PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|  |  |
| --- | --- |
| **Communications Division** | RESOLUTION T- 17754 |
| **Broadband, Video and Market Branch** | **December 16, 2021** |

**R E S O L U T I O N**

**RESOLUTION T-17754:** Approves up to $17,539,131.13 from the California Advanced Services Fund for the Broadband Infrastructure Grant Account applications of Frontier California, Inc. (U-1002-C) for the Cuyama, Maricopa, Santa Maria and Orcutt Project, and the Knights Landing, Robbins, Grimes Project.

**I. SUMMARY**

This Resolution approves grant funding in the amount of up to $17,539,131.13 from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account (Infrastructure Account) for the grant applications of Frontier California, Inc. (U-1002-C). Collectively, these projects will serve 139 households.

The two projects approved are:

|  |  |  |  |
| --- | --- | --- | --- |
| **Project** | **Households** | **CASF Requested Funding Amount** | **CASF Approved Funding Amount** |
| Cuyama | 103 | $12,426,909.14 | $12,426,909.14 |
| Knights Landing | 36 | $ 5,112,221.99 | $ 5,112,221.99 |

**II. BACKGROUND**

The CASF Infrastructure Account provides grant funding to Internet service providers to build or upgrade broadband infrastructure in areas that are unserved by existing broadband providers. The CASF program was initiated in 2008, after the program was first adopted by the California Public Utilities Commission (Commission) in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)[[1]](#footnote-2) into law. This legislation amended the statute governing the CASF program, Public Utilities Code § 281. The Commission issued D.18-12-018 adopting the programmatic changes to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure Account.

The most recent Infrastructure Account grant application deadline was May 4, 2020.[[2]](#footnote-3)

On June 29, 2020, Governor Newsom signed AB 82 into law, amending Public Utilities Code § 281 to authorize leveraging of CASF Infrastructure grant funding to supplement the costs of broadband infrastructure already funded, in whole or in part, by the federal Rural Digital Opportunity Fund (RDOF).[[3]](#footnote-4) In an effort to effectively utilize both state and federal funding toward meeting the CASF program goals, the Commission has deferred project applications that include areas eligible to receive RDOF for consideration until after the results of the RDOF Phase I (Auction 904) have been published.[[4]](#footnote-5),[[5]](#footnote-6)

On March 10, 2021, the Commission issued D. 21-03-006 modifying data submission requirements and requiring open access for CASF projects. Revised CASF program guidelines were set forth in Appendix A of D.21-03-006.

On July 20, 2021, Governor Newsom signed historic broadband legislation to help bridge the digital divide.[[6]](#footnote-7) Among other things, SB 156, authored by the Committee on Budget and Fiscal Review instituted several changes to the CASF program. The bill changed the definition of “unserved area” to “an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream…”[[7]](#footnote-8) However, in the interests of administrative efficiency and to ensure proper notice to project applicants, the Commission will use the standard of 6 mbps downstream and 1 mbps upstream to determine eligibility for funding for project applications submitted in 2020.

Further, SB 156 changed the requirements for the infrastructure that could be funded by the CASF program. Pursuant to Pub. Util. Code Sec. 281(f)(5), the Commission may only fund projects that "deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream…" This is a clear legislative directive to the Commission, which the Commission must implement immediately. All infrastructure funded by the CASF program must be capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream. In addition, the legislature added the requirement that each entity that receives CASF funding must report when it uses a licensed contractor or subcontractor with a contract in excess of $25,000 for work funded by CASF and that the Commission must post this information on a monthly basis.[[8]](#footnote-9)

Among other things, the broadband legislation also includes a $3.25 billion statewide middle-mile plan to build, operate and maintain an open access, state-owned middle-mile network of high-capacity fiber lines that carry large amounts of data at higher speeds over longer distances between local networks.[[9]](#footnote-10)

**Applicant**

Frontier is a publicly traded corporation, the fourth largest incumbent local exchange carrier (ILEC) in the United States, and the second largest in California.

Frontier California, Inc. (Frontier California) is a Frontier-owned telephone operating company providing service in former Verizon Communications, Inc. (Verizon) service territories. In 2016, Verizon acquired Frontier California as part of a three-state purchase that also included Verizon wireline operations in Florida and Texas. These ILEC operations were previously owned by General Telephone & Electronics Corporation (GTE) prior to its 2000 merger with Bell Atlantic that formed Verizon. The transaction also included Verizon’s Fiber Optic Service (FiOS) Internet and Video customers, high-speed Internet service and long-distance voice accounts.

**III. APPLICANT REQUESTS AND NOTICE**

On May 4, 2020, the Communications Division received 54 applications[[10]](#footnote-11) for the CASF Infrastructure Account. On May 18, 2020, Staff posted the proposed project area map, census block groups (CBGs) and Zone Improvement Plan (ZIP) Codes for Frontier’s Cuyama, Maricopa, Santa Maria and Orcutt, and Knights Landing, Robbins, Grimes, Projects on the Commission’s CASF webpage[[11]](#footnote-12) under “CASF Application Project Summaries” and sent notice regarding the project to the CASF Distribution List.[[12]](#footnote-13)

**IV.** **CONDITIONAL APPROVAL OF MIDDLE-MILE COMPONENTS**

Through SB 156, the legislature developed a statewide strategy to build, operate and maintain an open access, state-owned middle-mile network of high-capacity fiber lines that carry large amounts of data at higher speeds over longer distances between local networks. The middle-mile component of projects funded by the CASF Program should complement this statewide strategy. Thus, the CASF grant award for the middle-mile components of the Cuyama and Knights Landing Projects are conditioned on whether the Director or designee of the California Department of Technology (CDT) finds that the middle-mile components of the projects complement the California middle-mile initiative described in SB 156.

This approval process should take place within three months from the approval of this Resolution. However, the time allowed for the CDT Director or designee to approve the middle-mile components of the Cuyama and Knights Landing Projects each may be extended an additional three months, or longer, by mutual agreement between the CDT Director or designee and Frontier. Frontier will send written notice of time extensions, if any, to the CD Director.

If the CDT Director or designee notifies the CD Director in writing that the CDT Director or designee approves the middle-mile component of the project, the CD Director shall, in writing, approve release of CASF funding for the middle-mile component of the project. At that time Staff may proceed with project funding activities. If the CDT Director or designee does not approve the middle-mile component of the project, CASF Program funding for the middle-mile component of the project is automatically rescinded on the date that the CD Director receives written notice that CDT did not approve the middle-mile component.

The CASF Program operates more efficiently if it is clear which projects actually are being deployed, so that funds are not encumbered for projects that will not be built. Thus, Frontier has 90 days from the date that the CDT Director or designee does not approve the middle-mile component of the Cuyama or Knights Landing Projects to inform the CD Director by a written letter that it still plans to deploy the last-mile components of the projects, even though it will not receive any funding for the middle-mile components. The written letter must include the following:

* Identifying information for the project(s) such as the grantee organization name, project name, project address, any identifying project number, the date of the award, and the grant amount.
* A statement that Frontier will deploy the last-mile component of the project(s) and comply with all the guidelines, requirements, and conditions associated with the grant of the CASF funds.

