

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**Resolution T-17422
October 31, 2013**

R E S O L U T I O N

Resolution T-17422 Approval of Funding for the Grant and Loan Application of WillitsOnline LLC and its subsidiary company, Rural Broadband Now! LLC (U-7073-C), from the California Advanced Services Fund (CASF) in the Amount of \$163,908 for the Boonville Underserved Broadband Project

I. SUMMARY

This Resolution approves total funding in the amount of \$163,908, where \$122,931 represents grant funding and \$40,977 represents loan funding, from the California Advanced Service Fund (CASF) for the CASF grant and loan application of WillitsOnline LLC and its subsidiary company, Rural Broadband Now! LLC for its Boonville Last Mile Underserved Broadband Project (Boonville Project). The Boonville Project will extend high-speed internet service to 38.48 square miles in Boonville, located in Mendocino County.

II. BACKGROUND

On December 20, 2007, the California Public Utilities Commission (Commission) in Decision (D.) 07-12-054 established the CASF program as a two-year program to provide funds for the deployment of broadband infrastructure in unserved and underserved areas in California.

On September 25, 2010, Governor Schwarzenegger signed Senate Bill (SB) 1040¹ which codified the CASF program and expanded it to include three accounts: (1) the Infrastructure Grant Account, (2) the Consortia Grant Account, and (3) the Revolving Loan Account. The latter two accounts are intended to address the needs that were unmet under the original CASF program. Specifically, the purpose of the Revolving Loan Account is “to finance capital costs of broadband facilities not funded by a grant from the

¹ Stats. 2010, c. 317, codified at Public Utilities (P.U.) Code § 281.
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Broadband Infrastructure Grant Account.”² SB 1040 also expanded the CASF fund from \$100 million to \$225 million adding \$100 million to the Infrastructure Grant Account and allocating \$10 million and \$15 million to the Consortia Grant Account and the Revolving Loan Account, respectively.³

On February 1, 2012, the Commission approved D.12-02-015 to implement new guidelines for the Infrastructure Grant and Revolving Loan Accounts. Key provisions of the Decision include:

- A maximum CASF grant award of 70 percent of project costs for unserved areas and 60 percent for underserved areas;
- A definition of an underserved area, “where broadband is available, but no wireline or wireless facilities-based provider offers service at advertised speeds of at least 6 megabits per second (Mbps) downstream and 1.5 Mbps upstream (6 Mbps /1.5 Mbps);” and
- A Revolving Loan Program to provide supplemental financing for projects also applying for CASF grant funding (up to 20% of projects costs, with a maximum of \$500,000), utilizing the same project and applicant eligibility requirements as the Infrastructure Grant Program.

Consequently, on May 10, 2012, the Commission approved Resolution T-17362 which established the application deadlines for the CASF Broadband Infrastructure Grant Account and the Revolving Loan Account as follows:

- October 1, 2012, for unserved areas;
- February 1, 2013, for underserved areas not previously funded by the CASF and hybrid projects that cover both unserved and underserved areas; and,
- A date to be determined for projects in underserved areas where the existing broadband infrastructure was partially funded by a CASF grant.

On October 1, 2012, WillitsOnline LLC submitted an application for CASF funding on behalf of WillitsOnline LLC and its subsidiary company, Rural Broadband Now! LLC. (WillitsOnline), for the unserved areas of Boonville and Yorkville. After review and analysis of the project application, Communications Division (CD) deemed the proposal to be a project that covered underserved areas and not eligible for the October 1, 2012 application deadline. The applicant therefore resubmitted its application of the Boonville Project to the February 1, 2013 application deadline where underserved projects are eligible for CASF funding.

NOTICE/PROTESTS

² P.U. Code § 281(e).

³ P.U. Code § 281(b)(1).

