

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband Regional Initiatives Branch**

**RESOLUTION T-17869
December 19, 2024**

RESOLUTION

RESOLUTION T-17869: Awards two grants for up to \$24,543,101 from the Last Mile Federal Funding Account to provide service to 3,374 unserved locations in Mariposa, Stanislaus, and Tuolumne Counties.

I. SUMMARY

This Resolution recommends approval of two Last Mile Federal Funding Account grants in the amount of up to \$24,543,101.

This Resolution is part of the tenth package of Resolutions approving grants to Federal Funding Account applicants for broadband infrastructure projects serving unserved areas in California. Subsequent Resolutions will be presented for Commission vote as Communications Division Staff completes its analyses of applications.

The two projects in this Resolution propose to make investments bringing the social, economic, civic, and public safety benefits of high-speed broadband to 3,374 unserved locations and an estimated unserved population of 10,362 in Mariposa, Stanislaus, and Tuolumne Counties. An estimated total population of 14,469 people will benefit from these investments as households and businesses that already have broadband service in these communities will have greater customer choice.

Staff recommends grant awards to one entity: AT&T.

AT&T is an incumbent telecommunication company offering service throughout California.

Staff recommends the following two grant applications for Commission approval as shown in Table 1 below. Maps and summaries associated with each project are in the appendices.

Table 1: Summary of Grant Funding

Applicant	Project Name	Estimated Unserved Locations	Estimated Unserved Units	Estimated Unserved Population	Estimated Benefitting Population	Awarded Amount
Multiple Counties (Mariposa and Tuolumne)						
AT&T	Mariposa - 1	2,156	2,518	4,337	4,399	\$9,443,101 ¹
Subtotal		2,156	2,518	4,337	4,399	\$9,443,101
Stanislaus						
AT&T	Stanislaus - 1	1,218	1,842	6,025	10,070	\$15,100,000
Subtotal		1,218	1,842	6,025	10,070	\$15,100,000
Grand Total		3,374	4,360	10,362	14,469	\$24,543,101

II. BACKGROUND

California’s multi-year broadband investment package established the last mile Federal Funding Account as part of the Budget Act of 2021 and Senate Bill 156² and invested \$2 billion in the program over multiple years. The Federal Funding Account funds the construction of last mile broadband infrastructure projects in unserved areas of California. The Federal Funding Account 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.

On April 21, 2022, the Commission issued Decision (D.) 22-04-055, Decision Adopting Federal Funding Account Rules. The rules and guidelines adopted in that decision included, among other items, the following: rules about projects to benefit Environmental and Social Justice Communities, affordable offers, five and ten-year price commitments, low-cost plans, project eligibility, application requirements, application objections, implementation of Public Utilities Code section 281(n) allocating funding between “rural counties” and “urban counties,” a process to reimburse grantees, a ministerial review process whereby Communications Division Staff may approve certain projects, and minimum performance standards for grantees.

The Federal Funding Account D. 22-04-055 includes requirements and preference for a number of affordability requirements including:

¹ The \$9,443,101 recommended grant for Mariposa - 1 is for locations in both Mariposa County and Tuolumne County. \$7,752,879 will be subtracted from Mariposa County’s allocation and \$1,690,222 will be subtracted from Tuolumne County’s allocation.

² Statute 2021, Chapters 84 and 112.

Resolution T-17869

CD/CJ2

- Participation in the Affordable Connectivity Program or access to a “broad-based affordability program.” Given that the Affordable Connectivity Program has lapsed grantees must participate in a successor program when identified by the Commission.
- A five-year price commitment, and preference for a ten-year commitment.
- Preference for a low-cost plan that is \$40/month or less and provides speeds of at least 50 Megabits per second (Mbps) down and 20 Mbps up.
- Preference for participation in the California and/or federal Lifeline programs (which may include bundled voice and broadband offerings).

Applications that committed to provide voice service and participate in LifeLine, consistent with the requirement to serve customers in the project area at prices not exceeding those in the application for five years after project completion, must provide voice service and participate in LifeLine for five years after project completion. In providing grant funding to projects the Commission is validating the need for and the state’s investment in the provision of communications service, including voice and programs supporting affordability like LifeLine, for the life of the infrastructure.

The Federal Funding Account Decision and Appendix specify additional consideration for disadvantaged communities or Environmental and Social Justice communities.³ The Commission made available on the Federal Funding Account Public Map,⁴ the Applicant Tool,⁵ and data downloads locations and census blocks meeting these definitions.⁶ A grant application window was opened on June 30, 2023, and closed at 4 p.m. on September 29, 2023; 484 applications were submitted. Application summaries

³ The Commission Environmental and Social Justice Action plan includes definitions and data indicators for disadvantaged or Environmental and Social Justice communities including Disadvantaged Communities defined by the California Environmental Protection Agency (CalEPA) and low-income households defined as household incomes below 80 percent of the area median income. The Commission’s Environmental and Social Justice Action Plan 2.0 is available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

⁴ The Federal Funding Account Public Map is available at: <https://federalfundingaccountmap.vetro.io/>.

⁵ Registration for the Federal Funding Account Applicant Tool is available at: [FFA Applicant Tool Registration](#).

⁶ Disadvantaged or Environmental and Social Justice communities and individual locations, for purposes of the Federal Funding Account, include those in Disadvantaged Communities census tracts as defined by CalEPA and low-income areas in which the census block group median household income is less than or equal to 80 percent of the higher of the county or state average. This data is available for download on the Federal Funding Account Public Map page (visited June 13, 2024), <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account/ffa-public-map> and the Federal Funding Account Application Resources Page (visited June 13, 2024), <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account/ffa-application-resources-page>.

were posted on October 23, 2023, and a 28-day objection period closed on November 20, 2023. Responses to objections were received until December 20, 2023.

Applications were holistically evaluated: required and supporting documentation and the merits of the applications were compared and assessed on a county basis. Following an initial analysis, Staff sent a data request to applicants and requested additional information. Staff's holistic evaluation included project engineering, technical feasibility and design, financial viability, cost, applicant capacity, and community need, among other factors. Staff assessed how to manage overlapping applications and applications planning to include some already-served areas in their project area.⁷ Staff also evaluated how applications and groups of applications compared to competing applications in the same county.

