#### PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division Broadband Regional Initiatives Branch**  **RESOLUTION T-17873** January 30, 2025

#### RESOLUTION

RESOLUTION T-17873: Awards three grants for up to \$14,648,581 from the Last Mile Federal Funding Account to provide service to 2,161 unserved locations in Lake County.

#### I. **SUMMARY**

This Resolution recommends approval of three Last Mile Federal Funding Account grant in the amount of up to \$14,648,581.

This Resolution is part of the twelfth 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 projects in this Resolution propose to make investments bringing the social, economic, civic, and public safety benefits of high-speed broadband to 2,161 unserved locations, an estimated 2,081 unserved units, and an estimated unserved population of 4,346 in Lake County. An estimated total population of 6,947 people will benefit from these investments as households and businesses that already have service in these communities will benefit from greater customer choice in the broadband market. The last mile connections funded by these grants build upon the state-owned open-access Middle-Mile Broadband Initiative.

Staff recommends a grant award for two entities: AT&T and Mediacom.

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

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

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**Estimated Estimated** Estimated **Estimated Awarded Applicant Project Name** Unserved Unserved Unserved Benefitting Amount Locations Units **Population Population** Lake AT&T Lake - 1 \$2,218,869 3,027 620 629 1,372 AT&T Lake - 1E \$4,000,000 1,671 504 509 992 Mediacom Lake County 1,037 943 1,982 2,249 \$8,429,712 Grant Build **Grand Total** 2,161 2,081 4,346 6,947 \$14,648,581

**Table 1: Summary of Grant Funding** 

#### 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 156<sup>1</sup> 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:

• Participation in the Affordable Connectivity Program or access to a "broadbased affordability program." Given that the Affordable Connectivity Program

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<sup>&</sup>lt;sup>1</sup> Statute 2021, Chapters 84 and 112.

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 down and 20 megabits per second up (50/20 Mbps).
- 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.<sup>2</sup> The Commission made available on the Federal Funding Account Public Map,<sup>3</sup> the Applicant Tool,<sup>4</sup> and data downloads locations and census blocks meeting these definitions.<sup>5</sup> 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

<sup>&</sup>lt;sup>2</sup> 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: <a href="https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf">https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf</a>.

<sup>&</sup>lt;sup>3</sup> The Federal Funding Account Public Map is available at: <a href="https://federalfundingaccountmap.vetro.io/">https://federalfundingaccountmap.vetro.io/</a>.

<sup>&</sup>lt;sup>4</sup> Registration for the Federal Funding Account Applicant Tool is available at: <u>FFA Applicant Tool</u> Registration.

<sup>&</sup>lt;sup>5</sup> 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), <a href="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), <a href="https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account/ffa-application-resources-page">https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account/ffa-application-resources-page">https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account/ffa-application-resources-page</a>.

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.<sup>6</sup>

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.<sup>7</sup>

#### III. APPLICATION SUMMARIES, DISCUSSION, AND RECOMMENDATIONS

#### **Lake County Summary**

The allocation for projects in Lake County in D. 22-04-005 is \$28,435,066. This Resolution recommends awarding two grants to AT&T and one grant to Mediacom for projects in Lake County. The recommended grant amount for projects in Lake County is \$14,648,581, which leaves a remainder of \$13,786,485 of the allocation for Lake County.

#### **Lake County Awards**

1. *AT&T*, *Lake – 1* 

Staff recommends the Commission approve AT&T's application for a grant of up to \$2,218,869 for the Lake - 1 project.

<sup>&</sup>lt;sup>6</sup> 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, for example, in order to make ongoing service of certain households or businesses within the service area economical."

<sup>&</sup>lt;sup>7</sup> 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.

The Lake - 1 project proposes to serve an estimated 620 unserved locations based on a March 2024 supplemental application filing and subsequent revisions. There are approximately 654 unserved units in the project area. An estimated unserved population of 1,413 would be offered service. An estimated total population of 3,073 will benefit from these investments in the communities of Lake County. The last-mile fiber project will provide up to 5,000/5,000 Mbps service to consumers.

