

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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

**RESOLUTION T-17843  
OCTOBER 17, 2024**

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

**Resolution T -17843 rescinds funding for the Cal.net Tuolumne Mariposa project previously approved by Resolutions T-17502 and T-17737, thereby releasing \$3,608,224 in California Advanced Services Fund (CASF) grant awards for future applicants.**

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**I. SUMMARY**

This Resolution rescinds California Advanced Services Fund (CASF) funding for the project approved by Resolutions T-17502<sup>1</sup> on December 15, 2016, and T-17737<sup>2</sup> on June 24, 2021, thereby releasing \$3,608,224 in funding for future CASF projects. The project's service area comprising 48 census block groups (CBGs) is now eligible for funding by new applicants in future CASF grant cycles or other California Public Utilities Commission (Commission) grant programs including the Federal Funding Account (FFA) and the Broadband, Equity Access and Deployment (BEAD) program.

**II. BACKGROUND**

The CASF Infrastructure Account provides grant funding to Internet service providers (ISPs) and other 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 Commission in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193. On February 8, 2012, the Commission approved Decision (D.) 12-02-015 to include modifications to the CASF program.

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<sup>1</sup> Resolution T-17502 available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M171/K293/171293428.PDF>.

<sup>2</sup> Resolution T-17737 available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K956/389956148.PDF>.

Cal.net, a CASF grantee, is a Wireless Internet Service Provider (WISP) based in Shingle Springs, CA, that serves the communities of Davis, Woodland, and western El Dorado County area. The company provides fixed wireless service over both licensed and unlicensed spectrum, including unlicensed 900 MHz, 2.4 and 5 GHz bands, lightly licensed 3.65 GHz WiMAX, and television white space for heavily obstructed non-line-of-sight situations.

On December 15, 2016, the Commission approved Resolution T-17502 to conditionally authorize a grant of \$3,608,224 to Cal.net to construct the Tuolumne Mariposa Project<sup>3</sup> comprising a last-mile fixed wireless network over a 420.31 square mile area in rural communities of Tuolumne and Mariposa Counties. The network would provide speeds of up to 25 Mbps download and 4 Mbps upload to 7,711 households across a topography consisting of rolling hills and mountainous terrain. In 2016, when the project was originally approved, these speeds met the minimum to qualify for a CASF grant for broadband deployment. However, presently, these speeds are obsolete. For example, current projects must be capable of providing speeds of at least 100 Mbps download and 20 Mbps upload to qualify for funding.

Cal.net’s service offerings and pricing approved by Resolution T-17502 is noted in Table 1 below:

**Table 1: Cal.net’s Tuolumne Mariposa Project ~ Pricing Plan**

<b>Account Type</b>	<b>Maximum Speed (Download / Upload)</b>	<b>Monthly Cost<sup>4</sup></b>
Wireless Power	6.0 Mbps / 2.0 Mbps	\$69.95
Wireless Express	10.0 Mbps / 3.0 Mbps	\$84.95
Wireless Supreme <sup>5</sup>	15.0 Mbps / 3.0 Mbps	\$99.95
Wireless Extreme <sup>6</sup>	25.0 Mbps / 4.0 Mbps	\$159.95

Resolution T-17502 was approved conditionally and stipulated that the Commission (or another entity acting as the Lead Agency) must complete California Environmental

<sup>3</sup> The grant was subject to the Commission’s completion of CEQA review and the procurement of a performance bond during the construction phase.

<sup>4</sup> Local, State, or Federal fees are not included in these prices, and may be subsequently added.

<sup>5</sup> Wireless Supreme and Extreme require specific equipment and signal strength and may not be available in all areas. (T-17502, pg. 8.)

<sup>6</sup> Ibid.

Quality (CEQA) review prior to disbursing CASF funds for construction activities and that Cal.net must send an executed bond equal to the total amount payable under the CASF award within five days after submission of the Proponent’s Environmental Assessment (PEA.)