The specific locations to be provided service for a given project will be updated and reconciled with the Broadband Serviceable Location Fabric after detailed engineering and project design, and the grant amount may be reduced consistent with a reduction in the number of locations. The Federal Funding Account award will not fund locations supported by a federal broadband program with Capital Project Fund monies.⁸

III. APPLICATION SUMMARIES, DISCUSSION, AND RECOMMENDATIONS

Mariposa/Tuolumne Summary

The allocation for projects in Mariposa County in D. 22-04-055 is \$40,840,910 and the allocation for projects in Tuolumne County is \$15,546,864. This Resolution recommends awarding one grant to AT&T for a project serving locations in both Mariposa County and Tuolumne County. The recommended grant amount for locations in Mariposa County is \$7,752,879, which leaves a remainder of \$33,088,030 of the allocation for Mariposa County. The recommended grant amount for locations in Tuolumne County is \$1,690,222, which leaves a remainder of \$13,856,642.

⁷ D.22-04-055 states that "households and businesses with an identified need for additional broadband infrastructure do not have to be the only ones in the service area served by an eligible broadband infrastructure project. Indeed, serving these households and businesses may require a holistic approach that provides service to a wider area, f1690222+7725879or example, in order to make ongoing service of certain households or businesses within the service area economical."

⁸ Federal broadband programs include the Connect America Fund II, Community Connects Grant Program, Enhanced Alternative Connect America Cost Model, Rural Digital Opportunity Fund, Rural E-Connectivity Program, Tribal Broadband Connectivity Program, and Telephone Loan Program.

Mariposa/Tuolumne Counties

1. AT&T, Mariposa - 1

Staff recommends the Commission approve AT&T's application for a grant of up to \$9,443,101 for the Mariposa - 1 project. Of the \$9,443,101 recommended for award, \$7,725,879 is for infrastructure in Mariposa County and \$1,690,222 is for infrastructure in Tuolumne County.

AT&T's original application was updated to add 146 unserved locations to the project. The unserved locations are within the same census blocks and project area and objectors had an opportunity to object to locations in the project area including the 146 added to the project. AT&T also revised the Mariposa - 1 requested grant amount from \$4,971,241 to \$9,443,101.

The revised Mariposa - 1 project proposes to serve an estimated 2,156 unserved locations based on a March 2024 supplemental application filing and subsequent revision. There are approximately 2,518 unserved units in the project area. An estimated unserved population of 4,337 would be offered service. An estimated total population of 4,399 will benefit from these investments in the communities of Mariposa County. The last-mile fiber project will provide up to 5,000/5,000 Mbps service to consumers.

AT&T will deploy approximately 150 miles of last-mile fiber and one mile of middle mile fiber. The network infrastructure will be 19 percent underground and 81 percent aerial.

The Mariposa - 1 project will benefit disadvantaged or Environmental and Social Justice communities; 71 percent of the unserved locations are in low-income areas.

The proposed project will cost an estimated \$14,665,022, of which the Federal Funding Account will fund approximately 64 percent of costs.

Staff determined that the applicant and the project are financially viable, and the applicant's engineering meets the program standards. The applicant demonstrated the administrative, technical, and operational capacity to provide broadband service at the scale of this project.

This application received three objections and AT&T responded to the objections. The first objection claims that locations in the project area will be served by a Connect America Fund Phase II Auction award. A second objection argued that paying an incumbent to upgrade its infrastructure is a poor use of public resources. The third

objection claims that locations in the project will be served through the Enhanced Alternative Connect America Fund Cost Model program.

With respect to the first objection, the objector did not demonstrate it would provide reliable, wireline service as defined in D.22-04-055; nonetheless, the Federal Funding Account award will not fund locations supported by a federal broadband program with Capital Project Fund monies.⁹ With respect to the second objection, this project proposes to use existing support structures and facilities to update its current infrastructure, which is reasonable for this project. Staff determined that the objection did not, “identify an error of fact, or policy, or statutory requirement that the application has contravened.”¹⁰ The third objection was found to have identified ten locations in the project area that are already served. In response to the objection, staff requested AT&T modify the application to exclude these served locations. The revised application seeks funding only for unserved locations within the project area; nevertheless, passing through served areas was determined to be necessary to reach the unserved locations. Further, the Federal Final Rule¹¹ and D.22-04-055¹² allow projects serving unserved locations to include served locations to make the project viable.

No Federal Funding Account Public Map comments were submitted in Mariposa County.¹³ The Mariposa - 1 project area unserved locations were evaluated in light of the updated Federal Communications Commission and Federal Funding Account unserved data (as of June 30, 2023). In response to objections, comments, and this data, the number of unserved locations is revised from 2,010 to 2,156, and the project area is revised. The total grant amount is revised from \$4,971,241 to \$9,443,101. The specific locations to be provided service will be updated and reconciled with the Broadband Serviceable Location Fabric after detailed engineering and project design, and the grant amount may be reduced consistent with a reduction in the number of locations.

⁹ Federal broadband programs include the Connect America Fund II (CAFII), Community Connects Grant Program (CCGP), Enhanced Alternative Connect America Cost Model (EACACM), Rural Digital Opportunity Fund (RDOF), Rural E-Connectivity Program (REP), Tribal Broadband Connectivity Program (TBCP), and Telephone Loan Program (TLP).

¹⁰ See D. 22-04-055, at page A-21.

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fdocs.cpuc.ca.gov%2FPublishedDocs%2FPublished%2FG000%2FM470%2FK481%2F470481278.docx&wdOrigin=BROWSELINK>

¹¹ Department of the Treasury, Final Rule, Coronavirus State and Local Fiscal Recovery Funds, 31 C.F.R. Part 35, 87 FR 4338-4454 (January 27, 2022) (Final Rule), available at:

<https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>.

¹² D.22-04-055, Appendix A, Section 2, p. A-5.

¹³ See Federal Funding Account Public Map, <https://federalfundingaccountmap.vetro.io/> (visited October 17, 2024).

