties. The CPUC also conditionally approved \$225,918 in CASF funding for Citizens Telecommunications Co. of California's Alturas Middle Mile Project extending fiber for 74 miles along State Highway 299.

These construction grants, which represent 10 percent of the total costs of the projects, are contingent upon approval for 80 percent matching grants from the federal broadband stimulus portion (\$7.2 billion) of the American Recovery and Reinvestment Act (ARRA).

The Inyo Last Mile Project will bring fiber-to-the-premise and WiMax broadband along U.S. Highway 395 and improve broadband speeds to 6,202 underserved households in about 206 square miles surrounding eastern Kern, Inyo, and Mono and San Bernardino Counties. For the communities of Independence, Big Pine, and Lone Pine in Inyo County, Inyo Networks proposes fiber-to-the premise construction to 1,609 residences, with broadband service at speeds of up to 100 mbps download and up to 38 mbps upload. For other communities in Mono, Kern, and San Bernardino Counties, Inyo proposes WiMax wireless technology to serve customers at up to 10 mbps. This area has been historically underserved because of the high cost of broadband infrastructure construction and small market population. As a result, economic development has suffered, and where available, its residents pay some of the highest prices in the state for broadband

services.

The Alturas Middle Mile Project will bring broadband service to unserved areas and improve broadband speeds to underserved communities along State Highway 299 in northern Lassen and Modoc Counties. The project will extend a fiber cable from Fall River Mills along State Highway 299 to Alturas, about 74 miles. This project will reinforce the broadband capabilities and replace a radio link that is at 85 percent of capacity and cannot be expanded. The project will provide a high-speed connection to telephone central offices and allow for an increase in broadband speeds to existing customers and an extension of broadband service to adjacent unserved areas.

On July 9, 2009, the CPUC established a new schedule for filing, review, and approval of CASF broadband fund applications to allow project sponsors to simultaneously apply for an 80 percent match from federal ARRA stimulus.

On December 20, 2007, the CPUC established the two-year, \$100 million CASF to provide 40 percent matching infrastructure grants to broadband providers willing to put up the matching 60 percent of funds and to serve the nearly 2,000 California communities that are currently unserved and underserved by broadband.

Of that \$100 million, \$12,595,108 in broadband infrastructure grants has so far been approved. Today's adopted resolutions bring the total to \$15,119,041. Applications for CASF grants are still being accepted by the CPUC.

For information on the Governor's Broadband Taskforce, please visit www.calink.ca.gov/taskforce/aboutus.asp.

For more information on communications issues, please visit www.CalPhoneInfo.com.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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