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PRESS RELEASE

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CPUC ENHANCES BROADBAND DEPLOYMENT GRANT PROGRAM

SAN FRANCISCO, February 1, 2012 - The California Public Utilities Commission (CPUC) today made enhancements to the California Advanced Services Fund (CASF), its ground-breaking program to bring high-speed broadband Internet service to unserved and underserved communities in California and spur job creation, economic growth, and social benefits.

Senate Bill (SB) 1040 increased the size and scope of the original CASF from \$100 million to \$225 million; allocating an additional \$100 million to the CASF Broadband Infrastructure Grant Account and \$15 million to the CASF Broadband Infrastructure Revolving Loan Account to build broadband infrastructure throughout the state. Today's decision implements SB 1040 and adopts the following enhancements to the CASF program:

- Increases the maximum size of a CASF grant award from 40 percent matching to 70 percent matching of project costs for unserved areas and 60 percent for underserved areas.
- Requires applicants to increase Internet speeds from an advertised 3 mbps download and 1 mbps upload to advertised speeds of 6 mbps download and 1.5 mbps upload.
- Requires applicants to have a plan to encourage adoption and sustainability of the broadband service in the project area (i.e., how does the applicant plan to attract households to sign-up for the service).

Using the same project and applicant eligibility requirements as the Infrastructure Grant Program, the Revolving Loan Program will provide supplemental financing for projects also applying for CASF grant funding.

Said CPUC President Michael R. Peevey, "I am pleased we made these enhancements to the California Advanced Services Fund. We created this program to ensure that all consumers in the state, especially low income and those in rural areas, have access to the Internet in order to more fully participate in society."

Said CPUC Commissioner Timothy Alan Simon, “The ultimate goal of our broadband grant programs is broadband adoption - connecting people to the Internet. I am pleased that this Decision references a goal of 80 percent broadband adoption, and that grant applicants will have to submit a plan for reaching their adoption targets. As with all our public programs, our broadband infrastructure grant program should use performance-based evaluations, so that we can determine the real output of those dollars and maximize ratepayer value.”

The application deadlines for the CASF Broadband Infrastructure Grant Program and the Revolving Loan Program are:

1. May 15, 2012, for unserved areas;
2. September 11, 2012, for underserved areas not previously funded by the CASF and hybrid projects that cover both unserved and underserved areas (not partially funded by CASF) encompassing a single contiguous group of Census Block Groups; and,
3. To be determined for projects in underserved areas where the existing broadband infrastructure was partially funded by a CASF grant.

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 unserved and underserved by broadband.

An unserved area has no land-line or wireless broadband, such that Internet connectivity is available only through dial-up service. An underserved area already has broadband service, but at speeds less than 6 mbps download and 1.5 mbps upload.

In September 2010, the two-year CASF was extended indefinitely when Senator Alex Padilla’s (D-Pacoima) Senate Bill 1040 was signed into law by Governor Schwarzenegger. Today’s CPUC action implements provisions of that law. The legislation also authorized the creation of the \$10 million Rural and Urban Regional Broadband Consortia Grant Program to help communities throughout the state promote adoption of broadband services by all consumers.

The decision voted on is available at http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/158487.pdf.

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

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