Resolution T-17869

CD/CJ2

The proposed project provides public safety benefits of reliable broadband infrastructure. This project is located in High Fire Threat Districts 2 and 3. This project will connect to AT&T's middle-mile infrastructure.

AT&T's application committed to provide voice service and participate in LifeLine. Consistent with the requirement to serve customers in the project area at prices not exceeding those in the application for five years after project completion AT&T must provide voice service and participate in LifeLine for five years after project completion.

Separate and outside the Federal Funding Account rules and requirements, AT&T is already required to offer California LifeLine and Federal Lifeline and is already offering such services as a Carrier of Last Resort and an Eligible Telecommunications Carrier. This Federal Funding Account grant award and requirements do not change those existing obligations. Since AT&T is already offering such services, when it comes time to offering FFA service, AT&T should offer Lifeline service consistent with the separate or outside requirements of its Lifeline obligations to avoid customer confusion. Nothing in this recommended Federal Funding Account award changes AT&T's current California LifeLine or Federal Lifeline obligations. To the extent AT&T's existing LifeLine or Federal Lifeline obligations may change, AT&T can request to update its Federal Funding Account awards to reflect the updated change to its Lifeline offerings and specify the Lifeline offerings customers will be receiving.

Based on the information received, the Commission's Energy Division has determined that this project has not met the requirements of California Environmental Quality Act (CEQA) categorical exemption at this time. AT&T must comply with the CEQA requirements discussed in the appendices. If AT&T provides additional documentation sufficient to justify a staff determination of CEQA exemption, then the project can be exempted by letter from the Communications Division Director or the director's delegate or designee.

AT&T and the Mariposa - 1 project comply with all requirements for approval in D. 22-04-055. The Communications Division recommends that the Commission approve AT&T's application for a grant of up to \$9,443,101 for the Mariposa - 1 project.

Stanislaus Summary

The allocation for projects in Stanislaus County in D. 22-04-055 is \$25,352,098. This Resolution recommends awarding one grant to AT&T. The recommended grant amount for projects in Stanislaus County is \$15,100,000, which leaves a remainder of \$10,252,098 of the allocation for Stanislaus County.

Stanislaus County Awards

1. AT&T – Stanislaus – 1

Staff recommends the Commission approve AT&T's application for a grant of up to \$15,100,000 for the Stanislaus - 1 project.

The Stanislaus - 1 project proposes to serve an estimated 1,218 unserved locations based on a March 2024 supplemental application filing. There are approximately 1,842 unserved units in the project area. An estimated unserved population of 6,025 would be offered service. An estimated total population of 10,070 will benefit from these investments in the communities of Stanislaus County. The last-mile fiber project will provide up to 5000/5000 Mbps service to consumers.

AT&T will deploy approximately 136 miles of last-mile fiber and one mile of middle mile fiber. The network infrastructure will be 44 percent underground and 56 percent aerial.

The proposed project will cost an estimated \$20,436,556, of which the Federal Funding Account will fund approximately 74 percent of costs.

The Stanislaus -1 project will benefit disadvantaged or Environmental and Social Justice communities; 48 percent of the unserved locations are in low-income areas.

Staff determined that the applicant and the project are financially viable, and the applicant's engineering meets the program standards. The applicant demonstrated the administrative, technical, and operational capacity to provide broadband service at the scale of this project.

This application received five objections and AT&T responded to the objections. The first objection claims that locations in the project area will be served by a Connect America Fund Phase II Auction award. A second objection argued that paying an incumbent to upgrade its infrastructure is a poor use of public resources. The third, fourth, and fifth objections claimed that locations in the project area were already served.

With respect to the first objection, the objector did not demonstrate it would provide reliable, wireline service as defined in D.22-04-055); nonetheless, the Federal Funding Account award will not fund locations supported by a federal broadband program with

Resolution T-17869

CD/CJ2

Capital Project Fund monies.¹⁴ With respect to the second objection, this project proposes to use existing support structures and facilities to update its current infrastructure, which is reasonable for this project. Staff determined that the objection did not, “identify an error of fact, or policy, or statutory requirement that the application has contravened.”¹⁵ With respect to the third objection, the contested locations were determined to be outside the project area of Stanislaus – 1. The fourth objection was found to have identified one location in the project area that is already served, and the fifth objection was found to have identified 33 locations in the project area that are already served. In response to objections, at staff’s request, AT&T has modified the application to exclude served locations. The revised application seeks funding only for unserved locations within the project area and passing through served areas was determined to be necessary to reach the unserved locations; the Federal Final Rule¹⁶ and D.22-04-055¹⁷ allow projects serving unserved locations to include served locations to make the project viable.

No Federal Funding Account Public Map comments were submitted in Stanislaus County.¹⁸ Stanislaus - 1 project area’s unserved locations were evaluated in light of the updated Federal Communications Commission and Federal Funding Account unserved data (as of June 30, 2023). In response to objections, comments, and this data, the number of unserved locations is revised to 1,218, the project area is revised, and the total grant amount is revised to \$15,100,000. The specific locations to be provided service will be updated and reconciled with the Broadband Serviceable Location Fabric after detailed engineering and project design, and the grant amount may be reduced consistent with a reduction in the number of locations.

The proposed project provides the public safety benefits of reliable broadband infrastructure. This project is not located in a High Fire Threat District. This project will connect to AT&T’s middle-mile infrastructure.

¹⁴ Federal broadband programs include the Connect America Fund II (CAFII), Community Connects Grant Program (CCGP), Enhanced Alternative Connect America Cost Model (EACACM), Rural Digital Opportunity Fund (RDOF), Rural E-Connectivity Program (REP), Tribal Broadband Connectivity Program (TBCP), and Telephone Loan Program (TLP).

¹⁵ See D. 22-04-055, at page A-21.

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fdocs.cpuc.ca.gov%2F%2FpublishedDocs%2F%2Fpublished%2FG000%2FM470%2FK481%2F470481278.docx&wdOrigin=BROWSELINK>

¹⁶ Department of the Treasury, Final Rule, Coronavirus State and Local Fiscal Recovery Funds, 31 C.F.R. Part 35, 87 FR 4338-4454 (January 27, 2022) (Final Rule), available at:

<https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds>.

