

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T- 17810
February 15, 2024**

R E S O L U T I O N

RESOLUTION T-17810: Approves up to \$5,650,000 from the California Advanced Services Fund for the Broadband Infrastructure Grant Account applications of Cruzio Media, Inc. (Cruzio), (U-7150-C)) for its Equal Access Summits to the Sea Project.

I. SUMMARY

This Resolution approves grant funding in the amount of up to \$5,650,000 from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account (Infrastructure Account) for the grant application of Cruzio Media, Inc. (Cruzio), (U-7150-C) for its Equal Access Summits to the Sea (EAS2C) Project. This project will construct a fixed-wireless hybrid middle-mile and last-mile broadband network that will enable speeds of up to 1 gigabit per second (Gbps) download and 1 Gbps upload to 759 unserved locations in San Mateo, Santa Clara, Santa Cruz, and Monterey Counties. See Table 1 below.

Table 1: Summary of Funding for Cruzio's EAS2C Project

Project	Project Type	Households	Initial Requested Amount	Updated Requested Amount¹	CASF Approved Amount
Equal Access Summits to the Sea	Hybrid	759	\$10,982,500	\$5,650,000	\$5,650,000

¹ Challenges submitted by three service providers were upheld by staff which decreased the number of eligible locations. Cruzio submitted an updated application to reflect the reductions in cost, geographical area, and number of locations to be served.

II. BACKGROUND

The CASF Infrastructure Account provides grant funding to Internet service providers (ISP)/eligible entities 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) into law. This legislation amended the statute governing the CASF program, Public Utilities (Pub. Util.) Code § 281. On December 20, 2018, the Commission issued D.18-12-018 adopting the programmatic changes to the CASF Program. Attachment 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure Account.

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. Among other things, Senate Bill (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,” allowing, but not requiring, funding for “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.”²

Further, SB 156 changed the requirements for the infrastructure that could be funded by the CASF program. Pursuant to Pub. Util. Code § 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.” With SB 156, 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 CASF-funded work, and that the Commission must post this information on a monthly basis.³

On November 17, 2022, the Commission issued D.22-11-023, adopting programmatic changes to the CASF Infrastructure Account. Attachment 1 of D.22-11-023 (“CASF Guidelines”) set forth the rules, application requirements, and guidelines for the CASF Infrastructure Account.

² See Public Utilities (Pub. Util.) Code § 281(b)(1)(B)(ii)(I).

³ See Pub. Util. Code § 281(l).

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.

Equal Access Summits to the Sea Application

On June 1, 2023, Cruzio submitted a CASF Infrastructure Account application requesting \$10,982,500 (100 percent funding of total project cost) to deploy fixed wireless network that would provide up to 1 gigabit per second (Gbps) symmetrical speed, last-mile connectivity to 2,565 unserved locations in San Mateo, Santa Cruz, Santa Clara, and Monterey Counties. As a result of challenges filed by incumbent providers which were upheld by staff, Cruzio submitted an updated application on November 11, 2023, that reduced the funding request to \$5,650,000 and the number of locations served to 759. The EAS2C Project will extend open-access, middle-mile connectivity at speeds of 10 Gbps. The project's major expenses consist of backhaul upgrades and deployment of new hardware at 55 wireless hubs across the counties.

Applicant

Cruzio is a privately held company that includes The Internet Store, Inc. doing business as Cruzio, Cruzio Media, Inc., and Santa Cruz Fiber, Inc. Founded in 1989, Cruzio provides technology services for more than 9,000 households and businesses in Santa Cruz County. It is entirely locally owned and staffed. Cruzio has on-site technical support, local roving information technology (IT) services, and a storefront in downtown Santa Cruz where members can pay a bill or receive advice and services. According to the application, Cruzio is one of the country's oldest independent ISPs and has served the area for over 30 years. Cruzio successfully completed a CASF Line Extension Program project⁴ in 2022 that provided broadband to over 250 residents of a low-income farmworker's housing cooperative.

III. NOTICE

⁴ See Resolution T-17745 at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M406/K497/406497149.PDF.

On June 1, 2023, the Communications Division (CD) received 74 grant applications⁵ for CASF Infrastructure Account funding.⁶ On June 15, 2023, staff posted the proposed project area map and project summary for the EAS2C Project on the Commission's CASF Infrastructure Project Summaries webpage⁷ and sent notice regarding the project to the CASF Distribution List.