CD posted the proposed project area map, census block groups (CBGs) and zip codes by county for the Boonville Project on the Commission's CASF webpage under "Pending New CASF Applications to Offer Broadband as of February 11, 2013." CD received one challenge by Comcast to the proposed project areas. The area Comcast challenged was outside the boundaries of the Boonville proposed project area. After reviewing the application, data included in the California Interactive Broadband Map and information submitted by the challenger as part of their challenge to the proposed project, CD concluded that the project was eligible for funding consideration since it covers underserved areas. Comcast's challenge was not upheld.

III. DISCUSSION

This Resolution adopts CD's recommended CASF fund award of \$163,908 for the Boonville Project. This award represents 80% of the total project costs of \$204,885, 60% of which (\$122,931) is a grant, and 20% of which (\$40,977) is a loan. Key project information and maps are shown in Appendix A.

A. Project Overview

WillitsOnline currently does not provide broadband or telephone service within five miles of the Boonville Project. In 2009, the Commission awarded the company a CASF grant (Resolution T-17183) to bring broadband service to the communities of Laytonville and Covelo. WillitsOnline successfully completed both projects, which resulted in the deployment of ADSL2+ broadband service to these areas.

The Boonville Project will extend high-speed Internet service to 38.48 square miles in Boonville by deploying Mega Link ADSL2+ broadband service to the area which is capable of reaching speeds of 24 Mbps download and 2 Mbps upload.

The project will deploy in the area's AT&T Central Office. The project also proposes to use a Dense Wavelength Division Multiplexing (DWDM) fiber middle mile component on leased dark fiber. WillitsOnline is also proposing to build a switch that will be collocated in Ukiah so it can gain the necessary access and provide regeneration services. The CBGs impacted by the project are: 060450112002 and 060450112003

Boonville is located in the Anderson Valley, which is 115 miles north of San Francisco. It is an unincorporated city in Mendocino County and is the largest city in the Anderson Valley. Boonville encompasses a mix of land uses which include residential, commercial, offices and lodging.

When completed, the project will reach an estimated 605 households. WillitsOnline estimates an initial 122 potential households to subscribe in the proposed area.

The project area includes three anchor institutions which may benefit from this project. They are Anderson Valley Adult School, Anderson Valley Junior-Senior High School, and the Anderson Valley Health Center, Inc.

WillitsOnline has committed to a broadband pricing plan under the terms shown below for two years, starting from the beginning date of service.

Service/Description	Download/Upload Speeds	Monthly Fee
MegaLink - Basic	Up to 12 Mbps download/ 1 Mbps upload	\$39.95*
MegaLink - Pro	Up to 24 Mbps download/ 2 Mbps upload	\$69.95*
Other Recurring Charges		None
* The monthly fee assumes customer subscribes to land line phone service with AT&T. Customers who do not subscribe to land line phone service with AT&T will be required to pay an additional monthly charge for “dry line” service of \$15. All fees are exclusive of State, Federal, or other agency fees and taxes.		
Required Equipment		Non-Recurring Charges
Basic Modem		\$69
Pro Modem		\$120

B. Project Qualification

To qualify for the CASF program, the applicant is required to submit proof that the area is unserved or underserved by submitting shapefiles of the proposed project. CD reviews the submitted shapefiles and compares them with United States 2010 Census and the California Interactive Broadband Availability Map which contains broadband availability data as of June 30, 2012. Once CD finds the areas eligible either as unserved or underserved areas, CD evaluates all other information submitted by the applicant to determine if the project meets the requirements outlined in D.12-02-015. Other information CD reviews includes: proof of a Certificate of Public Convenience and Necessity (CPCN) from the Commission; descriptions of current and proposed broadband infrastructure; number of potential subscriber households and average incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and financial viability of the applicant.

As an initial step in the review of WillitsOnline’s application, CD checked the CBGs submitted in the project application to determine that the project was indeed

underserved. In doing so, CD found broadband availability at served speeds by two satellite providers, ViaSat and Skycasters, LLC in the Boonville Project area. However, as adopted in D.12-02-015, the Commission does not consider satellite broadband service in CASF project evaluation, unless the satellite project is in an area that was previously CASF funded.⁴ Additionally, CD requested clarification on what areas the project would cover, project speeds, estimated subscriber size, and the project budget.