¹⁷ D.22-04-055, Appendix A, Section 2, p. A-5.

¹⁸ See Federal Funding Account Public Map, <https://federalfundingaccountmap.vetro.io/> (visited October 17, 2024).

Resolution T-17869

CD/CJ2

AT&T's application committed to provide voice service and participate in LifeLine. Consistent with the requirement to serve customers in the project area at prices not exceeding those in the application for five years after project completion AT&T must provide voice service and participate in LifeLine for five years after project completion.

Separate and outside the Federal Funding Account rules and requirements, AT&T is already required to offer California LifeLine and Federal Lifeline and is already offering such services as a Carrier of Last Resort and an Eligible Telecommunications Carrier. This Federal Funding Account grant award and requirements do not change those existing obligations. Since AT&T is already offering such services, when it comes time to offering FFA service, AT&T should offer Lifeline service consistent with the separate or outside requirements of its Lifeline obligations to avoid customer confusion. Nothing in this recommended Federal Funding Account award changes AT&T's current California LifeLine or Federal Lifeline obligations. To the extent AT&T's existing LifeLine or Federal Lifeline obligations may change, AT&T can request to update its Federal Funding Account awards to reflect the updated change to its Lifeline offerings and specify the Lifeline offerings customers will be receiving.

Based on the information received, the Commission's Energy Division has determined that this project has not met the requirements of CEQA categorical exemption at this time. AT&T must comply with the CEQA requirements discussed in the appendices. If AT&T provides additional documentation sufficient to justify a staff determination of CEQA exemption, then the project can be exempted by letter from the Communications Division Director or the director's delegate or designee.

AT&T and the Stanislaus - 1 project comply with all requirements for approval in D. 22-04-055. The Communications Division recommends that the Commission approve AT&T's application for a grant of up to \$15,100,000 for the Stanislaus - 1 project.

COMMENTS

In compliance with Public Utilities Code Section 311(g)(1), a Notice of Availability of this draft resolution was e-mailed on November 15, 2024, informing all parties on the CASF Distribution List and the R. 20-09-001 Service 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/>.

Resolution Comments were submitted on December 5, 2024, by AT&T, The Utility Reform Network (TURN), Golden State Connect Authority (GSCA), the Mariposa Board of Supervisors, Supervisor Peters of Mono County, Supervisor Haff of Tuolumne County, the Tuolumne Board of Supervisors, Supervisor Griffith of Alpine County, and

the Town of Mammoth Lakes. Reply comments were submitted on December 10, 2024, by AT&T, GSCA, and Sierra Telephone Company.

AT&T Opening Comments

AT&T requested language be added to this Resolution stating that all FFA applicants who responded to the LifeLine question in their application may choose whether to participate in either California LifeLine, or federal Lifeline, or both, to the extent allowed by applicable laws, and may modify its participation in one or both programs based on applicable laws.

AT&T also requested that the AT&T Service Plans Appendix be amended to remove low-income plan qualifications related to the Affordable Connectivity Program that are not applicable.

The Utility Reform Network Opening Comments

The Utility Reform Network requested that language included in Resolution T-17850 in response to comments be reintroduced in this Resolution and future Federal Funding Account Resolutions. The proposed language clarifies that some applicants' obligations to participate in LifeLine and provide voice service because they are Carriers of Last Resort (COLR) is independent of any commitments those applicants may make as applicants to participate in LifeLine and provide voice service in Federal Funding Account project areas.

Golden State Connect Authority Opening Comments

Golden State Connect Authority requested that the Commission set aside the staff recommendations for Federal Funding Account awards in Calaveras, Mariposa, and Tuolumne counties and instead award grants for Golden State Connect Authority's applications in those same counties. Golden State Connect Authority noted that they are a Joint Powers Authority governed by their member counties, including Calaveras, Mariposa, and Tuolumne counties. Their applications offer open access last mile fiber, LifeLine discounts, and connection to the Middle-Mile Broadband Initiative.

Alpine County Supervisor David Griffith Opening Comments

Alpine County Supervisor David Griffith submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Calaveras, Mariposa, and Tuolumne counties and award grants for Golden State Connect Authority's applications in those same counties.

Mono County Board of Supervisors Opening Comments

Mono County Board of Supervisors Chairperson John Peters submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Calaveras, Mariposa, and Tuolumne counties and award grants for Golden State Connect Authority's applications in those same counties.

Town of Mammoth Lakes Town Manager Opening Comments

Town of Mammoth Lakes Town Manager Rob Patterson submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Calaveras, Mariposa, and Tuolumne counties and award grants for Golden State Connect Authority's applications in those same counties.

Mariposa Board of Supervisors Opening Comments

Mariposa County Board of Supervisors Chairperson Miles Menetrey submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Mariposa County and award a grant for the GSCA Mariposa County Broadband Network.

Tuolumne County Supervisor Kathleen Haff Opening Comments

Tuolumne County Supervisor Kathleen Haff submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Tuolumne County and award a grant for the GSCA Tuolumne County Broadband Network.

Tuolumne County Board of Supervisors Opening Comments

Tuolumne County Board of Supervisors Chairperson David Goldemberg submitted comments requesting that the Commission set aside the staff recommendations for Federal Funding Account awards in Tuolumne County and award a grant for the GSCA Tuolumne County Broadband Network.

AT&T Reply Comments

AT&T submitted reply comments responding to The Utility Reform Network and requesting the inclusion of language from T-17850. The language clarifies that the Federal Funding Account award does not change AT&T's California LifeLine or federal Lifeline obligations, and that AT&T shall notify the Commission if its LifeLine or Lifeline obligations and offerings change.

Sierra Telephone Company Reply Comments

Sierra Telephone Company submitted comments responding to Golden State Connect Authority, summarizing information submitted to the Commission during the objection period regarding Golden State Connect Authority's application in Mariposa County and contends that the project area of the GSCA Mariposa Broadband Network application is already served. Sierra Telephone Company supports Draft Resolution T-17869 without revisions.