**V. APPLICATION REVIEW AND EVALUATION**

Staff reviewed all applications according to the guidelines, requirements, and evaluation adopted in D.21-03-006, as follows:

1. Project Area Eligibility
2. Minimum Performance Criteria
3. Funding Determination
4. Safety and Community Support

Staff’s review and evaluation of the applications is summarized below.

1. **Cuyama, Maricopa, Santa Maria and Orcutt (“Cuyama Project”)**

On May 4, 2020, Frontier submitted a CASF Infrastructure application requesting $12,462,755.08 to deploy middle-mile and last-mile fiber infrastructure to provide fiber-to-the-premise (FTTP) technology in Cuyama, Maricopa, Santa Maria and Orcutt in Santa Barbara and Kern Counties. The project would enable broadband access speeds of up to 940 Mbps download and 880 Mbps upload to 131 unserved households. The project costs cover the complete project deployment costs of the Cuyama Project.

**Project Area Eligibility**

No provider filed a valid “right-of-first refusal” for Frontier’s Cuyama Project area by January 15, 2020.[[13]](#footnote-14) The proposed project area includes census blocks identified by the Federal Communications Commission’s (FCC) Connect America Fund Phase II program awarded to Frontier and California Internet LP.[[14]](#footnote-15),[[15]](#footnote-16) Staff requested Frontier to revise its original application based on updates to the 2019 California Interactive Broadband Map[[16]](#footnote-17). The revised Cuyama Project Summary was posted on the Commission’s website on October 7, 2021.

Based on the 2019 California Interactive Broadband Map, five census blocks in the Cuyama project area are served. Staff requested that Frontier revise its original application to remove the served census blocks. In its revised application, Frontier reduced the grant funding request to $12,426,909.14 to serve 103 households within 32 census blocks. Table 1, below, provides a summary of Frontier’s revised CASF Infrastructure grant application.

**Table 1: Frontier Cuyama Project Revisions**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unserved Households | Census Blocks | CASF Infrastructure Grant Funding |
| Original Application | 131 | 37 | $12,462,755.08 |
| Revised Application | 103 | 32 | $12,426,909.14 |

Staff finds the grant funding request reasonable even with the reduction of households from 131 to 103 because 69 percent of the project costs are to construct the middle-mile infrastructure. While the number of households is fewer, the middle-mile costs are still needed to provide last-mile FTTP service. This middle-mile infrastructure must be offered at reasonable rates to other carriers.[[17]](#footnote-18) Table 2 below, summarizes Frontier’s budgeted project costs for middle-mile vs. last-mile.

**Table 2: Summary of Cuyama Project Funding**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Middle-Mile Funding | Last-Mile Funding | Total Requested Funding |
| Original Application | $8,696,784.76 | $3,765,970.32 | $12,462,755.08 |
| Revised Application | $8,614,634.76 | $3,812,274.38 | $12,426,909.14 |

There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area. According to the 2019 California Interactive Broadband Map,[[18]](#footnote-19) the area is unserved; only dial-up service is available.[[19]](#footnote-20)

1. Challenges

Staff received no challenges to the project; however, during the challenge period, GeoLinks submitted a letter requesting Staff to uphold AB 1665 restrictions on the approval of CASF Infrastructure grants for projects in census blocks where an existing facilities-based broadband provider had accepted federal Connect America Fund (CAF II) funds for broadband deployment.[[20]](#footnote-21) GeoLinks did not file a ROFR for the project area nor notify the Commission before July 1, 2020 that it has begun or completed its CAF II deployment in the census blocks contained in Frontier’s Cuyama application.[[21]](#footnote-22) Furthermore, AB 1665’s prohibitions against leveraging CASF and CAF II funds on the same project have lapsed, pursuant to a sunset provision, and were repealed in 2021.[[22]](#footnote-23) For these reasons, Staff determined that the CAF II census blocks within Frontier’s Cuyama Project are eligible for CASF grant funding.

1. RDOF

While some portions of this project overlap with areas for which Etheric Networks, Inc. (Etheric) and LTD Broadband (LTD) have RDOF eligibility, Etheric and LTD have not yet received Eligible Telecommunications Carrier (ETC) status in these areas. Staff did not remove the RDOF-eligible areas from this project.

1. Middle-Mile Infrastructure

Middle-Mile infrastructure is eligible for a CASF Infrastructure grant. Frontier proposes adding approximately 82.2 miles of middle-mile fiber to its network and upgrading equipment at its existing facilities to provide last-mile FTTP service. Frontier is the local ILEC and does not offer broadband Internet service to households in the project census blocks. Further, Frontier is unable to deliver last-mile broadband service without constructing the middle-mile infrastructure. Therefore, Staff determined the middle-mile infrastructure is necessary to serve the proposed communities and thus eligible for CASF funding pursuant to Pub. Util. Code § 281(b)(2)(A).

Frontier must offer open access to last-mile communications service providers requesting to use the middle-mile infrastructure, as ordered in D.21-03-006.

**Minimum Performance Criteria**

Staff reviewed Frontier’s application and determined the Cuyama Project meets the minimum performance criteria pursuant to D.21-03-006, Appendix A, Section 6, as summarized in Table 3.

Pursuant to the CASF Program rules, project construction must be completed, following receipt of permits, within 12 months if the project is categorically exempt from CEQA, and within 24 months for all other projects. However, the Cuyama Project may need additional time to ensure that the CDT Director or designee approves the middle-mile component. As additional time is needed to ensure that the middle-mile component of CASF projects complement California’s initiatives for broadband deployment, a waiver in the CASF Program rules regarding project completion is required. Thus, the Cuyama Project must be completed in 27 months. If the time necessary for the CDT Director or designee to approve the middle-mile component is extended by mutual agreement between the CDT Director or designee and Frontier, Staff is authorized to also extend the time for completion of the project by the period of time specified by the CDT Director or designee.

**Table 3: Minimum Performance Criteria**

|  |  |  |
| --- | --- | --- |
|  | **CASF Performance Criteria** | **Proposed Project** |
| **Project Completion** | CEQA-exempt projects must be completed within 15 months (unless further extended by CD); and all other projects shall be completed within 27 months (unless further extended by CD), to allow for CDT approval of middle-mile component | 24 months[[23]](#footnote-24)  (Not CEQA exempt) |
| **Pricing** | Prices committed for two years  after completion of the project | 2-year |
| **Speed** | At least 100/20 Mbps[[24]](#footnote-25) | 1 Gbps / 1 Gbps |
| **Latency** | Maximum of 100 ms of latency | 25 ms |
| **Data Caps** | Minimum of 190 GBs per month | No data cap |
| **Affordability** | Must offer low-income plan | $14.99 monthly |

**Project Completion and CEQA**

Frontier’s Cuyama Project is subject to California Environmental Quality Act (CEQA) review and the project must be complete within 27 months from the start date (whereby Frontier has secured CEQA approval from the Commission and all required permits).[[25]](#footnote-26)

**Pricing, Speed, Latency, Data Caps, and Affordability**

Frontier commits to residential broadband pricing plans, as summarized in Table 4 and Table 5, for two years starting from the beginning date of service. There is no long-term commitment required from the consumer to receive these prices. Furthermore, Frontier will waive the activation and installation fees during the commitment period. Frontier provides discount pricing for bundled broadband and voice services. Additionally, low-income subscribers, including LifeLine voice subscribers, are eligible for discounted broadband service (10 Mbps download / 1 Mbps upload for $14.99 per month).