On February 9, 2017, the Commission granted Cal.net a Certificate for Public Convenience and Necessity (CPCN) and deemed Cal.net a certified telephone corporation subject to full regulatory authority by the Commission and therefore not obligated to post a construction bond for the project.

On June 24, 2021, the Commission approved Resolution T-17737 to grant a Petition for Modification of Resolution T-17502 to remove the construction phase performance bond requirement and approve the Categorical Exemption prepared in compliance with CEQA, thereby authorizing the release of \$3,608,224 in CASF funds to construct the Project. Ordering paragraph 4<sup>7</sup> of Resolution T-17737 states:

*If Cal.net fails to complete the project in accordance with the terms of approval granted by the Commission in Resolutions T-17502 and T-17737, Cal.net may be required to reimburse some or all of the CASF funds that it has received.*

On August 4, 2021, Staff approved a payment to Cal.net in the amount of \$669,386.73 for expenses related to permitting, legal consultation and vehicle usage. To date, Cal.net has not submitted further requests for reimbursement for the Tuolumne Mariposa project.

In 2016, the Commission approved a total of four Cal.net projects, two of which were withdrawn by Cal.net in response to requests by Commission staff citing lack of progress and non-compliance. Table 2 shows the details and current dispositions of the four projects.

**Table 2: Cal.net CASF Projects Approved by Commission**

<b>Resolution</b>	<b>Project</b>	<b>Approved</b>	<b>Funding</b>	<b># HHs</b>	<b>Disposition</b>
T-17497	El Dorado North <sup>8</sup>	01/14/2016	\$1,139,755	1,537	In progress
T-17498	El Dorado South & East <sup>9</sup>	06/23/2016	\$1,256,524	1,350	Withdrawn <sup>10</sup>

<sup>7</sup> T-17737, page 7.

<sup>8</sup> Resolution T-17497 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=157804324>

<sup>9</sup> Resolution T-17498 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=163983528>

<sup>10</sup> Withdrawn on July 1, 2022 per letter from Cal.net.

T-17501	Amador, Calaveras & Alpine <sup>11</sup>	11/15/2016	\$2,862,388	4,878	Withdrawn <sup>12</sup>
T-17502	Tuolumne Mariposa	12/15/2016	\$3,608,224	7,711	Recommend rescinding

### III. DISCUSSION

Resolution T-17756,<sup>13</sup> approved on December 16, 2021, authorizes Communications Division Staff to rescind CASF grants when staff ascertains that the project is not meeting program requirements, and no funds have been disbursed. Resolution T-17756 also provided guidance to the Commission as to which CASF projects are out of compliance and should be rescinded. CD recommends that the Commission rescind this award based on the following condition:

*The Grantee has not completed the funded project within the timeframe set forth in the authorizing resolution and has requested no extension of time to complete the project.<sup>14</sup>*

In ordering paragraph 8 of Resolution T-17502, approved on June 24, 2021, the Commission required Cal.net to notify the Director of Communications Division (CD) if they are unable to complete the proposed project within the 24-month time frame requirement. Resolution T-17737 required Cal.net to be in accordance with the terms of approval granted in Resolution T-17502 and represented the start of the 24-month period to complete the project or notify the Director of CD if this was not possible. Cal.net did not notify the Director of CD on or after the end of the 24-month period (June 24, 2023) and to date has not formally requested an extension of time to complete the Tuolumne-Mariposa project.

Because Cal.net has not demonstrated the capability to complete the project and provide broadband service to unserved areas as outlined in Resolution T-17502, CD staff recommends rescinding the grant and returning the census block groups (CBGs) to the pool of unserved areas for reallocation to be served by CASF or other Commission

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<sup>11</sup> Resolution T-17501 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=169866700>

<sup>12</sup> Withdrawn on July 1, 2022 per letter from Cal.net.