Staff Response to Comments

In response to comments and consistent with other Federal Funding Account Resolutions, language based on adopted Resolution T-17850 was added, clarifying the distinction between LifeLine and voice commitments made in Federal Funding Account applications and those same applicants' other obligations. The interpretive language below is applicable to all Federal Funding Account Resolutions awarding grants to entities with a separate obligation to offer Lifeline service:

Separate and outside the Federal Funding Account rules and requirements, AT&T is already required to offer California LifeLine and Federal Lifeline and is already offering such services as a Carrier of Last Resort and an Eligible Telecommunications Carrier. This Federal Funding Account grant award and requirements do not change those existing obligations. Since AT&T is already offering such services, when it comes time to offering FFA service, AT&T should offer Lifeline service consistent with the separate/outside requirements of its Lifeline obligations to avoid customer confusion. Nothing in this recommended Federal Funding Account award changes AT&T's current California LifeLine or Federal Lifeline obligations. To the extent AT&T's existing LifeLine or Federal Lifeline obligations may change, AT&T can request to update its Federal Funding Account awards to reflect the updated change to its Lifeline offerings and specify the Lifeline offerings customers will be receiving.

The recommended awards in Mariposa and Tuolumne Counties have not been revised in response to comments. This Resolution includes a small number of locations in Tuolumne County as part of a multi-county project. Separate, additional recommended awards are planned in Tuolumne County.

IV. COMPLIANCE REQUIREMENTS

Awardees are required to comply with all the guidelines, requirements, and conditions associated with the grant of Federal Funding Account awards as specified in D.22-04-055. All Awardees are also required to sign a consent form agreeing to the terms and

conditions of the Federal Funding Account. Such compliance includes, but is not limited to, the items noted below.

A. Deployment Schedule: All CEQA-exempt projects must be completed within 18 months, and all other projects shall be completed within 24 months after receiving authorization to construct. This timeline updates and supersedes the timeline in D.22-04-055 Appendix A section 8 on reimbursable expenses.

B. Pricing: By accepting these awards, the Awardees commit to serve customers in the project area at prices not exceeding those provided in the application for five years after project completion. Awardees who committed not to increase prices for a period of ten years in their application commit to serve customers in the project area for ten years after project completion. Should the need arise for grant recipients to adjust prices due to externalities outside their control (*e.g.* inflation), grant recipients may file and serve, on the R. 20-09-001 proceeding service list, a request to modify this requirement with the Communications Division.

C. Speed and Latency: All households in the proposed project areas must be offered a broadband internet service plan with speeds of at least 100/100 Mbps download and upload, with not more than 100 milliseconds of latency.

D. Affordability: All projects shall participate in the Affordable Connectivity Program or otherwise provide access to a broad-based affordability program to low-income customers in the proposed service area of the broadband infrastructure that provides benefits to households commensurate with those provided under the Affordable Connectivity Program. Should the Affordable Connectivity Program end, the Commission will identify a successor low-income subsidy program in which participants must participate. Awardees must participate in a successor to the Affordable Connectivity Program identified after the grant is awarded.

E. Project Audit: The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that Federal Funding Account funds are spent in accordance with Commission approval. All recipients of federally funded grants exceeding \$750,000 will need to include a budget for a federal audit.¹⁹

¹⁹ Treasury, Compliance and Reporting Guidance State and Local Fiscal Recovery Funds (November 15, 2021 Version 2.1), available at <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

Resolution T-17869

CD/CJ2

F. Reporting Requirements: Numerous post-award reports are required. In summary, these include monthly contractor reports (if applicable), quarterly progress reports, and a final completion report.²⁰

G. Prevailing Wage: Section 1720 of the California Labor Code requires Federal Funding Account projects be subject to prevailing wage requirements.²¹ Applicants accepting Federal Funding Account awards are committing to follow state prevailing wage requirements with regards to their projects.

H. Payments to Federal Funding Account Recipients: The Commission may reimburse Awardees' expenses in accordance with Public Utilities Code Section 281(n)(2), D.22-04-055, and the Appendix. Requests for payments may be submitted as the project is progressively deployed. The prerequisite for first payment is the submittal of a progress report to the Commission showing that a minimum of ten percent of the project (as determined by budget spent) has been completed. Subsequent payments may be made upon at least 25 percent intervals, with the final 15 percent payment request (from 85 to 100 percent) not eligible for payment 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 Federal Funding Account budget included in the awardee's application.

FINDINGS OF FACT

1. California's multi-year broadband infrastructure investments in the Budget Act of 2021 and Senate Bill 156 (Statutes 2021, Chapters 84 and 112) provided \$2 billion over multiple years to the Last Mile Federal Funding Account to facilitate, via reimbursement, construction of last mile broadband infrastructure projects to connect unserved Californians.
2. On April 21, 2022, the Commission approved Decision 22-04-055, which along with the Federal Final Rule, established the Last Mile Federal Funding Account and set program rules.
3. The Communications Division opened an application window for the Federal Funding Account on June 30, 2023, and closed it on September 29, 2023. Applicants submitted 484 applications before the deadline. Application summaries were posted on October 23, 2023, and a 28-day objection window closed on November 20, 2023.

²⁰ D. 22-04-055, Appendix A, Section 14.

²¹ D.22-054-055, Section 13.2, page 57.

Resolution T-17869

CD/CJ2

Responses to objections were received until December 20, 2023.

4. AT&T submitted applications for the Mariposa – 1 and Stanislaus – 1 projects on September 29, 2023.
5. Applicants responded to a supplemental data request that was due on March 12, 2024, providing information on project route miles, poles, unserved locations, middle-mile connectivity, and other updated project specific information.
6. The Commission has determined that AT&T’s Mariposa – 1 and Stanislaus - 1 projects are not categorically exempt from California Environmental Quality Act review at this time.
7. Communications Division staff analyzed the applications for compliance with Commission and Federal rules, reviewed local feedback, and conducted fiscal and technical analysis.
8. All applications listed above met minimum eligibility requirements provided in Decision 22-04-055.
9. Staff recommends approval of the applications in this resolution, as they comply with program rules as stated and contribute to the Federal Funding Account’s goal of building broadband internet infrastructure to communities without access to internet service at sufficient and reliable speeds.
10. Draft Resolution T-17869 was emailed to the CASF Distribution List and the R. 20-09-001 Service List on November 15, 2024, in compliance with Public Utilities Code Section 311(g)(1).