**Table 4: Standalone Broadband Pricing Plan**

|  |  |  |
| --- | --- | --- |
| **Download Speed** | **Upload Speed** | **Monthly Price** |
| 50 Mbps | 50 Mbps | $39.99 |
| 100 Mbps | 100 Mbps | $49.99 |
| 200 Mbps | 200 Mbps | $49.99 |
| 500 Mbps | 500 Mbps | $49.99 |
| 940 Mbps | 880 Mbps | $74.99 |

**Table 5: Broadband/Voice Bundled Pricing Plan**

|  |  |  |
| --- | --- | --- |
| **Download Speed** | **Upload Speed** | **Monthly Price** |
| 50 Mbps | 50 Mbps | $49.99 |
| 100 Mbps | 100 Mbps | $59.99 |
| 200 Mbps | 200 Mbps | $59.99 |
| 1,000 Mbps | 1,000 Mbps | $84.99 |

The proposed speed offerings (up to 1,000 Mbps download and up to 1,000 Mbps upload) meet the 100/20 minimum performance requirement. This service will be available to the general public, as well as anchor institutions and small businesses near the project area.

**Funding Determination**

Frontier is eligible to receive 100 percent funding to cover the cost of its Cuyama Project. Table 6, below, details Staff’s funding level determination for Frontier’s Cuyama Project.

**Table 6: Criteria for Project Funding Level for Frontier Cuyama**

|  |  |
| --- | --- |
| **Funding Criteria** | **Revised Project** |
| Baseline for Eligible Project (60%) | 60% |
| Service Level Preference: Only Dial-up or No Internet Connectivity (up to 40%) | 40% |
| Low Income – (up to 40%)   * Median Household Income for community is less than CARE standard for family of 4, which is currently $53,000 (30%)[[26]](#footnote-27) * Applicant serves low-income customers for no more than $15/month (10%) | 0%  10% |
| Others: PU Code § 281(f)(11) Criteria – (up to 20%)   * Inaccessible Location (10%) * Uses Existing Infrastructure (10%) * Makes a Significant Contribution to the Program Goal (10%) | 10%  0%  10% |
| **Total Funding Level** | **100%[[27]](#footnote-28)** |

**Baseline for an Eligible Project qualifies for 60 percent funding.** CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified Cuyama project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference qualifies for an additional 40 percent funding.** According to the latest California Interactive Broadband Map, Staff confirmed all the proposed project areas are unserved by wireline or fixed wireless broadband service and is therefore eligible for an additional 40 percent funding.

**Low Income Consideration qualifies for an additional 10 percent funding.** The weighted average median income of the census block group in the proposed project area is $57,552, and thus does not qualify for an additional 30 percent funding. Frontier commits to offer low-income broadband programs including broadband and voice bundled plans for LifeLine-eligible subscribers at $14.99/month, which meets the criteria for an additional 10 percent funding.

**Other Factor Considerations qualify for an additional 20 percent funding.** The Cuyama Project meets two of the three criteria defined in Pub. Util. Code § 281(f)(11) and qualifies for the additional 20 percent funding.

Staff determined the proposed project area meets the inaccessible location criteria for an additional 10 percent funding. The project area is located in the Sierra Madre Mountains. The project area is considered to be difficult terrain and relatively inaccessible to advanced broadband communications infrastructure. The proposed project areas include unincorporated communities and are rural census blocks as defined by the U.S. Census.

Staff determined the proposed project is not eligible for an additional 10 percent funding for use of existing infrastructure. The proposed infrastructure is 92 percent underground in unattested infrastructure that may include legacy direct buried facilities that may not be suitable to accommodate the new fiber infrastructure, and thus not eligible for funding.

The Cuyama project area is located in the Broadband Consortium of the Pacific Coast region in which 97.2 percent of households are served,[[28]](#footnote-29) which is below the 98 percent CASF program goal. Therefore, Staff determined the project will make a significant contribution to the program goal and is eligible for an additional 10 percent funding.

**Safety and Community Support**

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, emergency services, and to allow first responders to communicate with each other and collaborate during emergencies. The Cuyama Project will provide enhanced communications services that will promote public safety capabilities.

Letters of Support were received from EconAlliance and California Assemblymember Jordan Cunningham (District 35).

1. **Knights Landing Robbins, Grimes (“Knights Landing Project”)**

On May 4, 2020, Frontier submitted a CASF Infrastructure application requesting $4,590,844.66 to deploy middle-mile and last mile fiber to the premise (FTTP) facilities in Knights Landing, Robbins and Grimes in Yolo, Sutter and Colusa Counties. The project would enable broadband access speeds of up to 940 Mbps download and   
880 Mbps upload to 36 unserved households. The project costs cover the complete project deployment costs of the Knights Landing Project.

**Project Area Eligibility**

No provider filed a valid “right-of-first refusal” for Frontier’s Knights Landing Project area by January 15, 2020,[[29]](#footnote-30) nor does the proposed project area include census blocks identified by the Federal Communications Commission’s (FCC) Connect America Fund Phase II program.[[30]](#footnote-31) Staff requested Frontier revise its original application based on updates to the California Interactive Broadband Map. The revised Knights Landing Project Summary was posted on the Commission’s website on October 7, 2021.

Based on the latest California Interactive Broadband Map,[[31]](#footnote-32) ten census blocks in the Knights Landing project area are served. Staff requested that Frontier revise its original application to remove the served census blocks. In its revised application, Frontier submitted a grant funding request of $5,112,221.99 to serve 36 households within 12 census blocks. Table 7, below, provides a summary of Frontier’s revised CASF Infrastructure grant application.

**Table 7: Frontier Knights Landing Project Revision**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unserved Households | Census  Blocks | CASF Infrastructure Grant Funding |
| Original Application | 126 | 22 | $4,590,844.66 |
| Revised Application | 36 | 12 | $5,112,221.99 |

Staff finds the grant funding request reasonable even with the reduction of households from 126 to 36 because most of the project costs are fixed equipment costs to upgrade the central office.[[32]](#footnote-33) These upgrades to the central office are necessary to provide broadband to the Knights Landing project area. This middle mile infrastructure must be offered at reasonable rates to other carriers.[[33]](#footnote-34) Table 8 below, summarizes Frontier’s budgeted project costs for middle-mile vs. last-mile.

**Table 8: Summary of Knights Landing Project Funding**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Middle-Mile Funding | Last-Mile Funding | Total |
| Original Application | $3,800,299.44 | $790,545.22 | $4,590,844.66 |
| Final Revised Application | $4,294,574.02 | $817,647.97 | $5,112,221.99 |

There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area. According to the latest California Interactive Broadband Map,[[34]](#footnote-35) the area is unserved; only dial-up service is available.[[35]](#footnote-36)

1. Challenges

Staff received no challenges to the project

1. RDOF

While some portions of this project overlap with areas for which California Internet, L.P. dba GeoLinks has RDOF eligibility, GeoLinks has not yet received Eligible Telecommunications Carrier (ETC) status in these areas. Staff did not remove the RDOF-eligible areas from this project.