AT&T will deploy approximately 103 miles of last-mile fiber. The network infrastructure will be 12 percent underground and 88 percent aerial.

The Lake - 1 project will benefit Disadvantaged or Environmental and Social Justice communities; 68 percent of the unserved locations are in low-income areas.

The proposed project will cost an estimated \$4,437,738, of which the Federal Funding Account will fund approximately 50 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 two objections and AT&T responded to the objections. The first objection argued that paying an incumbent to upgrade its infrastructure is a poor use of public resources. The second objection stated that the objector provides service to locations in the project area. With respect to the first objection, this project proposes to use existing support structures and facilities to update its current infrastructure, which is reasonable for this project. With respect to the second objection, staff determined that the objector provides service to 516 locations in the project area, which were removed from the application. Staff verified that the revised application seeks funding only for unserved locations in the project area, and that passing through served areas was necessary to reach unserved locations; the Federal Final Rule<sup>8</sup> and D. 22-04-055<sup>9</sup> allow projects serving unserved locations to include served locations. The Lake - 1 project area was not modified in response to objections.

The original Lake – 1 project area proposed 1,259 unserved locations and included two locations on the Middletown Rancheria of Pomo Indians' tribal land; AT&T removed

<sup>&</sup>lt;sup>8</sup> 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: <a href="https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds">https://www.federalregister.gov/documents/2022/01/27/2022-00292/coronavirus-state-and-local-fiscal-recovery-funds</a>

<sup>&</sup>lt;sup>9</sup> D.22-04-055, Appendix A, Section 2, p. A-5.

the locations from the application. AT&T must obtain the consent of the Middletown Rancheria of Pomo Indians to serve these locations.

No Federal Funding Account Public Map comments were submitted in Lake County. <sup>10</sup> Lake - 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, this data, and the removal of two locations, the number of unserved locations is revised from 1,259 to 620, <sup>11</sup> the project area is unchanged, and the total grant amount is unchanged. 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 following submitted letters of support for this application: Upstate California Connect Broadband Consortia and the Northeastern California Connect Broadband Consortia.

The proposed project provides the public safety benefits of reliable broadband infrastructure and will benefit households located in High Fire Threat District 2. 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.

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<sup>&</sup>lt;sup>10</sup> See Federal Funding Account Public Map, <a href="https://federalfundingaccountmap.vetro.io/">https://federalfundingaccountmap.vetro.io/</a> (visited July 17, 2024).

<sup>&</sup>lt;sup>11</sup> One location is in Napa County and two locations are in Sonoma County.

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) categorial 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 Lake - 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 \$2,218,869 for the Lake - 1 project.

#### 2. AT&T, Lake - 1E

Staff recommends the Commission approve AT&T's application for a grant of up to \$4,000,000 for the Lake - 1E project.

The Lake - 1E project proposes to serve an estimated 504 unserved locations based on a March 2024 supplemental application filing. There are approximately 509 unserved units in the project area. An estimated unserved population of 992 would be offered service. An estimated total population of 1,671 will benefit from these investments in the communities of Lake County. The last-mile fiber project will provide up to 5,000/5,000 Mbps service to consumers.

AT&T will deploy approximately 60 miles of last-mile fiber. The network infrastructure will be 20 percent underground and 80 percent aerial.

The Lake - 1E project will benefit Disadvantaged or Environmental and Social Justice communities; 57 percent of the unserved locations are in low-income areas.