IV. PROTEST/CHALLENGES

Pursuant to Pub. Util. Code § 281(f)(8) and as required by D.22-11-023, the Commission provided an opportunity for entities to challenge the application. Challenges were due on July 6, 2023.

Razzolink, Altice, Comcast, and Charter submitted timely challenges to Cruzio's CASF Infrastructure Account grant application. As a result, Cruzio subsequently reduced the number of locations it proposed to serve to 759. This reduction in scope removed all (upheld) challenges submitted by the four service providers except for 29 locations based on staff's GIS analysis of data provided by the challengers.

V. DISCUSSION

In compliance with D.22-11-023, staff determined that Cruzio's EAS2C Project is eligible to receive up to \$5,650,000 in CASF Infrastructure Account grant funding. Cruzio is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF Infrastructure Account funds. Payments to Cruzio will be made in accordance with Pub. Util. Code § 281(f)(10).

Staff reviewed all applications according to the guidelines, requirements, and evaluation adopted in D.22-11-023, as follows:

- A. Project Area Eligibility
- B. Minimum Performance Criteria

⁵ 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.

⁶ The Commission extended the CASF Infrastructure application deadline from April 1 to June 1, 2023, and all subsequent deadlines were moved back by two months.

⁷ See CASF Infrastructure Project Summaries at <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-project-summaries>

- C. Funding Determination
- D. Safety and Community Support

Staff evaluation of Cruzio’s EAS2C applications is summarized below. Key project information and maps are shown in Appendix C and D, respectively.

A. Project Area Eligibility

Due to the misidentification of eligible locations and the determination of successful challenges submitted by Razzolink, Altice, Comcast, and Charter, Staff requested Cruzio to revise its original application . Cruzio submitted a revised application on October 25, 2023. In its revised project summary, Cruzio identified 759 eligible and priority-eligible locations. The revised EAS2C Project Summary was posted on the Commission’s webpage on December 4, 2023. Based on Cruzio’s revised application, staff determined that Cruzio’s EAS2C Project is eligible for CASF Infrastructure Account funding.

According to the California Interactive Broadband Map (Broadband Map), all locations Cruzio proposes to serve in the project area are currently unserved by any facilities-based wireline or fixed wireless access (FWA) broadband service providers in the project area.

Along with this substantial reduction in locations, Cruzio submitted a revised budget proposal reflecting a concomitant reduction in equipment and projected expenditures. See Table 2 below.

Table 2: Cruzio’s EAS2C Project Revision

Submission Date	Total Eligible Locations	Funding Requested
June 1, 2023	2,565	\$10,982,500 (100%)
October 28, 2023	759	\$5,650,000 (100%)

Middle-Mile Component

Cruzio will establish a middle-mile network of 55 fixed wireless Point of Presence (POP) access points near last-mile locations in the project areas that are lacking middle-mile connectivity (see Appendix D). Cruzio commits to CASF Open Access requirements and will provide “nondiscriminatory interconnection and internet access at reasonable and equal terms to any communications service provider that wishes to interconnect with that

infrastructure wherever technically feasible.”⁸

Cruzio provided written justification for its middle-mile funding request. There is no middle-mile infrastructure within the project area that can support the last-mile service proposed for the EAS2C Project. Cruzio also gave notice in its application that the California Department of Technology has confirmed that the middle-mile component of the EAS2C Project does not conflict with nor duplicate any of the routes on the proposed statewide open-access middle-mile broadband network proposed by the California Middle-Mile Broadband Initiative (MMBI).⁹

Cruzio’s proposed last- and middle-mile costs to deploy the EAS2C Project are detailed below in Table 3.

Table 3: Cruzio’s EAS2C Proposed Last-Mile and Middle-Mile Costs¹⁰

Project Section	Original Proposed Budget	Revised Budget Proposal
Last-Mile	\$8,743,750	\$3,958,500
Middle-Mile	\$2,238,750	\$1,691,500
Total	\$10,982,500	\$5,650,000

B. Minimum Performance Criteria

Staff reviewed Cruzio’s application and determined that the EAS2C Project meets the minimum performance criteria pursuant to CASF Guidelines, Section 6, as summarized in Table 4 below.

⁸ See [D. 21-03-006](#), Finding of Fact 13, Ordering Paragraph 3 and [D.22.11-023, Attachment 1](#) (CASF Guidelines), Section 5.2 Open Access.