1. Middle-Mile Infrastructure

Frontier proposes adding approximately 33.1 miles of middle-mile and last-mile fiber to its network and upgrading equipment at its existing facilities to provide last-mile FTTP service. The new infrastructure will provide network resiliency and route diversity for 1,800 households in the Knights Landing area. Frontier is the local ILEC and does not offer broadband Internet service to households in the project census blocks. Further, Frontier is unable to deliver last-mile broadband service without constructing the middle-mile infrastructure. Therefore, Staff determined the middle-mile infrastructure is necessary to serve the proposed communities and thus eligible for CASF funding pursuant to Pub. Util. Code § 281(b)(2)(A).

Frontier must offer open access to last-mile communications service providers requesting to use the middle-mile infrastructure, as ordered in D.21-03-006.

## Minimum Performance Criteria

Staff reviewed Frontier’s application and determined the Knights Landing Project meets the minimum performance criteria pursuant to D.21-03-006, Appendix A, Section 6, as summarized in Table 9.

Pursuant to the CASF Program rules, project construction must be completed, following receipt of permits, within 12 months if the project is categorically exempt from CEQA, and within 24 months for all other projects. However, the Knights Landing Project may need additional time to ensure that CDT approves the middle-mile component. As additional time is needed to ensure that the middle-mile component of CASF projects complement California’s initiatives for broadband deployment, a waiver in the CASF Program rules regarding project completion is required. Thus, the Knights Landing Project must be completed in 27 months. If the time necessary for the CDT Director or designee to approve the middle-mile component is extended by mutual agreement between the CDT Director or designee and Frontier, Staff is authorized to also extend the time for completion of the project by the period of time specified by the CDT Director or designee.

Table 9: Minimum Performance Criteria

|  |  |  |
| --- | --- | --- |
|  | **CASF Performance Criteria** | **Proposed Project** |
| **Project Completion** | CEQA-exempt projects must be completed within 15 months (unless further extended by CD); and all other projects shall be completed within 27 months (unless further extended by CD), to allow for CDT approval of middle-mile component | 24 months[[36]](#footnote-37)  (Not CEQA Exempt) |
| **Pricing** | Prices committed for two years  after completion of the project | 2-year |
| **Speed** | At least 100/20 Mbps[[37]](#footnote-38) | 1 Gbps / 1 Gbps |
| **Latency** | Maximum of 100 ms of latency | 25 ms |
| **Data Caps** | Minimum of 190 GBs per month | No data cap |
| **Affordability** | Must offer low-income plan | $14.99 monthly |

**Project Completion and CEQA**

Frontier’s Knights Landing Project is subject to California Environmental Quality Act (CEQA) review and the project must be complete within 27 months from the start date (whereby Frontier has secured CEQA approval from the Commission and all required permits).[[38]](#footnote-39)

**Pricing, Speed, Latency, Data Caps, and Affordability**

Frontier commits to residential broadband pricing plans, as summarized in Table 10 and Table 11, for two years after completion of the project. There is no long-term commitment required from the consumer to receive these prices. Furthermore, Frontier will waive the activation and installation fees during the commitment period. Frontier provides discount pricing for bundled broadband and voice services. Additionally, low-income subscribers, including LifeLine voice subscribers, are eligible for discounted broadband service (10 Mbps download / 1 Mbps upload for $14.99 per month).

**Table 10: Standalone Broadband Pricing Plan**

|  |  |  |
| --- | --- | --- |
| **Download Speed** | **Upload Speed** | **Monthly Price** |
| 50 Mbps | 50 Mbps | $39.99 |
| 100 Mbps | 100 Mbps | $49.99 |
| 200 Mbps | 200 Mbps | $49.99 |
| 500 Mbps | 500 Mbps | $49.99 |
| 940 Mbps | 880 Mbps | $74.99 |

**Table 11: Broadband/Voice Bundled Pricing Plan**

|  |  |  |
| --- | --- | --- |
| **Download Speed** | **Upload Speed** | **Monthly Price** |
| 50 Mbps | 50 Mbps | $49.99 |
| 100 Mbps | 100 Mbps | $59.99 |
| 200 Mbps | 200 Mbps | $59.99 |
| 1,000 Mbps | 1,000 Mbps | $84.99 |

The proposed speed offerings (up to 1,000 Mbps download and up to 1,000 Mbps upload) meet the 100/20 minimum performance requirement. This service will be available to the general public, as well as anchor institutions and small businesses near the project area.

**Funding Determination**

Frontier is eligible to receive 100 percent funding to cover the cost of its Knights Landing Project. Table 12, below, details Staff’s funding level determination for Frontier’s Knights Landing Project.

Table 12: Criteria for Project Funding Level for Knights Landing Project

|  |  |
| --- | --- |
| **Funding Criteria** | **Revised Project** |
| Baseline for Eligible Project (60%) | 60% |
| Service Level Preference: Only Dial-up or No Internet Connectivity (up to 40%) | 40% |
| Low Income – (up to 40%)   * Median Household Income for community is less than CARE standard for family of 4, which is currently $53,000 (30%)[[39]](#footnote-40) * Applicant serves low-income customers for no more than $15/month (10%) | 30%  10% |
| Others: PU Code § 281(f)(11) Criteria – (up to 20%)   * Inaccessible Location (10%) * Uses Existing Infrastructure (10%) * Makes a Significant Contribution to the Program Goal (10%) | 0%  0%  10% |
| **Total Funding Level** | **100%[[40]](#footnote-41)** |

**Baseline for an Eligible Project qualifies for 60 percent funding.** CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified Knights Landing project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference qualifies for an additional 40 percent funding.** According to the 2019 California Interactive Broadband Map, Staff confirmed all the proposed project areas are unserved by wireline or fixed wireless broadband service and are therefore eligible for an additional 40 percent funding.

**Low Income Consideration qualifies for an additional 40 percent funding.** The weighted average median income of the census block groups in the proposed project area is $46,613, and thus qualifies for an additional 30 percent funding. Frontier commits to offer broadband and voice bundled plans for LifeLine-eligible subscribers at $14.99/month, which meets the criteria for an additional 10 percent funding.

**Other Factor Considerations qualify for an additional 10 percent funding.** The Knights Landing Project meets one of the three criteria defined in Pub. Util. Code § 281(f)(11) and qualifies for an additional 10 percent funding.

Staff determined that the proposed project area does not meet the inaccessible location criteria for an additional 10% funding. The project area is not considered to be difficult terrain and relatively inaccessible to advanced broadband communications infrastructure. The project area includes mostly incorporated communities that are not rural census blocks as defined by the U.S. Census.

Staff determined that proposed project is not eligible for an additional 10 percent funding for use of existing infrastructure. The proposed infrastructure is 81 percent underground in unattested infrastructure that may be direct buried constructure and not eligible for funding.