THEREFORE, IT IS ORDERED that:

1. The Commission shall award up to \$9,443,101 in Federal Funding Account funds to AT&T in order to complete the Mariposa – 1 project, as described in the appendices. The specific locations to be provided service will be updated and reconciled with the Broadband Serviceable Location Fabric after detailed engineering and project design, and the grant amount may be reduced consistent with a reduction in the number of locations.
2. The Commission shall award up to \$15,100,000 in Federal Funding Account funds to AT&T in order to complete the Stanislaus – 1 project, as described in the appendices. The specific locations to be provided service will be updated and reconciled with the Broadband Serviceable Location Fabric after detailed engineering and project

Resolution T-17869

CD/CJ2

design, and the grant amount may be reduced consistent with a reduction in the number of locations.

3. To ensure compliance with all program rules and guidelines, the Commission will not release funds to an applicant, including but not limited to AT&T, proposing to enter into agreement(s) with a third party or third parties for the ownership, operation, and/or leasing of the proposed infrastructure or network until the applicant provides the Commission with an advanced copy of the agreement document(s) as well as any signed agreements.
4. Applicants that committed to provide voice and/or Lifeline service must provide voice service and participate in LifeLine for five years after project completion in Federal Funding Account project areas.
5. For those projects not determined to be categorically exempt, the Commission cannot release funds for construction activities until California Environmental Quality Act (CEQA) review is complete. The awardees must comply with the requirements set forth in the CEQA Section of the Resolution. The awardees must provide their Proponent's Environmental Assessment for each project prior to the first payment.
6. Awardee(s) shall comply with all guidelines, requirements, and conditions set forth in this resolution.
7. When a successor to the Affordable Connectivity Program is identified by the Commission, all awardees shall participate in that program.
8. All construction covered by the grant must be completed within the applicable 18-month or 24-month time frame. In the event of extenuating circumstances jeopardizing this timeline, the Awardee(s) must notify the Communications Division's Director as soon as they become aware of any delay. If such notice is not provided, staff can take corrective actions including reducing payment for failure to satisfy this requirement.
9. If the awardee(s) fail to complete the project(s) in accordance with the terms outlined in Decision 22-04-055 and with the terms of the Commission's approval, as set forth in this resolution, awardees must reimburse some or all the Federal Funding Account grants received or take other corrective action.
10. If staff evaluation finds any of the projects can be exempt from the California Environmental Quality Act, then the project can be exempted by letter from the Communications Division Director or the director's delegate or designee.

Resolution T-17869

CD/CJ2

11. Upon approval of the resolution, the effective date of each award and encumbrance of funds is the date of approved resolution. Awardees seeking to modify their effective date must submit a letter to the Communications Division Director and provide justification for the request. Modifications to the effective date may be approved by letter from the Communications Division Director or the director's delegate or designee. All awards are contingent on available state budget appropriations funding.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 19, 2024, the following Commissioners voting favorable thereon:

/s/RACHEL PETERSON

Rachel Peterson
Executive Director

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners

APPENDIX A

AT&T California Environmental Quality Act Compliance Requirements

The following AT&T projects are subject to California Environmental Quality Act (CEQA) review:

- Mariposa - 1
- Stanislaus - 1

The Commission must complete CEQA review prior to disbursing Federal Funding Account funds for construction activities. The initial funding granted in this Resolution may be used for project development and other AT&T 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 for the project, AT&T 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.).

AT&T 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.

AT&T must provide a PEA prior to the first payment. The Commission cannot release funds for the construction phase of this project until the Commission has completed CEQA review.

APPENDIX B
Mariposa - 1
Key Information

Project Name	Mariposa - 1
Applicant Name	AT&T Services, Inc. on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California
Community Names	Coulterville, La Grange
County	Mariposa and Tuolumne County
County Allocation	\$40,840,909 and \$15,546,864
Project Size (in square miles)	158
Maximum Download/Upload speed	5000/5000 Mbps
Lowest cost plan (non-income qualified)	\$55 for 300/300 Mbps
Low-income plan	\$30 for 100/100 Mbps
Low-cost plan	No
LifeLine Participation	Yes
Percent Disadvantaged Communities	0 percent
Percent Low-Income Areas	71 percent
Median Household Income (weighted)	\$53,438
Area Households	1,939
Area Population	4,399
Estimated locations within 1,000 feet of the project area (location passings)	2,449
Estimated units within 1,000 feet of the project area (unit passings)	2,618
Unserviced locations proposed to be served by the project	2,156
Unserviced locations in the project area	2,355
Unserviced units in the project area	2,518
Estimated unserviced population in the project area	4,337
Estimated unserviced Multiple Dwelling Unit (MDU) locations in the project area	142