⁹ The proposed network for the Statewide Middle-Mile Network Map is available at <https://site-cammmbi.hub.arcgis.com/pages/statewide-middle-mile-network-map>

¹⁰ Cruzio’s original request in their June 1, 2023 application grant for the EAS2C Project was for \$10,982,500, which reflected 100% of total project cost. On October 28, 2023, Cruzio submitted a revised project summary requesting 100% of the reduced project cost of \$5,650,000.

Table 4: Minimum Performance Criteria

	CASF Performance Criteria	Proposed Project
Project Completion	CEQA-exempt projects must be completed within 18 months, and all other projects shall be completed within 24 months after receiving authorization to construct	within 18 months of permitting approval (CEQA Exempt)
Pricing	Prices committed for five years after completion of the project	5-year commitment
Speed	At least 100/20 Mbps ¹¹	100 Mbps / 100 Mbps
Latency	Maximum of 100 ms of latency	< 100 ms
Data Caps	Minimum of 190 GBs per month	No data cap
Affordability	Must offer low-income plan	\$14.95 ¹²

Project Completion and CEQA

Commission Staff must conduct an environmental review of all CASF projects unless the project is statutorily or categorically exempt pursuant to CEQA. Cruzio’s EAS2C Project uses FWA technology and is expected to have minimal adverse impact on the environment. The project includes major backhaul upgrades and deployment of new distribution hardware at 55 wireless hubs. In its application, Cruzio requested a categorical exemption from CEQA and provided the Commission with its plan to use existing infrastructure for network nodes and relays. The FWA technology does not require environmental permitting for electromagnetic field safety or any specialized permitting beyond basic construction safety. Based on the information Cruzio provided, the Commission’s Energy Division has confirmed that the Project is categorically exempt from CEQA review pursuant to CEQA Guidelines sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land).¹³ Therefore, EAS2C will require no environmental impact consulting or reporting and is not subject to the National Environmental Policy Act, National Historic Preservation Act, or the Endangered Species Act.

Under CASF Program rules, project construction must be completed, following receipt of permits, within 18 months if the project is categorically exempt from CEQA and within 24 months for all other projects.

¹¹ 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 § 281(f)(5).

¹² Requires qualification for the Affordable Connectivity Plan (ACP.) See [Affordable Connectivity Program | Federal Communications Commission \(fcc.gov\)](#)

¹³ See CEQA Guidelines at 14 C.C.R. §§ 15301, 15304.

Pricing, Speed, Latency, Data Caps, and Affordability

For customers qualifying for the Affordable Connectivity Plan (ACP), or any successor program the Commission designates,¹⁴ Cruzio commits to offering a low-income broadband pricing plan for five years starting from the completion of the project. Cruzio will waive standard installation and service connection fees for all broadband service customers in the project area during this five-year period. See Cruzio’s pricing commitment in Table 5, below.

Table 5: Cruzio’s EAS2C Broadband Pricing Plan

Name of Tier	Advertised Speeds		Pricing Plan (\$ / per Month)
	Downstream (Mbps)	Upstream (Mbps)	
Low Income	100	100	\$14.95
Standard	100	100	\$74.95
Pro	1000	1000	\$149.95
Options			
Setup Fees	N/A	N/A	\$0.00
Home Wi-Fi Hardware	N/A	N/A	\$9.95/unit

The proposed minimum speed offerings of 100 Mbps symmetrical download/upload meet the 100/20 minimum performance requirement. Cruzio’s network will also be capable of providing commercial broadband access at 1,000 Mbps symmetrical to anchor institutions and small businesses near the project area.

C. Funding Determination

Cruzio is eligible to receive 100 percent funding to cover the cost of its EAS2C Project. Staff considered the statutory factors to determine the grant funding level, as described by Pub. Util. Code § 281(f)(11) and CASF Guidelines, Section 2.2 Funding Criteria.¹⁵ Table 6, below, details Staff’s funding level determination for the project.

¹⁴ See CASF Guidelines, Section 8.11 Application Item 11 – Pricing Commitment

¹⁵ See CASF Guidelines, Section 2.2 Funding Criteria.