The Knights Landing Project area is located in the Connected Capital Area Broadband Consortium in which 97.4 percent of households are served,[[41]](#footnote-42) which is below the   
98percent CASF program goal. Therefore, Staff determined the project will make a significant contribution to the program goal and is eligible for an additional 10 percent funding.

## Safety and Community Support

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, emergency services, and to allow first responders to communicate with each other and collaborate during emergencies. The Knights Landing project will provide enhanced communications services and promote public safety capabilities. California Senator Jim Nielsen (4th Senate District) supports the Knights Landing Project for its ability to significantly improve services in some of the most remote areas of the state.

**VI. COMPLIANCE REQUIREMENTS**

Frontier is required to comply with all the guidelines, requirements, and conditions associated with the Infrastructure Account grant funding as specified in D.21-03-006 and this Resolution. Such compliance includes, but is not limited to those listed in Appendices A and B.

**VII. PAYMENTS TO CASF RECIPIENTS**

The Commission may reimburse Frontier’s expenses in accordance with Pub. Util. Code § 281(f)(10). Details of reimbursable expenses are in Appendix B.

**VIII. COMMENTS**

In compliance with Pub. Util. Code section 311(g)(1), a Notice of Availability was   
e-mailed on November 12, 2021 , informing all parties on the CASF Distribution List of the availability of the draft of this Resolution, and of the opportunity to comment, at the Commission’s website at <http://www.cpuc.ca.gov/>. This NOA also served to inform parties that the final conformed Resolution the Commission adopts will be posted and available on this same website.

Formal comments were submitted by Etheric Communications, LLC (Etheric) and California Internet, L.P. dba GeoLinks on November 24, 2021, and by Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California and Frontier California Inc. (collectively, Frontier) on December 2, 2021.

## Etheric and GeoLinks Comments

Etheric and Geolinks assert that draft Resolution T-17754 “is based on factual, procedural and legal error.” Etheric and GeoLinks state that funding these projects “contradicts D.21-01-003, [Public Utilities Code] Section 281 and Section 270 by intentionally granting the CASF award overlapping Etheric’s RDOF service area.”[[42]](#footnote-43) They further state that PU Code §§ 281 and 270(c) direct and encourage the Commission to consider and “maximize the amount of federal funding to California participants in the federal programs.” Etheric and GeoLinks suggest that the Commission not approve Resolution T-17754, or, alternatively, delay or remove overlapping portions of the projects.

**Frontier Comments**

Frontier supports the recommendation to fund these projects but has significant concerns regarding the delay in final approval of the middle-mile portions of the projects, as directed by the contingency requiring the CDT to review and approve the middle-mile sections of the Cuyama, Maricopa, Santa Maria and Orcutt Project, and the Knights Landing, Robbins, Grimes Project.[[43]](#footnote-44) Frontier states that middle-mile approval could delay the projects by three months or potentially longer, and that the process of waiting on the review and approval is not required by SB 156 nor does it exist in current CASF rules. Frontier urges the Commission to modify Draft Resolution T-17754 and remove the middle-mile approval process so that the entirety of the projects could be approved immediately without delay.

## Staff’s Response to Comments

Claims by Etheric and GeoLinks that awarding CASF funding in Resolution T-17754 is contrary to the law and public interest that govern the CASF program do not have merit and should not be considered. While some portions of Cuyama, Maricopa, Santa Maria and Orcutt Project, and the Knights Landing, Robbins, Grimes Projects overlap with RDOF-eligible areas, the commenting parties have not received ETC designation in these areas. Therefore, staff will not remove these RDOF-eligible areas from the projects. Furthermore, the companies referenced were designated by the Federal Communications Commission (FCC) as announced winning bidders in Auction 904. The areas in California covered by those announced winning bids for these providers have not been awarded any funds by the FCC, nor approved by the FCC to receive awards.

The FCC requires companies to obtain a high-cost ETC designation that covers its winning bid areas. In California, the Commission designates ETCs. The Commission has been working with the companies to make determinations on each ETC application. The FCC is simultaneously evaluating the same providers, along with scores of others across the country.[[44]](#footnote-45)

Regarding Frontier’s concerns with the delay in final approval of the “middle-mile portions” of the projects; staff’s position remains the same because the conditional approval and review by CDT of the proposed middle-mile segments complements the statewide strategy to build, operate and maintain an open access, state-owned middle-mile network.

**FINDINGS**

1. On May 4, 2020, the Communications Division received 54 applications for the CASF Infrastructure Account.
2. On May 18, 2020, Staff posted the project summaries, including a listing of the census blocks and ZIP Codes covered by the projects, and the proposed project area maps. The summary was posted on the “CASF Applications Project Summaries” webpage, which may be found on the Commission’s CASF webpage.
3. Pub. Util. Code Sec. 281(f)(5) requires the Commission to fund projects that "deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream."
4. The middle-mile component of projects funded by the CASF Program should complement California’s middle-mile initiatives.
5. The CASF Program operates more efficiently if it is clear which projects actually are being deployed, so that funds are not encumbered for projects that will not be built.
6. Staff received no challenges to the Cuyama and Knights Landing Projects.
7. While some portions of the Cuyama Project overlap with RDOF-eligible areas, Etheric and LTD Broadband do not have ETC status in the RDOF-eligible areas; therefore, the project areas are eligible for CASF.
8. While some portions of the Knights Landing Project overlap with RDOF-eligible areas, GeoLinks does not have ETC status for the RDOF eligible areas; therefore, the project areas are eligible for CASF.
9. Based on its review, Staff determined that the projects qualify for funding pursuant to D.21-03-006 and its Appendix A and recommends Commission approval of CASF funding for Frontier’s Cuyama and Knights Landing Projects up to the amount of $ 17,539,131.13.
10. As additional time is needed to ensure that the middle-mile component of CASF projects complement California’s initiatives for broadband deployment, a waiver in the CASF Program rules regarding project completion is required.
11. A notice letter was e-mailed on November 12, 2021, informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the draft of this Resolution, and of the opportunity for comment, at the Commission’s website <http://www.cpuc.ca.gov/>. Formal comments were submitted by Etheric Communications, LLC and California Internet, L.P. dba GeoLinks on November 24, 2021, and by Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California and Frontier California Inc. (collectively, Frontier) on December 2, 2021.