The proposed project will cost an estimated \$5,906,345.00, of which the Federal Funding Account will fund approximately 68 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 two objections and AT&T responded to the objections. The first objection argued that paying an incumbent to upgrade its infrastructure is a poor use of public resources. The second objection stated that the objector provides service to 288 locations in the project area. With respect to the first objection, this project proposes to use existing support structures and facilities to update its current infrastructure,

which is reasonable for this project. With respect to the second objection, analysis validated that the 288 locations are in the project area and are not part of the proposed grant, and that the application seeks funding only for unserved locations within the project area; passing through served areas was determined to be necessary to reach the unserved locations. The Lake - 1E project area was not modified in response to objections.

No Federal Funding Account Public Map comments were submitted in Lake County. <sup>12</sup> Lake - 1E 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 and this data, the number of unserved locations is unchanged at 504, the project area is unchanged, and the total grant amount is unchanged. 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 following submitted letters of support for this application: Upstate California Connect Broadband Consortia and the Northeastern California Connect Broadband Consortia.

The proposed project provides the public safety benefits of reliable broadband infrastructure and will benefit households located in High Fire Threat District 2. 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

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<sup>&</sup>lt;sup>12</sup> See Federal Funding Account Public Map, <a href="https://federalfundingaccountmap.vetro.io/">https://federalfundingaccountmap.vetro.io/</a> (visited July 17, 2024).

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 categorial 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 Lake - 1E 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 \$4,000,000 for the Lake - 1E project.

#### 3. Mediacom, Lake County Grant Build

Staff recommends the Commission approve Mediacom's application for a grant of up to \$8,429,712 for the Lake County Grant Build project.

The Lake County Grant Build project proposes to serve an estimated 1,037 unserved locations based on a March 2024 supplemental application filing. There are approximately 943 unserved units in the project area. An estimated unserved population of 1,982 would be offered service. An estimated total population of 2,249 will benefit from these investments in the communities of Lakeport and unincorporated Lake County. The last-mile fiber project will provide up to 2,000/1,000 Mbps service to consumers.

Mediacom will deploy approximately 50 miles of last-mile fiber and 35 miles of middle mile fiber. The network infrastructure will be 14 percent underground and 86 percent aerial.

The Lake County Grant Build project will benefit Disadvantaged or Environmental and Social Justice communities; 34 percent of the unserved locations are in low-income areas. Mediacom will provide a low-cost plan that meets the requirements in D. 22-04-055, Section 3, and has committed to maintaining the price of that plan for at least ten years.

The proposed project will cost an estimated \$12,711,544, of which the Federal Funding Account will fund approximately 66 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 no objections.

No Federal Funding Account Public Map comments were submitted in Lake County. <sup>13</sup> Lake County Grant Build 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 this data, the number of unserved locations is unchanged at 1,037, the project area is unchanged, and the total grant amount is unchanged. 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 following submitted letters of support for this application: Lake County.

The proposed project provides the public safety benefits of reliable broadband infrastructure and will benefit households located in High Fire Threat Districts 2. This project will connect to Mediacom's middle-mile infrastructure.

Based on the information received, the Commission's Energy Division has determined that this project has not met the requirements of CEQA categorial exemption at this time. Mediacom must comply with the CEQA requirements discussed in the appendices. If Mediacom 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.

Mediacom and the Lake County Grant Build project comply with all requirements for approval in D. 22-04-055. The Communications Division recommends that the Commission approve Mediacom's application for a grant of up to \$8,429,712 for the Lake County Grant Build project.

#### **COMMENTS**

In compliance with Public Utilities Code Section 311(g)(1), a Notice of Availability of this draft resolution was e-mailed on December 24, 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 <a href="http://www.cpuc.ca.gov/">http://www.cpuc.ca.gov/</a>.

#### IV. COMPLIANCE REQUIREMENTS

<sup>&</sup>lt;sup>13</sup> See Federal Funding Account Public Map, <a href="https://federalfundingaccountmap.vetro.io/">https://federalfundingaccountmap.vetro.io/</a> (visited July 17, 2024).