Table 6: Criteria for Project Funding Level for Cruzio’s EAS2C Project

Funding Criteria	Proposed Project
Baseline for Eligible Projects in areas with Internet connectivity (60% of total construction costs)	60%
Low-Income Service (up to 40%):	
<ul style="list-style-type: none"> • Low-income area (30%) • Offers a low-income broadband plan for no more than \$15/month co-pay for a guaranteed minimum of five (5) years (10%) 	30% 10%
Others: PU Code § 281(f)(11) Criteria – (up to 20%)	
<ul style="list-style-type: none"> • Inaccessible Location (10%) • Uses Existing Infrastructure (10%) • Makes a Significant Contribution to the Program Goal (10%) 	10% 10% 10%
Total Funding Level	100%¹⁶

Baseline for an Eligible Project qualifies for 60 percent funding

The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified EAS2C Project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

Low-Income Service Consideration for an additional 40 percent funding

The project’s median household income (MHI) of \$93,419 is designated as Low Income by the California Department of Housing and Community Development’s 2022 State Income Limits for the Counties of Santa Clara (\$131,750 low-income limit), Santa Cruz (\$124,750 low-income limit), and San Mateo (\$149,100 low-income limit). This meets the CASF criteria for service to a low-income area and qualifies the EAS2C Project for an additional 30 percent funding.

Cruzio will offer low-income customers who qualify for the ACP a \$14.95 monthly plan. This meets CASF criteria for affordable, low-income pricing and qualifies the EAS2C Project for an additional 10 percent funding.

Other Factor Considerations qualify for an additional 20 percent funding

¹⁶ Per D.22-11-023, maximum funding level is 100 percent.

The EAS2C Project meets all three criteria defined in Pub. Util. Code § 281(f)(11) and qualifies for an additional 20 percent funding.

The EAS2C Project area meets the required three characteristics of location and accessibility for an additional 10 percent funding. The project area contains rugged or difficult terrain (mountains), is within an extreme or elevated fire threat area and includes unincorporated communities.

The proposed project uses existing outside plant infrastructure and is eligible for an additional 10 percent funding. Cruzio proposes to use existing towers, along with water tanks, buildings, and other existing infrastructure to place FWA equipment for the deployment of wireless service.

The EAS2C Project makes a significant contribution to the CASF program goal to provide broadband Internet access to 98 percent of California households in each CASF Broadband Consortia region. Roughly half of the EAS2C Project area is located within the Central Coast Broadband Consortium, which is currently at 95 percent served and is therefore below the program goal of achieving 98 percent served within each CASF Broadband Consortia region.¹⁷ The Counties of Santa Clara and San Mateo, currently unrepresented by a CASF Broadband Consortia, have 95.8 percent and 97.8 percent, respectively, of their households with access to broadband Internet at served speeds.¹⁸ Thus, the EAS2C Project will make a significant contribution to the CASF program goal.

D. 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 and collaborate during emergencies.

According to the Commission's Fire-Threat Map,¹⁹ most locations in the EAS2C Project are located in Tier 2 - Elevated and Tier 3 - Extreme fire-threat zones. The EAS2C Project's middle- and last-mile fixed wireless network will provide access to communications in the event of a wildfire threat or active fire. During the Sonoma County wildfires in 2017 and 2018, fire destroyed aerial fiber-optic lines and poles, and in some instances even underground fiber-optic lines burned in vaults. FWA infrastructure has less exposure to

¹⁷ See [CASF 2022 Annual Report](#)

¹⁸ *Ibid.*

¹⁹ See [CPUC Fire Threat Map](#)

similar threats. EAS2C equipment locations will be built to withstand extreme heat and periods of heavy winter storms. Equipment in the EAS2C network is rated for sustained operation at high temperatures and is protected against water intrusion. Cruzio is a partner of the ALERTWildfire Consortium²⁰ which hosts wildfire detection cameras. The majority of EAS2C nodes will be installed in rural areas, and each node will be capable of supporting an ALERTWildfire camera with broadband access. Each node will have backup power to provide reliable service even during disruptions to the energy grid and will be supported by Cruzio's standing fleet of generators and outage response teams.

Cruzio has significant support from communities within the EAS2C Project area. They received multiple letters of support for the EAS2C Project from local government and community representatives. See Appendix E.

VI. COMPLIANCE REQUIREMENTS

Cruzio is required to comply with all the guidelines, requirements, and conditions associated with the CASF Infrastructure Account grant funding as specified in D.22-11-023, CASF Guidelines, 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 Cruzio's expenses in accordance with Pub. Util. Code § 281(f)(10). Details of reimbursable expenses are in Appendix B.