**THEREFORE, IT IS ORDERED that:**

* 1. The CASF Infrastructure Account funding for Frontier’s Cuyama and Knights Landing Projects as discussed in this resolution is adopted.
  2. The total approved from the CASF Infrastructure Account is up to $ 17,539,131.13, as follows:

|  |  |
| --- | --- |
| **PROJECT** | **CASF APPROVED AMOUNT** |
| Cuyama | $12,426,909.14 |
| Knights Landing | $ 5,112,221.99 |

* 1. Frontier shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D.18-12-018 and its Appendix 1, D. 21-03-006, Appendix A, and all requirements for this project included in this Resolution, including Appendices A – D.
  2. Frontier must offer open access to last-mile communications service providers requesting to use middle-mile infrastructure funding by CASF grants, as set forth in D.21-03-006.
  3. The CASF grant award for the middle-mile components of the Cuyama and Knights Landing Projects are conditioned on whether the Director of the California Department of Technology (CDT) or a designee finds that the middle-mile components of the projects complement the California middle-mile initiative described in SB 156.
  4. This process for CDT approval of the middle-mile components of the Cuyama, and Knights Landing Projects may take place within three months from the approval of this Resolution. However, the time allowed for the CDT Director or designee to approve the middle-mile components of the Cuyama and Knights Landing Projects may be extended an additional three months, or longer, by mutual agreement between the CDT Director or designee and Frontier. Frontier will send written notice of this time extension, if any, to the CD Director.
  5. If the CDT Director or designee approves the middle-mile component of the projects, the CD Director shall, in writing, approve release of CASF funding for the middle-mile component. At that time, Staff may proceed with project funding activities. If the CDT Director or designee does not approve the middle-mile component of the projects, CASF Program funding for the middle-mile component of the Cuyama or Knights Landing Project is automatically rescinded on the date that the CD Director receives written notice that CDT did not approve the middle-mile component.
  6. In the event that the CDT Director or designee does not approve the middle-mile component of the Cuyama or Knights Landing project, Frontier has 90 days from the date that the CD Director receives written notice that CDT did not approve the middle-mile component to inform the CD Director by a written letter that it still plans to deploy the last-mile component of the Cuyama or Knights Landing project, even though it will not receive any funding for the middle-mile component. The written letter must include the information specified in this resolution.
  7. The Cuyama and, Knights Landing Projects must be completed in 27 months. If the time necessary for the CDT Director or designee to approve the middle-mile component is extended by mutual agreement between the CDT Director or designee and Frontier, Staff is authorized to also extend the time for completion of the project by the period of time specified by the CDT Director or designee.
  8. If Frontier fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.21-03-006 and its Appendix A, and the terms outlined in this Resolution, Frontier must reimburse some or all of the CASF funds that it has received.
  9. Frontier must complete and execute the consent forms (to be sent to the Grantee after this Resolution is adopted) agreeing to the conditions set forth in this Resolution and return it the CASF Staff within 30 calendar days from the date of the adoption of this Resolution. Failure to submit the consent form within 30 calendar days from the adoption date of this Resolution may result in the Commission voiding the grant award.
  10. The Commission cannot release funds for construction activities until CEQA review is complete. Frontier is required to comply with the requirements set forth in the CEQA Section of the Resolution. Frontier must provide the Proponent’s Environmental Assessment (PEA) prior to the first payment. CASF will reimburse Energy Division for all costs related to the PEA.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 16, 2021. The following Commissioners approved it:

|  |
| --- |
| /s/ RACHEL PETERSON |
| Rachel Peterson  Executive Director  MARYBEL BATJER  President  MARTHA GUZMAN ACEVES  CLIFFORD RECHTSCHAFFEN  GENEVIEVE SHIROMA  DARCIE L. HOUCK  Commissioners |

**APPENDIX A**

**Compliance Requirements**

## California Environmental Quality Act (CEQA)

Frontier’s Cuyama and Knights Landing Projects are subject to CEQA review. The Commission must complete CEQA review prior to disbursing CASF funds for construction activities. The initial funding granted in this Resolution may be used for project development and other Frontier activities that do not involve construction or any activities that would have any direct or indirect effect on the physical environment.

Prior to any construction activity, Frontier is required to seek further authority from the Commission for such activity by filing a Proponent’s Environmental Assessment (PEA) pursuant to Commission Rule of Practice and Procedure 2.4; and must undergo an environmental review pursuant to CEQA (California Public Resources Code §21000 *et seq.*). Frontier should contact the Supervisor of the Commission’s Energy Division CEQA Unit well in advance of a contemplated filing to (a) consult with staff regarding the process of developing and filing a PEA; (b) provide for cost recovery per Rule of Practice and Procedure 2.5; and (c) enter into a Memorandum of Understanding to allow the Energy Division to initiate the retention of an environmental contractor to perform the environmental review.

Frontier will file a completed CEQA review conducted by another agency acting as the Lead Agency pursuant to CEQA.[[45]](#footnote-46) Frontier should make every effort to ensure that the Commission’s CEQA Unit is aware of and included in the CEQA process if it is conducted by another agency acting as the CEQA Lead Agency. Frontier should contact the Supervisor of the Commission’s Energy Division CEQA Unit well in advance of a contemplated filing to consult with staff regarding the applicability of another agency’s CEQA review.

Frontier must provide the PEA prior to the first payment. The Commission cannot release funds for the construction project until the Commission has completed CEQA review. Frontier has agreed in its application to provide a PEA and has allocated $2,464,500 in its budget for environmental review and permitting. A summary of Frontier’s budgeted CEQA and permitting costs are in Table A1 below.

**Table A1: Summary of Frontier’s CEQA and Permitting Funding**

|  |  |
| --- | --- |
| **PROJECT** | **PERMITTING COSTS** |
| Cuyama | $492,900 |
| Knights Landing | $821,500 |

## Deployment Schedule

The Commission expects Frontier to complete the Cuyama and Knights Landing Projects within 27 months from the start date (whereby the applicants have secured CEQA approval from the Commission and all required permits), and the applicant has committed to do so. If the applicant is unable to complete the proposed project within the timeframe requirement specified in this Resolution, Frontier must notify the Director of the Communications Division as soon as Frontier becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement of timely notification to the Director.

## Execution and Performance

Staff and Frontier shall determine a project start date after the CASF grant recipient has obtained all approvals, including CEQA permits. Should Frontier or any contractor it retains fail to commence work by the designated date, upon five days written notice the Commission may terminate the grant. In the event that Frontier fails to complete the project in accordance with the terms of Commission approval as set forth in this resolution, Frontier shall reimburse some or all of the CASF funds that it has received. Frontier must complete all construction covered by the grant on or before the grant’s termination date.

## Letter of Credit

The Commission exempts Certificate of Public Convenience and Necessity (CPCN) holders from providing a letter of credit, on the basis that the company submitted a performance bond to the Commission to maintain its CPCN and that the Commission has other means to enforce compliance. In its application, Frontier provided proof of CPCN registration and thus is exempt from the requirement of providing a letter of credit.

## Project Audit

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

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

## Providing Voice Service

Frontier has certified that its basic analog telephone service (POTS) meets the FCC standards for E-911 service and battery backup.

## Reporting

All grantees must submit biannual progress reports on the status of the project, irrespective of whether grantees request reimbursement or payment. These reports are due semi-annually, in March and September, until the project is completely built and operational. Progress reports shall use the schedule for deployment, major construction milestones and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

Before full payment of the project is made, Frontier must submit a project completion report. Frontier shall also include test results on the download and upload speeds by census block in the final completion report. Frontier must certify that each progress report is true and correct under penalty of perjury.

1. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. Frontier has committed to follow state prevailing wage requirements with regards to this project.