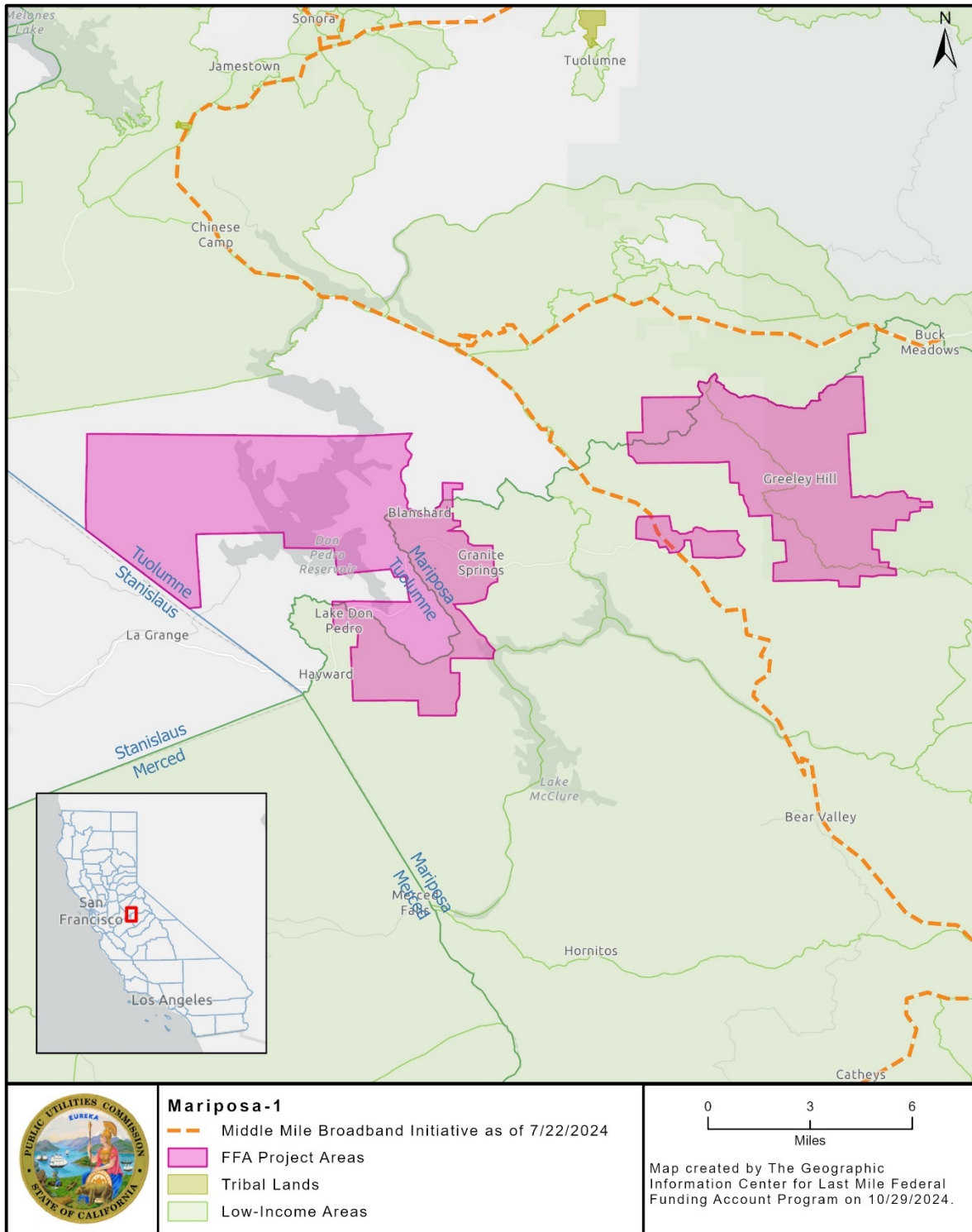
Resolution T-17869

CD/CJ2

Estimated unserved Multiple Dwelling Unit (MDU) location units in the project area	305
Community Anchor Institutions benefitting from the project	23
Public safety locations benefitting from the project	14
Does the project connect to public open access middle mile?	No
Distance of middle-mile, backhaul, and connection to Middle Mile Broadband Initiative in project	-
Grant costs for middle-mile, backhaul, and connection to Middle Mile Broadband Initiative in project	-
Grant costs for last-mile delivery	\$9,443,101
Deployment Schedule	18 Months
Total Project Cost	\$14,665,022
Amount of FFA grant funds requested	\$9,443,101
Applicant funded	\$5,221,921
Grant (excluding middle mile) per unserved unit in the project area	\$3,750
Grant (excluding middle mile) per unit passing	\$3,607

Map of Mariposa - 1

AT&T- Mariposa-1- Mariposa County



APPENDIX C
Stanislaus - 1
Key Information

Project Name	Stanislaus – 1
Applicant Name	AT&T Services, Inc. on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California
Community Names	Hughson, Keyes, and Ceres
County	Stanislaus County
County Allocation	\$15,546,864
Project Size (in square miles)	49
Maximum Download/Upload speed	5000/5000 Mbps
Lowest cost plan (non-income qualified)	\$55 for 300/300 Mbps
Low-income plan	\$30 for 100/100 Mbps
Low-cost plan	No
LifeLine Participation	Yes
Percent Disadvantaged Communities	37 percent
Percent Low-Income Areas	48 percent
Median Household Income (weighted)	\$61,567
Area Households	2,914
Area Population	10,070
Estimated locations within 1,000 feet of the project area (location passings)	5,839
Estimated units within 1,000 feet of the project area (unit passings)	7,352
Unserviced locations proposed to be served by the project	1,218
Unserviced locations in the project area	1,211
Unserviced units in the project area	1,842
Estimated unserviced population in the project area	6,025
Estimated unserviced Multiple Dwelling Unit (MDU) locations in the project area	351