On March 4, 2013, Comcast challenged the application stating that they offer broadband availability at served speeds in the project area. As discussed above, the area Comcast challenged was outside the boundaries of the Boonville proposed project area. Subsequently, on June 11, 2013, CD issued a letter to the applicant, with a copy to Comcast, stating that the project is eligible for CASF funding since the areas are deemed underserved and the challenge was outside of the proposed project area.

Since WillitsOnline's submission of its CASF project application, Round 7 broadband availability data of December 31, 2012, shows maximum advertised mobile broadband availability from Verizon at speeds greater than 6 Mbps download and 1.5 Mbps upload in portions of the proposed project area⁵. However, CD has not been able to validate the maximum advertised mobile broadband speeds in the area. CD validates advertised speeds by conducting drive tests at 1,200 points within the state. There is one test point in the project area where actual speed test results during the fall 2012 mobile broadband drive test are less than 6 Mbps download and 1.5 Mbps upload. CD inputs these tests into an interpolation model to predict speeds in areas outside of the drive tested points. Where the predicted speeds are slower than the advertised speeds, the model shows that speeds in that area are not validated. The spring 2013 speed test conducted recently on the same test point show speeds greater than 6 Mbps download and 1.5 Mbps upload. However, there is only one test point in the proposed 38.48 square miles project area that does not entirely support that the area is in fact served. Furthermore, Verizon did not challenge this project proposal. For these reasons, CD staff concludes that the Boonville Project is underserved and eligible for CASF funding.

In addition, while the Commission in D.12-02-015 did not include broadband performance measure other than speed, the wireless broadband service offerings include data caps and pricing that are more restrictive than the proposed project's service offerings which has lower prices and no explicit data caps.

⁴ This determination was based on the limited speed capabilities of satellite services, the cost to the consumer, high latency, and unreliability known at the time of the decision, D. 12-02-015 at 13-15. Since that time, like other technologies, satellite services have improved.

⁵ The California Interactive Broadband Map reflects Round 7 data starting in August 30, 2013.

C. Project Evaluation and Recommendation for Funding

CD evaluated the application with respect to the scoring criteria defined in D.12-02-015, Appendix 1, Section VIII (Scoring Criteria). The scoring criteria include: (i) Funds Requested per Potential Customer, (ii) Speed, (iii) Financial Viability, (iv) Pricing, (v) Total Number of Households in the Proposed Area, (vi) Timeliness of Completion of Project, (vii) Guaranteed Pricing Period, and (viii) Low-Income Areas. In addition, five bonus points are added to the score of an applicant that is able to submit local government and community endorsements or letters of support.

CD found that the Boonville project meets CASF funding requirements with respect to the following factors:

- Speed – the proposed speed offering of up to 24 Mbps download and up to 2 Mbps upload complies with the benchmark set by the Commission
- Service area the service area is determined to be underserved and covers 38.48 square miles
- Matching Funds of 20% of project cost – the applicant has certified that the matching funds will be funded utilizing available cash flow; the submitted balance sheet, income and cash flow statements show that the applicant has the financial capability to do so
- Price commitment period - the applicant has committed to a pricing plan of two years as required
- Deployment schedule – the project will be completed within 9 months, well within the 24 month period construction timeline required

Based on its review, CD determined that WillitsOnline's grant application qualifies for funding as an underserved area and meets the requirements of D.12-02-015. CD recommends Commission approval of CASF funding for WillitsOnline's Boonville project. Relative to other projects that the Commission is currently considering for funding, this project is seeking a small grant amount. It also has the lowest cost per household at an estimated \$271. This number is based on the estimated total number of households the project will reach. The current average download speed in the project area is 3.00 Mbps and the current average upload speed is 1 Mbps. The proposed project would bring a significant increase in speed. Additionally, the project will only take nine months to complete, which is faster than most of the other projects. Consequently, the project scored well in these areas.