VIII. COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code § 311(g), a notice letter was emailed on January 12, 2024, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's documents website at <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available on the same website.

IX. FINDINGS

²⁰ ALERT Wildfire WISP Partners List available at <https://www.alertwildfire.org/partners/>.

1. Cruzio submitted an application for CASF funding for its Equal Access Summits to the Sea (EAS2C) Project on June 1, 2023. The originally proposed hybrid project would deploy fixed wireless equipment to provide middle-mile access at 10 Gbps upload and 10 Gbps download to ISPs and to enable last-mile broadband access at speeds up to 1 Gbps download and 1 Gbps upload to an estimated 2,565 unserved households located in San Mateo, Santa Clara, Santa Cruz, and Monterey Counties. The project was challenged by four service providers and reduced to 759 locations.
2. On June 15, 2023, Staff posted a project summary of the EAS2C Project, including a proposed project area map and project summary. The summary was posted on the “CASF Applications Project Summaries” webpage, which may be found on the Commission’s CASF webpage.
3. Staff received challenges to the Cruzio EAS2C Project from Altice, Charter, Comcast, and Razzolink. All challenges, with the exception of 29 locations, were upheld. Cruzio reduced the project area to serve 759 households.
4. Based on its review, staff determined that the EAS2C Project qualifies for an Infrastructure Account grant pursuant to D. 22-11-023 and its Attachment 1 and recommends Commission approval of CASF funding up to \$5,650,000.
5. Cruzio proposes to offer broadband-speed internet, using fixed wireless access (FWA) technology at speeds up to 1 Gbps upload and 1 Gbps download to last-mile consumers. It also proposes to build a fixed wireless middle-mile network with speeds of 10 Gbps to service its last-mile network.
6. Cruzio proposes that new wireless equipment will be installed on existing infrastructures such as towers, buildings, and water tanks.
7. The Commission has determined that the EAS2C Project is categorically exempt from CEQA review pursuant to CEQA guidelines, 14 C.C.R. § 15301 – Existing Facilities (Class 1), involving minor alteration of existing public or private structures, and § 15304 – Minor Alterations to Land (Class 4), consisting of minor public or private alterations in the condition of land.
8. The middle-mile component of the EAS2C Project does not conflict with the statewide middle-mile network map proposed by the California Middle-Mile Broadband Initiative.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award up to \$5,650,000 to Cruzio Media, Inc. (Cruzio) for the Equal Access Summits to the Sea Project as described herein and summarized in Appendix C of this Resolution, which shall be paid out of the CASF Broadband Infrastructure Grant Account in accordance with the guidelines adopted in D.22-11-023 and its Attachment 1 and with the process defined in Appendix B “Payments to CASF Recipients” of this Resolution.
2. Cruzio shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D.22-11-032 and its Attachment 1, and all requirements for this project included in this Resolution including Appendices A and B.
3. Cruzio must offer open access to last-mile communications service providers requesting to use middle-mile infrastructure funded by CASF grants, as set forth in D.21-03-006 and D.22-11-023, Attachment 1, Section 5.2.
4. If Cruzio fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.22-11-023 and its Attachment 1, and the terms outlined in this Resolution, Cruzio must reimburse some or all the CASF funds that it has received.
5. Cruzio 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 them to 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.

This Resolution is effective today.

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

Rachel Peterson
Executive Director

APPENDIX A

Compliance Requirements

A. Deployment Schedule

The Commission requires Cruzio to complete the Equal Access Summits to Sea (EAS2C) Project within 18 months. If the applicant is unable to complete the proposed project within the 18-month timeframe requirements, Cruzio must notify the Director of the Communications Division as soon as Cruzio 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.

B. Execution and Performance

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

C. 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, Cruzio provided proof of CPCN registration and thus is exempt from the requirement of providing a letter of credit.

D. 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.

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

E. Providing Voice Service

Cruzio has certified that its Voice Over Internet Protocol (VoIP) meets the FCC standards for E-911 service and battery backup.

F. 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 describe 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, Cruzio must submit a project completion report. Cruzio shall also include test results on the download and upload speeds at a representative sample of locations in the final completion report per CASF Guidelines, Section 13 Reporting Requirements.²¹ Cruzio must certify that each progress report is true and correct under penalty of perjury.

G. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. Cruzio has committed to following state prevailing wage requirements with regards to these projects.