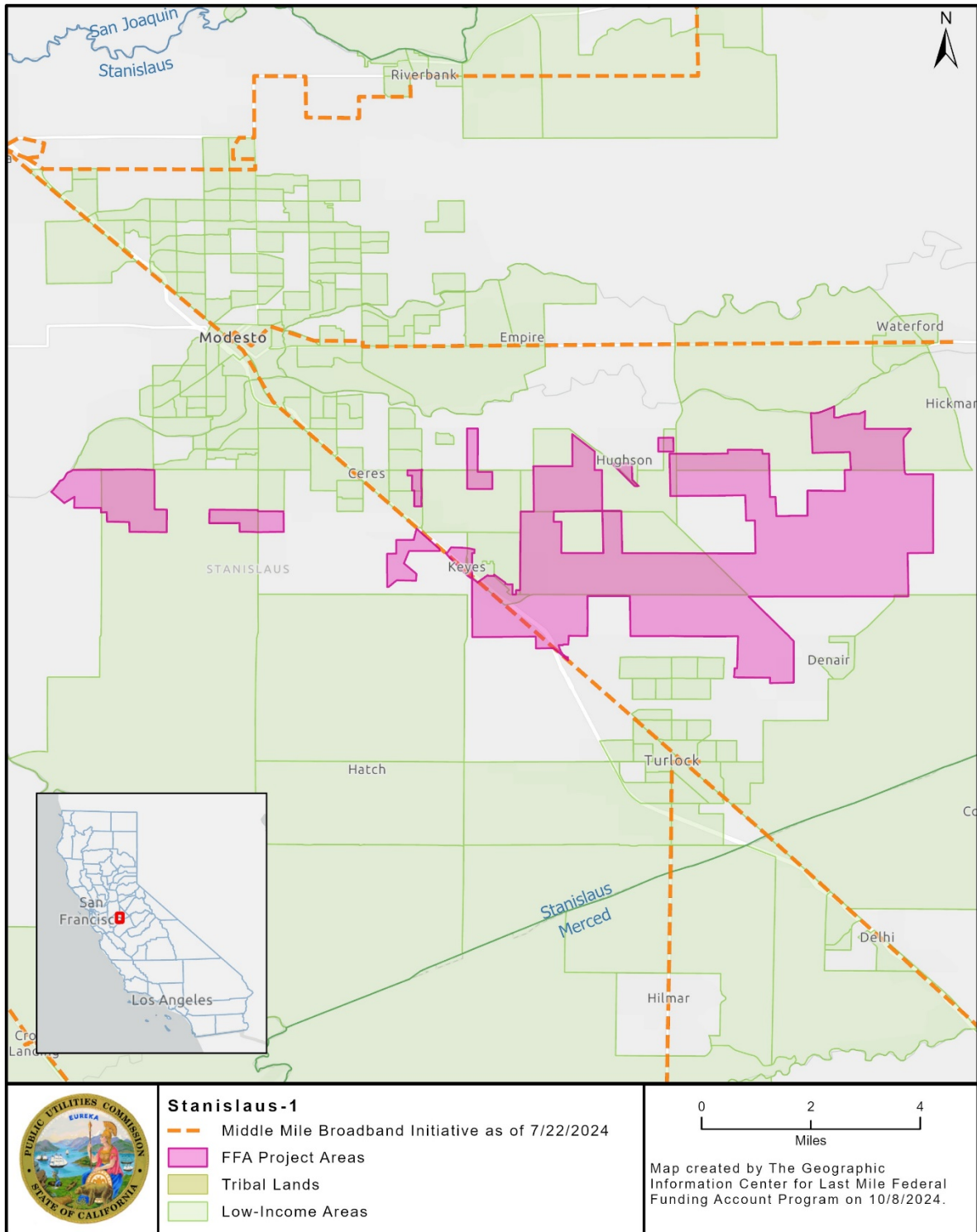
Resolution T-17869

CD/CJ2

Estimated unserved Multiple Dwelling Unit (MDU) location units in the project area	982
Community Anchor Institutions benefitting from the project	20
Public safety locations benefitting from the project	5
Does the project connect to public open access middle mile?	No
Distance of middle-mile, backhaul, and connection to Middle Mile Broadband Initiative in project	-
Grant costs for middle-mile, backhaul, and connection to Middle Mile Broadband Initiative in project	-
Grant costs for last-mile delivery	\$15,100,000
Deployment Schedule	18 Months
Total Project Cost	\$20,436,556
Amount of FFA grant funds requested	\$15,100,000
Applicant funded	\$5,336,556
Grant (excluding middle mile) per unserved unit in the project area	\$8,198
Grant (excluding middle mile) per unit passing	\$2,054

Map of Stanislaus - 1

AT&T- Stanislaus-1- Stanislaus County



APPENDIX D
AT&T Service Plans

As a condition of the grant awards in this Resolution, AT&T is obligated to offer service to customers in the project areas of the listed projects at no less than the speeds in the Table below, no more than 100 milliseconds of latency, and no more than the prices²² in the Table below, including installation, for at least five years following project completion.

- Mariposa - 1
- Stanislaus - 1

Plan	Speed	Price in 2024 Dollars	Notes
Access from AT&T	100/100 Mbps	\$30/month	Customers must provide documentation showing eligibility for a qualifying program. ²³ Price includes available \$5.00/month auto-pay discount
AT&T Fiber	300/300 Mbps	\$55/month	Price includes available \$5.00/month auto-pay discount
AT&T Fiber	500/500 Mbps	\$65/month	Price includes available \$5.00/month auto-pay discount
AT&T Fiber	1,000/1,000 Mbps	\$80/month	Price includes available \$5.00/month auto-pay discount
AT&T Fiber	2,000/2,000 Mbps	\$150/month	Price includes available \$5.00/month auto-pay discount
AT&T Fiber	5,000/5,000 Mbps	\$250/month	Price includes available \$5.00/month auto-pay discount

As a condition of the grant awards in this Resolution, AT&T has committed to provide LifeLine-discounted service in the project area listed.

In addition, AT&T commits to offer voice service that meets California and Federal Communications Commission requirements for 9-1-1 service. AT&T states in their application: "At the time of this application, AT&T intends to offer VoIP services. For more information on AT&T's VoIP offerings, visit: <https://www.att.com/home-phone/>."

²² Prices may increase at no more than the rate of inflation, defined by the Consumer Price Index.

²³ Qualifying programs/income thresholds include: Supplemental Nutrition Assistance Program; Supplemental Security Income; National School Lunch Program or Head Start; and household income based on 200% of the Federal Poverty Guidelines.

APPENDIX E
California Public Utilities Commission
Federal Funding Account, Last Mile Program
Guidance to Staff Regarding
CONSENT FORM
Acknowledgement and Acceptance of Terms

Awardee Name: _____

Key Project Contact: _____

Project Name: _____

The Awardee identified above acknowledges receipt of the California Public Utilities Commission Resolution or Award Letter and agrees to comply with all grant terms, conditions, and requirements set forth in the Resolution or Award Letter and those in the Federal Funding Account, Last Mile program rules. Awards are contingent on available state budget appropriations funding.

Undersigned representative of _____ [Name of Awardee] is duly authorized to execute this Consent Form on behalf of the Awardee and to bind the Awardee to the terms, conditions, and requirements set forth in California Public Utilities Commission Resolution or Award Letter and those in the Federal Funding Account, Last Mile program rules.

Dated this ____ day of _____, 20____.

Signature of Awardee Representative: _____

Title _____

Printed Name _____

Name of Representative's Organization:

Business Address:

Street address, suite/apt. number

City, state, and ZIP Code

Telephone Number: _____

Email Address: _____