In making its determination to fund the loan portion of WillitsOnline's funding request, CD utilized the services of its loan servicing and administrative contractor, State Assistance Fund for Enterprise, Business, and Industrial Development Corporation

(SAFE-BIDCO) to conduct the underwriting phase of the review. Based on its review of WillitsOnline's application, SAFE-BIDCO recommended funding the loan, and CD in turn also recommends proceeding with the loan based on the underwriting results provided by SAFE-BIDCO.

The loan is subject to the conditions listed in D.12-02-015, Resolution T-17369 and the loan agreement documents expected to be signed by the borrower. As adopted in item #6 *Loan Closing*, section E, Appendix 2 of D.12-02-015, once the Commission approves the loan via a Resolution, the borrower must sign a loan agreement document that contains all the terms and conditions of the loan. If the loan agreement document is not signed, the Commission will not execute the loan and will revoke the loan offer. WillitsOnline cannot withdraw loan funds without a signed loan agreement in place. The loan will be a five year term loan, fully amortized. The interest rate will be fixed at the U.S Prime Rate at loan closing. The borrower will have up to four disbursements to draw down funds, based on meeting Commission-approved project key milestones. The funds must be drawn down within two years of loan approval.

Based on its review, CD determined that WillitsOnline's grant application qualifies for funding as an underserved area and meets the requirements of D.12-02-015. CD recommends Commission approval of CASF funding for the WillitsOnline Boonville Project.

CD staff finds that funding the Boonville Project aligns with CASF's goal to encourage the deployment of high-quality advanced information and communications technologies to all Californians to promote economic growth, job creation, and substantial social benefits.

D. Safety Impact

The CASF program encourages the deployment of broadband throughout the state which can enable the public to access Internet-based safety applications, access to emergency services, and allow first responders to communicate with each other and collaborate during emergencies. As the Governor's Broadband Task Force stated in its 2007 report, ubiquitous broadband will play a key role in enhancing public safety operations and applications in law enforcement, disaster relief, traffic management, and virtually every other aspect of public safety. The funding to the Boonville Project will enable households in the Boonville area to have access to high-speed Internet and make use of the technology for safety purposes. Additionally, the project area includes three anchor institutions which may benefit from this project: Anderson Valley Adult School, Anderson Valley Junior-Senior High School, and the Anderson Valley Health Center, Inc.

IV. COMPLIANCE REQUIREMENTS

WillitsOnline is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D.12-02-015. Such compliance includes, but is not limited to:

A. California Environmental Quality Act (CEQA)

All CASF grants are subject to CEQA requirements unless the project is statutorily or categorically exempt pursuant to the CEQA Guidelines.

WillitsOnline has provided the Commission with construction plans for the Boonville underserved project area. The project will employ MegaLink ADSL2+ broadband service by deploying equipment in AT&T's Central Office. The project also proposes to use a DWDM fiber middle mile component on leased dark fiber. WillitsOnline is also proposing to build a switch that will be collocated in Ukiah so it can gain the necessary access and provide regeneration services.

Accordingly, based on the above information, this project meets the criteria of the CEQA categorical exemption for existing facilities (CEQA Guidelines § 15301 G.). Thus, the project is categorically exempt from CEQA review.

B. Deployment Schedule

The Commission expects WillitsOnline to complete the project within 9 months from the start date. If the applicant is unable to complete the proposed project within the 9-month timeframe identified in its application, it must notify CD's Director as soon as it becomes aware of this prospect. The Commission may reduce payment for failure to notify CD's Director and timely complete the project. In D.12-02-015, the Commission required complete build-out of a CASF funded project within 24 months from approval of the application.