H. Contractor Reporting

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

²¹ See [D. 22-11-023, Attachment 1](#).

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.22-11-023, Attachment 1, Section 7 caps administrative expenses directly related to the project at 10 percent of the grant amount.²²

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

²² 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.

CD/BSW

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. All three projects are funded at 100%, CASF will not accept invoices that include a 10% handling fee.

APPENDIX C
Cruzio - Equal Access Summits to the Sea CASF Application
Key Information

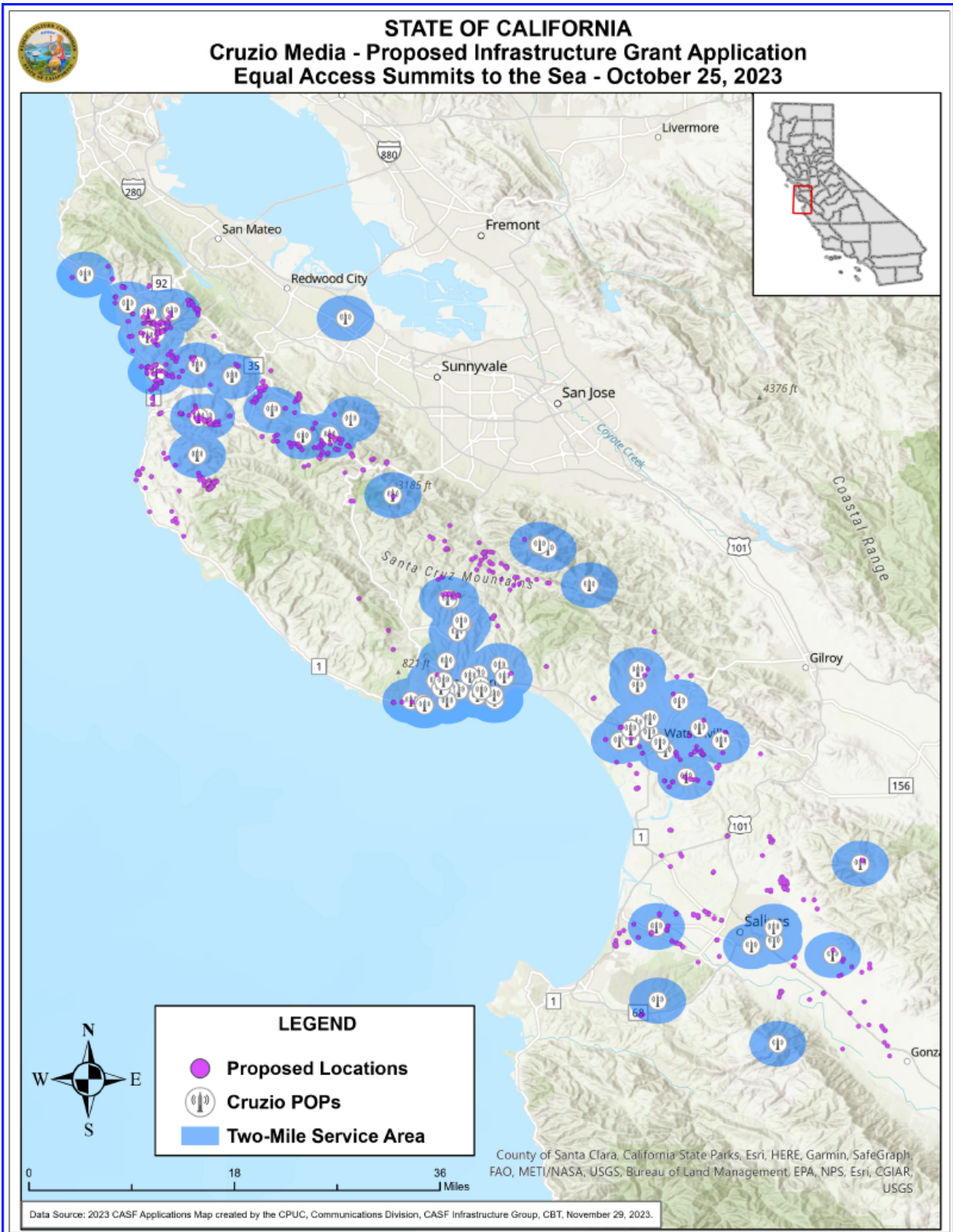
Project Name	Equal Access Summits to the Sea (EAS2C)		
<i>Project Plan</i>	The project proposes to deploy fixed wireless access across four counties to 759 unserved locations.		
<i>Project Size</i>	1365.51 square miles		
<i>Download/Upload speed</i>	1 Gbps / 1 Gbps		
<i>Location</i>	Counties of San Mateo, Santa Cruz, Santa Clara, and Monterey		
<i>Median Household Income</i>	\$93,419		
<i>Estimated Potential Subscriber Size</i>	759 Households		
<i>Pricing Plan (Monthly Residential)</i>	Tier 1: 100/100 Mbps for \$14.95 (low-income plan) Tier 2: 100/100 Mbps for \$74.95 Tier 3: 1000/1000 Mbps for \$149.95		
<i>Subscriber take rate</i>	Tier 1: 35% Tier 2: 55% Tier 3: 10%		
<i>Deployment Schedule (from permit approval date)</i>	18 Months		
<i>Proposed Project Budget (Total)</i>	\$5,650,000		
<i>Grant Requested Amount</i>	\$5,650,000		
<i>CASF Grant Amount (100 percent)</i>	\$5,650,000		
<i>Cost per household</i>	\$25,316		
<i>Census Blocks</i>	060871233001031 060816138002039 060816138004022 060816138002025 060530106061113 060855118002026 060530106061018 060871205003060 060816138004031 060530141023010 060530106061115 060530101021000 060530141023004 060871223001004	060816138004015 060855118002021 060816138002041 060816138002032 060816138004083 060816137022024 060816138001043 060530101021002 060871207002025 060816137021026 060816135012046 060816138002030 060816138002029 060855118002015	060871205003003 060871210001002 060816138004030 060871012002009 060530143022012 060816138001008 060871210002036 060530106061030 060855118002024 060855118002022 060530141023008 060871210002038 060816137021025 060530146011004