1. Contractor Reporting

Frontier must comply with the contractor reporting requirements of Section 281(l)(1) of the California Public Utilities Code, which requires reporting of certain information for all contractors and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars on CASF-subsidized projects

**APPENDIX B**

**Payments to CASF Recipients**

Pub. Util. Code § 281(f)(10) defines the costs the Commission may reimburse as follows:

* Costs directly related to the deployment of infrastructure;
* Costs to lease access to property or for Internet backhaul services for a period not to exceed five years; and
* Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

Additionally, D. 21-03-006 (Appendix 1, Section 7) caps administrative expenses directly related to the project at 15 percent of the grant amount.[[46]](#footnote-47)

The grantee may submit reimbursement requests at the following intervals:

* 10 percent completion;
* 35 percent completion;
* 60 percent completion;
* 85 percent completion; and
* 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report. Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved CASF funding budget included in the CASF grantee’s application.

Payment to grantees shall follow the process adopted for funds created under Public Utilities Code § 270. The Commission generally processes payments within 20-25 business days, including Communications Division and Administrative Services review time. The State Controller’s Office (SCO) requires an additional 14- 21 days to issue payment from the day that requests are received by SCO from Administrative Services.

**APPENDIX C**

**Frontier Cuyama**

**CASF Application Key Information**

| *Project Name* | **Cuyama Project** |
| --- | --- |
| *Project Plan* | The project proposes to build middle-mile and last-mile fiber infrastructure to deploy fiber-to-the-premise (FTTP) high-speed Internet service to 103 unserved households. |
| *Project Size*  *(in square miles)* | 186.71 |
| *Download/Upload speed* | 940 Mbps / 880 Mbps |
| *Location* | Santa Barbara and Kern Counties |
| *Community Name* | Cuyama, Maricopa, Santa Maria and Orcutt |
| *Census Blocks (32)* | 60790127021882; 60830018001003; 60790127021892; 60790127021891; 60790127021904; 60830018001014; 60830018001020; 60830018001019; 60830018001018; 60830018001263; 60830018001022; 60830018001281;  60830018001282; 60830018001287; 60830018001285; 60830018001288; 60830018001306; 60830018001416; 60830018001310; 60830018001421; 60830018001333; 60830018001427; 60830018001424; 60830018001429;  60830018001423; 60830018001487; 60830018001440; 60830018001432; 60830018001488; 61110001001067; 61110001001086 |
| *Weighted Median Household Income* | $57,552 |
| *Estimated Potential Subscriber Size* | 103 households |
| *Subscriber Take Rate* | 145 percent take rate)[[47]](#footnote-48) |
| *Pricing Plan (Monthly)* | Simply Internet (stand-alone pricing):  50 Mbps / 50 Mbps for $39.99  100 Mbps / 100 Mbps for $49.99  200 Mbps / 200 Mbps for $49.99  500 Mbps / 500 Mbps for $49.99  940 Mbps / 880 Mbps for $74.99  LifeLine for $14.99 |
| *Deployment Schedule (from permit approval date)* | 24 months |
| *Proposed Project Budget (Total)* | $12,426,909.14 |
| *Grant Requested Amount* | $12,426,909.14  Middle-mile Budget: $ 8,614,634.76 / - Last-mile Budget: $3,812,274.38 |

|  |  |
| --- | --- |
| *CASF Grant Amount*  *(100 percent)* | $12,426,909.14 |
| *Recommended Grant per household* | $120,649.60  $37,012.37 (last-mile costs only) |

**APPENDIX C**

**Frontier Knights Landing**

**CASF Application Key Information**

| *Project Name* | **Knights Landing Project** |
| --- | --- |
| *Project Plan* | The project proposes to build middle-mile and last-mile fiber infrastructure to deploy fiber-to-the-premise (FTTP) high-speed Internet service to 36 unserved households. |
| *Project Size*  *(in square miles)* | .25 |
| *Download/Upload speed* | 940 Mbps / 880 Mbps |
| *Location* | Yolo, Sutter, and Colusa Counties |
| *Community Name* | Knights Landing, Robbins, and Grimes |
| *Census Blocks (12)* | 61010509002177; 61010509002194; 61010509002208; 61010509002215  61010509002221; 61010509002223; 61010509002291; 61010509002305  61130114002034; 61130114002038; 61130114002039; 61130114002040 |
| *Median Household Income* | $46,613 |
| *Estimated Potential Subscriber Size* | 36 households |
| *Subscriber Take Rate* | 89 percent take rate |
| *Pricing Plan (Monthly)* | Simply Internet (stand-alone pricing):  50 Mbps / 50 Mbps for $39.99  100 Mbps / 100 Mbps for $49.99  200 Mbps / 200 Mbps for $49.99  500 Mbps / 500 Mbps for $49.99  940 Mbps / 880 Mbps for $74.99  LifeLine for $14.99 |
| *Deployment Schedule (from permit approval date)* | 24 months |
| *Proposed Project Budget (Total)* | $5,112,221.99 |
| *Grant Requested Amount* | $5,112,221.99  Middle-mile Budget: $4,294,574.02 / Last-mile Budget: $817,647.97 |
| *CASF Grant Amount*  *(100 percent)* | $5,112,221.99 |
| *Recommended Grant per household* | $142,006.17  $22,712.44 (last-mile costs only) |