C. Execution and Performance

CD and the CASF grant recipient shall determine a project start date after the Commission has granted all approvals to the CASF grant recipient. Should the recipient or contractor fail to commence work at the agreed upon time, the Commission, upon five days written notice to the CASF recipient, reserves the right to terminate the award.

In the event that the CASF recipient fails to complete the project in accordance with the terms of approval granted by the Commission, the CASF recipient must reimburse some or all of the CASF funds that it has received.

The CASF grant recipient must complete all performance under the award on or before the termination date of the award.

D. Performance Bond

The Commission does not require a performance bond if the applicant certifies that the percentage of the total project costs it is providing comes from its capital budget and is not obtained from outside financing. In its application, WillitsOnline certified that 20% of the total project costs it is providing will come from its existing capital budget cash flow. Therefore, a performance bond is not required for this project.

E. Price Commitment Period

The minimum required price commitment period for broadband service to all households within the project area is two years. WillitsOnline guarantees the price of service offered in the project area for two years.

F. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation and construction to ensure that CASF funds are spent in accordance with Commission approval.

The recipient's invoices will be subject to a financial audit by the Commission at any time within three years of completion of the work.

G. Providing Voice Service (if applicable)

If the grantee is providing voice service in the project area, it must meet the Federal Communications Commission (FCC) standards for E-911 service and battery backup. WillitsOnline in its application has stated that no voice service will be provided as part of the Boonville project.

H. Reporting

Grantees must submit quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment. Before full payment of the project, the CASF recipient must submit a project completion report. Progress reports shall use both the schedule for deployment, major construction milestones and costs submitted in the proposals; indicate the actual date of completion of each task/milestone. Progress reports shall also indicate problems and issues encountered, the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project. Recipients shall also include test results on the download speed and upload speeds on a CBG and zip code basis in the final completion report. Recipients must certify that each progress report is true and correct under penalty of perjury.

I. Submission of Form 477

The Federal Communications Commission (FCC) currently requires broadband providers to biannually submit the Form 477, which includes speed data. While there is an imperfect match between the data that is reported in the Form 477 and to the CASF, Form 477 data will be useful in documenting CASF deployment for the new service area of the carrier. CASF recipients shall submit a copy of their Form 477 data directly to the Commission, under General Order 66-C, when they submit this data to the FCC for a five-year period after completion of the project.⁶

V. PAYMENTS TO CASF RECIPIENTS

Submission of invoices from and payments to WillitsOnline shall be made in accordance with Section XI of Appendix 1 of D.12-02-015 and according to the guidelines and supporting documentation required in D.12-02-015.

⁶ *Approval of the California Advanced Services Fund (CASF) Application Requirements and Scoring Criteria for Awarding CASF Funds* (2008) Cal. P.U.C. Res. No. T-17143 at 4.

Payment to WillitsOnline shall follow the process adopted for funds created under P. U. 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 WillitsOnline to CD	5 th of Month 1	20 th of Month 1
Payment letters from CD to Administrative Services ⁷	On 19 th of Month 1	On 4 th of Month 2
Invoices submitted from Administrative Services to State Controller's Office (SCO) for payments	20 th through 26 th of Month 1	5 th through 13 th of Month 2

WillitsOnline may submit its 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. The State Controller's Office (SCO) requires 14 to 21 days to issue payment from the day that requests are received by SCO.

VI. COMMENTS ON DRAFT RESOLUTION

In compliance with P.U. Code § 311(g), a notice letter was emailed on September 26, 2013 informing all applicants filing for CASF funding, parties on the service list of R.06-06-028, and the CASF distribution list of the availability of the draft of this Resolution for Public Comments at the Commission's website <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 will be available at this same website.

On October 11, 2013, Verizon submitted opening comments on draft Resolution T-17422, noting incorrect zip code and census block information in certain pages of the draft

⁷ The above schedule is contingent on the CASF recipient submitting clear, complete, and error-free invoices to CD. Additional time to process payments may be necessary if CD finds problems with the submitted invoices.

resolution and also requesting the Commission to consider Round 8 broadband availability data in determining whether the area of Boonville is indeed served.