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	060871220021017	060871223001034	060816132004022
	060530106061114	060871205002002	060530108042001
	060530106061015	060816137022002	060816138002010
	060530147003014	060530106061031	060530101013010
	060871203012018	060855118001036	060855118001009
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	060816135012040	060871224022007	060816138001000
	060816138002005	060816138003007	060816138004011
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	060530103061015	060871205003016	060530101021003
	060530106061004	060871205001005	060871205003018
	060816138001013	060816138002035	060530148001015
	060816137021024	060855122003030	060530001042000
	060816137022016	060855118003038	

APPENDIX D

Cruzio – Equal Access Summits to Sea Project Location Map



APPENDIX E
Cruzio – Equal Access Summits to Sea
Community Supporters

1. Tahra Goraya, President and CEO of the Monterey Bay Economic Partnership;
2. Jimmy Panetta, Member of Congress, 19th District, California
3. Anna Eshoo, Member of Congress, 16th District, California
4. John Laird, State Senator, 17th District, California
5. Zach Friend, Supervisor, Supervisor, 2nd District, County of Santa Cruz
6. Bruce McPherson, Supervisor, 5th District, County of Santa Cruz
7. Manu Koenig, Supervisor , 1st District, County of Santa Cruz
8. Justin Cummings, Supervisor, 3rd District, County of Santa Cruz
9. Mary Adams, Supervisor, 5th District, County of Monterey
10. Luis Alejo, Board of Supervisors Chair, County of Monterey
11. Faris Sabbah, Superintendent of Schools, Santa Cruz County Office of Education
12. Mary Ann Dewan, Superintendent of Schools, Santa Clara County Office of Education
13. Deneen Guss, Superintendent of Schools, Monterey County Office of Education
14. Adam Gavalla, Chief Technology Officer, Monterey County Office of Education
15. Eric Chatham, Chief Information Officer, County of Monterey
16. Tammi Weigl, Chief Information Officer, County of Santa Cruz
17. Matt Mogensen, Assistant City Manager, City of Marina
18. Yolande Wilburn, Director of Libraries, Santa Cruz Public Libraries
19. Susan True, Chief Executive Officer, Community Foundation Santa Cruz County
20. Jacob Martinez, Chief Executive Officer, Digital NEST
21. Maria Cadenas, Executive Director, Ventures
22. Karen Edwards, President, Boulder Creek Business Association
23. Casey Beyer, Chief Executive Officer, Santa Cruz County Chamber of Commerce
24. Zoe Carter, Executive Director, Santa Cruz County Business Council
25. Kristen Brown, Mayor, Capitola