<sup>13</sup> Resolution T-17756, approved on December 16, 2021 available at

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M432/K752/432752653.PDF>

<sup>14</sup> Ibid., Appendix A, ¶6.

grant programs including the Federal Funding Account (FFA) and the Broadband Equity, Access, and Deployment (BEAD) programs and reallocating \$3,608,224 in grant funding to the CASF program to be used for CASF projects in future application cycles. Further, Cal.net should return the \$669,386.73 payment approved on August 4, 2021, to the Commission within 90 days of the approval of this Resolution.

CD Staff sent a courtesy letter to Cal.net on August 9, 2024, notifying them that the grant is out of compliance and can be rescinded via the Resolution process pursuant to the criteria described in Resolution T-17756.

#### **IV. COMMENTS ON DRAFT RESOLUTION**

In compliance with PU Code Section 311(g), a notice letter was e-mailed on September 13, 2024, 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 at: <http://www.cpuc.ca.gov/documents/>

#### **FINDINGS**

1. On December 15, 2016, the Commission approved Resolution T-17502 in the amount of \$3,608,224 for Cal.net, Inc. to construct a last-mile fixed wireless access (FWA) project providing broadband speeds up to 25 Mbps download and 4 Mbps upload to 7,711 underserved households in parts of Tuolumne and Mariposa Counties.
2. In 2016, when the project was approved, speeds of 25 Mbps download and 4 Mbps upload were eligible for California Advanced Services Fund (CASF) grants. However, currently projects must be capable of providing at least 100 Mbps download and 20 Mbps upload.
3. On June 24, 2021, the Commission approved Resolution T-17737 to remove the performance bond requirement (needed for construction), approve the Categorical Exemption per the guidelines of the California Environmental Quality Act (CEQA) and authorize the release of \$3,608,224 in California Advanced Services Fund (CASF) grant monies to construct the Project.

4. Resolution T-17756, approved on December 16, 2021, authorizes Communications Division Staff to rescind CASF grants via Ministerial Letter when staff ascertains that the project is not meeting program requirements, and no funds have been disbursed; this resolution provides guidance as to which projects are out of compliance and should be rescinded.<sup>15</sup>
5. On August 4, 2021, Staff approved a reimbursement payment to Cal.net in the amount of \$669,386.73 for expenses related to permitting, legal consultation and vehicle usage.
6. Staff determined that Cal.net has not completed the funded project within the timeframe set forth in the authorizing resolution and has requested no extension of time to complete the project.
7. The Commission should rescind Resolutions T-17502 and T-17737, release the corresponding funding in the amount of \$3,608,224 and make the respective census block groups available for funding by CASF or other grant programs such as the Federal Funding Account and Broadband, Equity Access and Deployment.
8. A notice letter was e-mailed on September 12, 2024, 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 at: <http://www.cpuc.ca.gov/documents/>.

**THEREFORE, IT IS ORDERED that:**

1. The following resolutions are hereby rescinded in full: T-17502 and T-17337, pertaining to the Cal.net project Tuolumne-Mariposa.
2. The cumulative amount of \$3,608,224 in grant funding allocated to the project is released and made available for future CASF awards.
3. Cal.net must return the \$669,386.73 payment approved on August 4, 2021, to the Commission within 90 days.

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<sup>15</sup> See Resolution T-17756, available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M432/K752/432752653.PDF>

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:

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Rachel Peterson  
Executive Director

**Appendix A**  
**Resolution T-17843**

**List of Census Block Groups to be released and open to New Applicants/Grants**

**Resolution T-17502 Unserved Census Block Groups**

060430001014	060430002001	060430002002	060430002003
061090011001	061090011002	061090011003	061090012001
061090012002	061090012003	061090012004	061090021001
061090021002	061090021003	061090021004	061090021005
061090021006	061090022001	061090022002	061090022003
061090022004	061090022005	061090022006	061090031001
061090031002	061090031003	061090031004	061090031005
061090032001	061090032002	061090032004	061090032005
061090032006	061090041001	061090041002	061090041003
061090041004	061090042001	061090042002	061090042003
061090051001	061090051002	061090051003	061090051004
061090051005	061090051006	061090052011	061090052012