On October 16, 2013 WillitsOnline submitted reply comments on draft Resolution T-17422 refuting Verizon's assertions that the area is served and recommending that Willits's application continue to be considered.

In response to Verizon's comments, the Commission has corrected zip code and census block information in the relevant sections of this Resolution. Verizon in its comments recommends that CD staff should consider reviewing broadband availability data as of July 2013 (i.e. Round 8 data) as noted in Verizon's March 11, 2013 email. CD staff reminds Verizon that for all CASF project proposals, a challenge window and deadline is set up for submitting challenges on pending applications. In particular for the WillitsOnline Boonville Project, the deadline provided to submit challenges was March 4, 2013; 21 days after the web-posting of the project summary information and map. Verizon did not submit a challenge to the Boonville Project. CD staff also reminds Verizon that Round 8 broadband availability data is not yet available or validated for CASF staff to use in its analysis of the project proposal; hence the importance to provide the necessary information on a challenge as discussed above.

Additionally, as discussed on page 5 of this resolution, there is only one test point in the project area where the Commission conducted a mobile broadband drive test. The spring 2013 test result shows speeds of greater than 6 Mbps download and 1.5 Mbps upload. However, this is one test point in a project area of 38.48 square miles which does not demonstrate that in fact the area is served by mobile broadband. CD staff provided Verizon with reasonable opportunities to provide the necessary information to prove that the proposed project area is served by mobile broadband. CD staff continues to conclude that the communities in the project proposal are underserved and eligible for CASF funding.

VII. FINDINGS

1. On May 10, 2012, the Commission approved Resolution T-17362 which established the application deadlines for the CASF Broadband Infrastructure Grant Account and the Revolving Loan Account as follows: October 1, 2012, for unserved areas; February 1, 2013, for underserved areas not previously funded by the CASF and hybrid projects that cover both unserved and underserved areas; and, a date to be determined for projects in underserved areas where the existing broadband infrastructure was partially funded by a CASF grant.
2. WillitsOnline filed an application for CASF funding for its Boonville Project on October 1, 2012. After review and analysis of the project application, CD deemed the proposal to be a project that covered underserved areas and not eligible for the October 1, 2012 application deadline. The applicant therefore resubmitted its application of the Boonville Project for the February 1, 2013 application deadline where underserved projects are eligible for CASF funding.
3. The Boonville Project will extend high-speed Internet service to 38.48 square miles in Boonville by deploying Mega Link ADSL2+ broadband service to the area which is capable of reaching speeds of 24 Mbps download and 2 Mbps upload. The CBGs impacted by the project are: 060450112002 and 060450112003.
4. CD posted the proposed project area map, CBGs and zip codes by county for the Boonville Project on the Commission's CASF webpage under "Pending New CASF Applications to Offer Broadband as of February 11, 2013." CD received one challenge from Comcast to the proposed project areas. The Commission did not uphold the challenge because the area challenged was outside the proposed project area.
5. CD reviewed and analyzed data submitted for the Boonville Project CASF grant application to determine the project's eligibility for CASF funding. This data includes, but is not limited to: proof of a CPCN from the Commission; descriptions of current and proposed broadband infrastructure; geographic information system (GIS) formatted shapefiles mapping the project areas; assertion that the area is underserved; number of potential subscriber households and average incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and financial viability of the applicant.