**APPENDIX D**

**Frontier Cuyama**

**Location Maps (Last-Mile)**

**Map

Description automatically generated**

**APPENDIX D**

**Frontier Cuyama**

**Location Maps (Middle-Mile)**

**Map

Description automatically generated**

**APPENDIX D**

**Frontier Knights Landing**

**Location Maps (Last-Mile)**

**Map

Description automatically generated**

**APPENDIX D**

**Frontier Knights Landing**

**Location Maps (Middle-Mile)**

**Map

Description automatically generated**

1. AB 1665 is codified at Public Utilities (Pub. Util.) Code § 281. [↑](#footnote-ref-2)
2. The Commission extended the CASF Infrastructure application deadline from April 1 to May 4, 2020, and all subsequent deadlines were moved back by five weeks due to the COVID-19 public health emergency. *See* Executive Director Letter to CASF Distribution and Service Lists, Postponement of the 2020 CASF Infrastructure Application Deadlines, March 20, 2020. [↑](#footnote-ref-3)
3. *See* Public Utilities Code § 281(b)(1)(B)(ii). [↑](#footnote-ref-4)
4. *See* D.21-01-003, p. 23. [↑](#footnote-ref-5)
5. See March 26, 2021 “Postponement of the Deadline for Action on Pending CASF Infrastructure Applications and the Deadline for Submitting 2021 CASF Infrastructure Applications” Letter to CASF Service and Distribution Lists, available at https://www.cpuc.ca.gov/casf/. [↑](#footnote-ref-6)
6. <https://www.gov.ca.gov/2021/07/20/governor-newsom-signs-historic-broadband-legislation-to-help-bridge-digital-divide/>. [↑](#footnote-ref-7)
7. *See* Pub. Util. Code Sec. 281(b)(1)(B)(ii)(I). [↑](#footnote-ref-8)
8. *See* Pub. Util. Code Sec. 281(1). [↑](#footnote-ref-9)
9. <https://www.gov.ca.gov/2021/07/12/governor-newsom-legislative-leaders-announce-historic-broadband-budget-bill/>; SB 156, Chapter 112, available at <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB156>. [↑](#footnote-ref-10)
10. *See* <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-project-summaries> for project summaries and <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-grant/casf-infrastructure-approved-projects> for approved projects. [↑](#footnote-ref-11)
11. *See* <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-grant>. [↑](#footnote-ref-12)
12. <https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/communications_-_telecommunications_and_broadband/service_provider_information/casfdistributionlist.xlsx> [↑](#footnote-ref-13)
13. Pub. Util. Code § 281(f)(4)(A)(ii), repealed in 2021, prohibited the Commission from awarding CASF funding to a project applicant if the existing facility-based broadband provider demonstrated, in response to the Commission’s annual offer, that it would deploy broadband or upgrade existing broadband service throughout the proposed project area within 180 days. [↑](#footnote-ref-14)
14. Pub. Util. Code § 281(f)(5)(C)(i), repealed in 2021, prohibited the Commission, prior to July 1, 2020, from awarding CASF funding to a project applicant where an existing facility-based broadband provider had accepted federal funds for broadband deployment from Phase II of the Connect America Fund. [↑](#footnote-ref-15)
15. CAF II funding awarded to Frontier as part of CAF II Connect America Model version 4.3, and California Internet LLP (GeoLinks) as part of CAF II Auction 903. [↑](#footnote-ref-16)
16. With data as of December 31, 2019. [↑](#footnote-ref-17)
17. Pursuant to the requirements of Decision 21-03-006. [↑](#footnote-ref-18)
18. With data as of December 31, 2019. [↑](#footnote-ref-19)
19. Dial-up provides speed less than 200 Kbps downstream and 200 Kbps upstream. [↑](#footnote-ref-20)
20. *See* AB 1665, these provisions previously codified at Public Utilities Code § 281(f)(5)(c), but since repealed. [↑](#footnote-ref-21)
21. Pub. Util. Code Sec. 281(f)(5)(C), since repealed, specified that the CAF II areas were ineligible for CASF until July 1, 2020, unless the existing facility-based broadband provider had notified the Commission before July 1, 2020, that it had either completed or elected not to build its CAF II deployment in the census block. Providers who wished to inform the Commission of their CAF deployment plans must have submitted a letter by January 15th of each year to the Communications Division Director with a copy to the CASF distribution service list, detailing the CAF II areas that had been completed and those that the provider was expressing its intent not to upgrade. [↑](#footnote-ref-22)
22. *See* previous version of Public Utilities Code § 281(f)(5)(C)(i), repealed in 2021. [↑](#footnote-ref-23)
23. For projects that contain a middle-mile component, Frontier may request an extension of time to allow for CDT approval of middle-mile components. However, CEQA exempt projects shall be completed within 15 months and all other projects shall be completed within 27 months, unless the time is further extended by the Director of CD. [↑](#footnote-ref-24)
24. SB 156, enacted on July 20, 2021 and effective immediately, increased the speed requirements for CASF projects to 100 Mbps download and 20 Mbps upload. *See* Pub. Util. Code Sec. 281(f)(5). [↑](#footnote-ref-25)
25. *See* Appendix A for details of CEQA compliance requirement. [↑](#footnote-ref-26)
26. <https://www.cpuc.ca.gov/care/> [↑](#footnote-ref-27)
27. D.18-12-018 Table 1. Summary of Funding Level Determinations - Maximum funding level is 100 percent. [↑](#footnote-ref-28)
28. *See* 2020 Annual Report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2020, Table 7: Remaining Unserved Households in Each Consortia Region. [↑](#footnote-ref-29)
29. Pub. Util. Code § 281(f)(4)(A)(ii), repealed in 2021, prohibited the Commission from awarding CASF funding to a project applicant if the existing facility-based broadband provider demonstrated, in response to the Commission’s annual offer, that it would deploy broadband or upgrade existing broadband service throughout the proposed project area within 180 days. [↑](#footnote-ref-30)
30. Pub. Util. Code § 281(f)(5)(C)(i), repealed in 2021, prohibited the Commission, prior to July 1, 2020, from awarding CASF funding to a project applicant where an existing facility-based broadband provider had accepted federal funds for broadband deployment from Phase II of the Connect America Fund. [↑](#footnote-ref-31)
31. With data as of December 31, 2019. [↑](#footnote-ref-32)
32. Increased project costs are due to Frontier’s obtaining an updated engineer’s estimate which provided a more current and accurate accounting of costs than was provided in its original application. [↑](#footnote-ref-33)
33. Pursuant to the requirements of Decision 21-03-006. [↑](#footnote-ref-34)
34. With data as of December 31, 2019. [↑](#footnote-ref-35)
35. Dial-up provides speed less than 200 Kbps downstream and 200 Kbps upstream. [↑](#footnote-ref-36)
36. For projects that contain a middle-mile component, Frontier may request an extension of time to allow for CDT approval of middle-mile components. However, CEQA exempt projects shall be completed within 15 months and all other projects shall be completed within 27 months, unless the time is further extended by the Director of CD. [↑](#footnote-ref-37)
37. SB 156, enacted on July 20, 2021, and effective immediately, requires the Commission to fund projects that “deploy infrastructure capable of providing broadband access at a minimum of 100 Mbps downstream and 20 Mbps upstream . . .” *See* Pub. Util. Code Sec. 281(f)(5). [↑](#footnote-ref-38)
38. *See* Appendix A for details of CEQA compliance requirement. [↑](#footnote-ref-39)
39. <https://www.cpuc.ca.gov/care/> [↑](#footnote-ref-40)
40. D.18-12-018 Table 1. Summary of Funding Level Determinations - Maximum funding level is 100 percent. [↑](#footnote-ref-41)
41. *See* 2020 Annual Report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2020, Table 7: Remaining Unserved Households in Each Consortia Region. [↑](#footnote-ref-42)
42. Comments of Etheric Communications, LLC and California Internet, L.P. dba GeoLinks Opposing Draft Resolution T-17754, November 23, 2021, page 5. [↑](#footnote-ref-43)
43. Comments of Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California and Frontier California Inc. (collectively, “Frontier”) opposing middle-mile review process in Draft Resolution T-17754, December 2, 2021, page 1. [↑](#footnote-ref-44)
44. Federal Communications Commission, Notice of Proposed Rulemaking In the Matter of Rural Digital Opportunity Fund Connect America Fund, WC Docket No. 19-126, WC Docket No. 10-90 and AU Docket No, 2-34, Adopted: August 1, 2019 Released: August 2, 2019; Federal Communications Commission Public Notice DA 20-1422, Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes and Winning and Bidders Announced, December 7, 2020. [↑](#footnote-ref-45)
45. Frontier will be contracting with Panorama Environmental, Inc. as the lead agency on CEQA. [↑](#footnote-ref-46)
46. Administrative costs are defined as “indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself.” Applicants seeking additional funds will require a Commission exemption included in a draft resolution. [↑](#footnote-ref-47)
47. Frontier anticipates additional households (non-CASF) in adjacent census blocks will benefit from the improved infrastructure and increase customer base. [↑](#footnote-ref-48)