

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Policy and Analysis Branch**

**RESOLUTION T-17404
August 15, 2013**

R E S O L U T I O N

Resolution T-17404 Rescinds Funding for Four Previously Awarded AT&T Projects Listed in Resolutions T-17195, T-17196, and T-17199, thereby Releasing \$386,463 of California Advanced Services Fund Grant Awards for Other Applications

Summary

This Resolution rescinds California Advanced Services Fund (CASF) funding for four previously awarded CASF AT&T projects approved by Resolutions T-17195, T-17196, and T-17199, thereby releasing the corresponding CASF matching funds approved totaling \$386,463 and making any census block groups (CBGs) that remain currently unserved or underserved available to new applicants. These projects cover areas in Carmel Valley, Friant, Los Banos and Vacaville.

Background

On December 20, 2007, the Commission approved Decision (D.) 07-12-054, establishing the CASF program for the purpose of providing matching funds of up to 40 percent of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in California.¹ Resolution T-17143, approved on June 12, 2008, adopted application requirements, scoring criteria for the award of funds, and a prescribed timeline for other filings and

¹ Senate Bill (SB) 1193 (Chapter 393, Stats. of 2008) established the California Advanced Services Fund as a new public purpose program. The Commission later increased the grant award to 70 percent for unserved areas and 60 percent for underserved areas in D.12-02-015, pursuant to SB 1040 (Chapter 317, Stats of 2010). The grants addressed in this resolution were awarded under the original terms.

notifications, including a projected Commission Meeting date for final approval of award(s).

On February 20, 2009, the Commission adopted Resolution T-17195, approving CASF funding for four AT&T projects in unserved areas, including one in the Carmel Valley area of Monterey County. On March 12, 2009, the Commission adopted Resolution T-17196, funding five projects in underserved areas by a number of companies, including an AT&T project in Los Banos (Merced County). Resolution T-17199 followed on April 16, 2009 and funded three AT&T projects in underserved areas, including one in Vacaville (Solano County) and one in Friant (Fresno County).

Discussion

AT&T, via a series of letters dated from May 2011 to June 2012, informed the Communications Division (CD) of its decision not to pursue CASF funding for four projects, for which the Commission had approved a total of \$386,463 in CASF grants because of the reasons listed below:

A. Recipient opted out of project deployment due to costs

Resolutions T-17196 and T-17199 – Friant, Los Banos and Vacaville projects:
AT&T opted to discontinue construction plans after discovering that “the cost to deploy in [these] area[s] was higher than expected.”² The Commission awarded a total of \$120,170 for the Los Banos project when it approved Resolution T-17196 and a combined \$218,350 for the Friant and Vacaville projects in Resolution T-17199. In the more than four years since these projects were approved by the Commission, all three project areas have since become wholly served by both fixed and mobile wireless broadband, as currently shown on the Commission’s interactive California Broadband Availability Map. CD recommends that the Commission release the awarded CASF funds.

B. Recipient completed work but opted out of receiving CASF funding

Resolution T-17195 – Carmel Valley:

² AT&T letters to the Communications Division, dated June 9, 2011 and June 1, 2012.

Although the Commission approved, in Resolution T-17195, a 40-percent CASF award in the amount of \$47,916 for AT&T's Carmel Valley project on February 20, 2009, AT&T never submitted a payment request for reimbursement of project costs. On May 27, 2011, AT&T notified CD that: (1) it had consolidated work in the project area with other jobs; (2) costs for the Carmel Valley project had not been tracked separately; and, (3) because AT&T is not able to segregate the costs related to the CASF project, it would no longer seek CASF funding. Because AT&T opted out of claiming its CASF grant of \$47,916 for the completed project, CD recommends that the Commission release the awarded CASF funds.

It should be noted that despite AT&T's reporting that it had "deployed broadband in the area,"³ current data available on the California Broadband Availability Map shows that the majority of the Carmel Valley project area remains either unserved or underserved (with a small part of the southwestern area of the originally proposed project area being served by Comcast).

A summary of the funds to be released is shown below:

	Original CASF Award Resolution	Applicant	Project	County	Amount
A.	T-17195	AT&T	Carmel Valley	Monterey	\$47,916
B.	T-17196	AT&T	Los Banos	Merced	\$120,170
C.	T-17199	AT&T	Friant	Fresno	\$46,463
		AT&T	Vacaville	Solano	\$171,914
	Total Amount Released:				\$386,463

As a result of rescinding these four projects, the total approved CASF infrastructure grant funding would change from \$41.08 million to \$40.7 million.

³ AT&T letter to the Communications Division, dated May 27, 2011.

Comments on Draft Resolution

In compliance with Public Utilities Code § 311(g), a notice letter was emailed on July 12, 2013, informing all parties on the CASF Distribution List of the availability of the draft of this resolution for public comments at the Commission's documents website at <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

There were no comments submitted regarding this resolution by any party.

Findings

1. In Decision (D.) 07-12-054, the Commission established the California Advanced Services Fund (CASF).
2. The CASF was initially established as a two-year program to provide matching funds of up to 40 percent of the total project costs for the deployment of broadband infrastructure in underserved and underserved areas in California.
3. 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). The projects listed in this resolution met those requirements and were awarded funds.
4. In administering the program, Communications Division staff has identified that AT&T will not pursue payment for four previously approved CASF projects because the recipient: a) opted out of deploying the projects; or, b) completed work in the area, but opted out of receiving CASF funding.
5. The Commission should: (1) rescind CASF funding for the four specified projects from Resolutions T-17195, T-17196, and T-17199; (2) release the corresponding funding for future CASF awards.
6. The Commission should release the amount of \$386,463 allocated to the four projects and make the funds available for future CASF awards.

7. A notice letter was e-mailed on July 12, 2013, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's document website at: <http://www.cpuc.ca.gov/PUC/documents>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.
8. There were no comments submitted regarding this resolution by any party.

THEREFORE, IT IS ORDERED that:

1. The portions of Resolutions T-17195, T-17196, and T-17199 pertaining to the AT&T projects in Carmel Valley, Los Banos, Friant and Vacaville are rescinded, as specified in this resolution.
2. The amount of \$386,463 allocated to the four projects is released and made available for future CASF awards.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 15, 2013. The following Commissioners approved it:

/s/ Paul Clanon

PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
CARLA J. PETERMAN
Commissioners