6. CD reviewed the submitted shapefiles, which mapped the proposed broadband deployment using United States 2010 Census data and the California Broadband Availability Map which contains broadband availability data as of June 30, 2012. The map helped to verify the existence or nonexistence of broadband service areas and broadband speeds, where available.
7. Based on its review, along with results of the underwriting conducted by SAFE-BIDCO, CD determined that the project qualifies for funding under D.12-02-015 and recommends Commission approval of CASF grant and loan funding for WillitsOnline' s project.
8. WillitsOnline must sign a loan agreement document that contains all the terms and conditions of the loan. If the loan agreement document is not signed, the Commission will not execute the loan and will revoke the loan offer. WillitsOnline cannot withdraw loan funds without a signed loan agreement in place.
9. WillitsOnline is not required to post a performance bond because the percentage of the total project costs it is providing, 20%, will be financed through WillitsOnline's existing capital budget.
10. WillitsOnline is required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D.12-02-015 and must submit the FCC Form 477, as specified in T-17143.
11. The Commission finds CD's recommendation to fund WillitsOnline's project as summarized in Appendix A to be reasonable and consistent with Commission orders and, therefore, adopts such recommendation.
12. This project meets the criteria of the CEQA categorical exemption for existing facilities (CEQA Guidelines § 15301 G). Thus, the project is categorically exempt from CEQA review.
13. A notice letter was emailed on September 26, 2013 informing all applicants filing for CASF funding, parties on the service list of R.06-06-028, and the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website.

14. Verizon submitted opening comments to the Draft Resolution on October 11, 2013. WillitsOnline submitted reply comments on October 16, 2013. The applicable sections of this resolution have been updated to reflect CD's response to comments.

15. The Commission finds CD's recommendation to fund the WillitsOnline Boonville project, as summarized in Appendix A, to be reasonable and consistent with Commission orders and, therefore, adopts such recommendation.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award \$163,908, where \$122,931 represents grant funding and \$40,977 represents loan funding, from the CASF to WillitsOnline LLC and subsidiary company, Rural Broadband Now LLC (WillitsOnline) for the Boonville Project as described herein and summarized in Appendix A of this Resolution.
2. The program fund payment of \$163,908 for this underserved project shall be paid out of the CASF fund in accordance with the guidelines adopted in D.12-02-015.
3. Payments to the CASF recipient shall be in accordance with Section XI of Appendix 1 of D.12-02-015 and in accordance with the process defined in the "Payments to CASF Recipients" section of this Resolution. Specifically for the loan amount of \$40,977, payment shall be in accordance with Appendix 2 of D.12-02-015, Resolution T-17369, and in accordance with the loan agreement documents signed by the borrower.
4. The CASF fund recipient, WillitsOnline, shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in D.12-02-015 and must submit the FCC Form 477, as specified in T-17143.

This Resolution is effective today.

Resolution T- 17422
CD/PL1

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 31, 2013.

/s/ Paul Clanon

PAUL CLANON
Executive Director

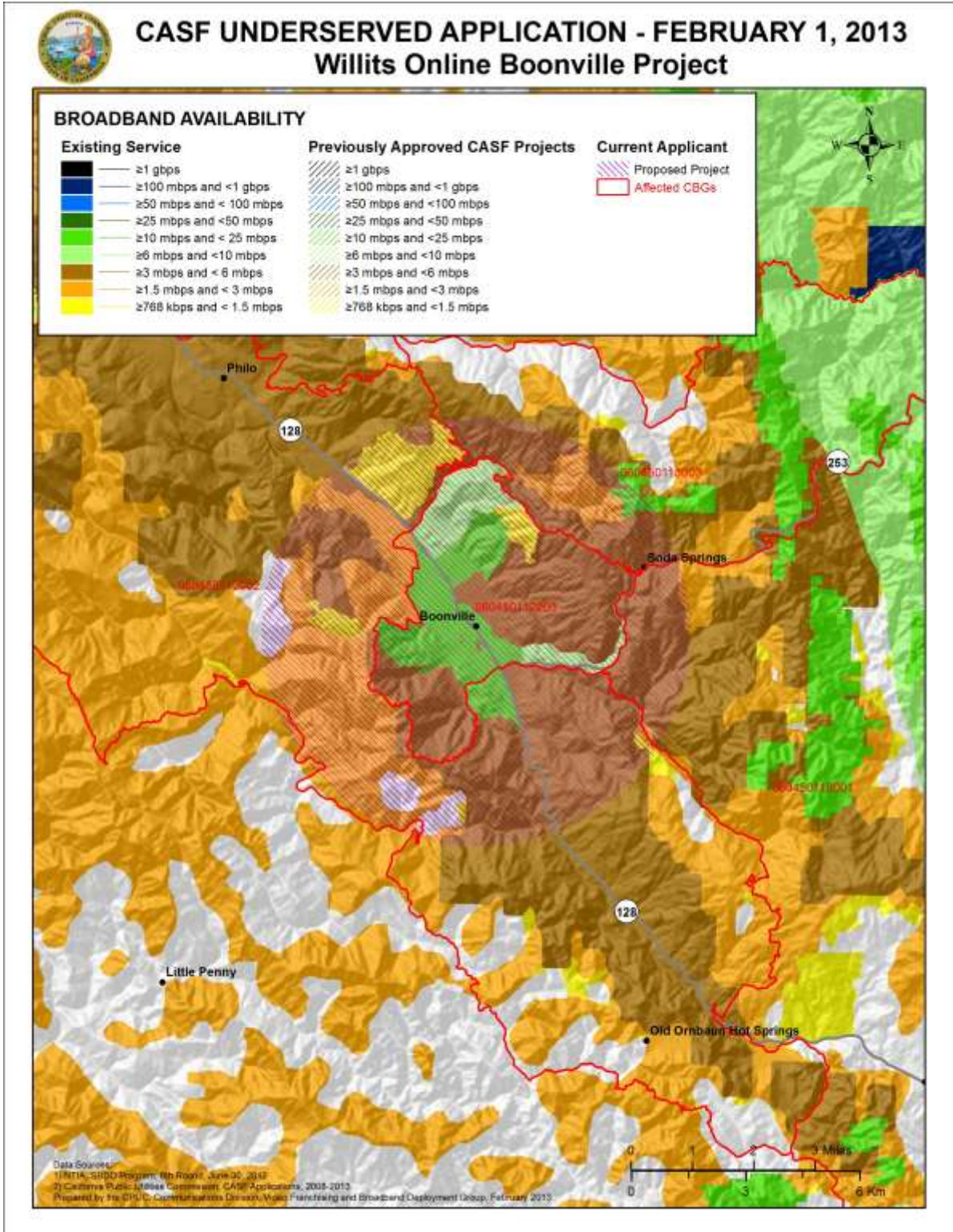
MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
CARLA J. PETERMAN
Commissioners

APPENDIX A
Resolution T – 17422
WillitsOnline Boonville Project
Key Information

<i>Project Name</i>	Boonville
<i>Project Plan</i>	Deployment of Asymmetric Digital Subscriber Line 2+ (ADSL2+) through deployment in the ATT Central Office serving the area using a DWDM fiber middle mile component on leased dark fiber.
<i>Project Size (in square miles)</i>	38.48
<i>Download/ upload speed (in Mbps)</i>	24 Mbps down / 2 Mbps up
<i>Location</i>	Boonville, Mendocino County
<i>Community Name</i>	Boonville and Yorkville
<i>CBGs/ Household Income</i>	060450112002/\$30,536
	060450112003/\$41,218
<i>Zip Codes</i>	95415 95494
<i>Estimated Potential Subscriber Size Households/ Subscribers</i>	605
<i>Deployment Schedule (from Commission approval date)</i>	9 months
<i>Proposed Project Budget</i>	
<i>Total</i>	\$204,885
<i>Amount of CASF Funds Requested (60% grant; 20% loan)</i>	Grant: \$122,931 Loan: \$40,977
<i>Internally funded (20%)</i>	\$40,977

WillitsOnline Boonville Project Maps





END OF APPENDIX A