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 Mpbs download and upload, with no 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.<sup>14</sup>

<sup>&</sup>lt;sup>14</sup> Treasury, Compliance and Reporting Guidance State and Local Fiscal Recovery Funds (November 15, 2021 Version 2.1), available at <a href="https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf">https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf</a>.

- 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.<sup>15</sup>
- G. Prevailing Wage: Section 1720 of the California Labor Code requires Federal Funding Account projects be subject to prevailing wage requirements.<sup>16</sup> 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.

<sup>&</sup>lt;sup>15</sup> D. 22-04-055, Appendix A, Section 14.

<sup>&</sup>lt;sup>16</sup> D.22-054-055, Section 13.2, page 57.

Responses to objections were received until December 20, 2023.

- 4. AT&T submitted an application for the Lake 1 and Lake 1E projects on September 29, 2023.
- 5. Mediacom submitted an application for the Lake County Grant Build project on September 29, 2023.
- 6. 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.
- 7. The Commission has determined that AT&T's Lake 1 and Lake 1E projects are not categorically exempt from California Environmental Quality Act review at this time.
- 8. The Commission has determined that Mediacom's Lake County Grant Build project is not categorically exempt from California Environmental Quality Act review at this time.
- 9. Communications Division staff analyzed the application for compliance with Commission and Federal rules, reviewed local feedback, and conducted fiscal and technical analysis.
- 10. Two locations in the Lake 1 project area were identified as on lands of the Middletown Rancheria of Pomo Indians; AT&T removed the locations from the application. AT&T may not serve these locations without the consent of the Middletown Rancheria of Pomo Indians.
- 11. The applications listed above met minimum eligibility requirements provided in Decision 22-04-055.
- 12. 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.
- 13. Draft Resolution T-17873 was emailed to the CASF Distribution List and the R. 20-09-001 Service List on December 24, 2024, in compliance with Public Utilities Code Section 311(g)(1).

#### THERFORE, IT IS ORDERED that:

- 1. The Commission shall award up to \$2,218,869 in Federal Funding Account funds to AT&T in order to complete the Lake 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 \$4,000,000 in Federal Funding Account funds to AT&T in order to complete the Lake 1E 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.
- 3. The Commission shall award up to \$8,429,712 in Federal Funding Account funds to Mediacom in order to complete the Lake County Grant Build 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.
- 4. To ensure compliance with all program rules and guidelines, the Commission will not release funds to any applicant 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.
- 5. 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.
- 6. For the project not determined to be categorically exempt, the Commission cannot release funds for construction activities until California Environmental Quality Act (CEQA) review is complete. Awardees must comply with the requirements set forth in the CEQA Section of the Resolution. Comcast must provide their Proponent's Environmental Assessment for each project prior to the first payment.
- 7. Awardees shall comply with all guidelines, requirements, and conditions set forth in this resolution.

- 8. When a successor to the Affordable Connectivity Program is identified by the Commission, all awardees shall participate in that program.
- 9. 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 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.
- 10. 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.
- 11. 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.
- 12. 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 conference of the Public Utilities Commission, the following Commiss	, <u> </u>
_	Rachel Peterson
	Executive Director

#### APPENDIX A

#### AT&T California Environmental Quality Act Compliance Requirements

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

- Lake 1
- Lake 1E

The Commission must complete CEQA review prior to disbursing FFA funds for construction activities. The initial funding granted in this Resolution may be used for project development and other AT&T Services, Inc. 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 project until the Commission has completed CEQA review.

#### APPENDIX B

#### Mediacom California Environmental Quality Act Compliance Requirements

The following Mediacom project is subject to California Environmental Quality Act (CEQA) review:

#### • Lake County Grant Build

The Commission must complete CEQA review prior to disbursing FFA funds for construction activities. The initial funding granted in this Resolution may be used for project development and other Mediacom 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, Mediacom 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.).

Mediacom 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.

Mediacom must provide a PEA prior to the first payment. The Commission cannot release funds for the construction project until the Commission has completed CEQA review.

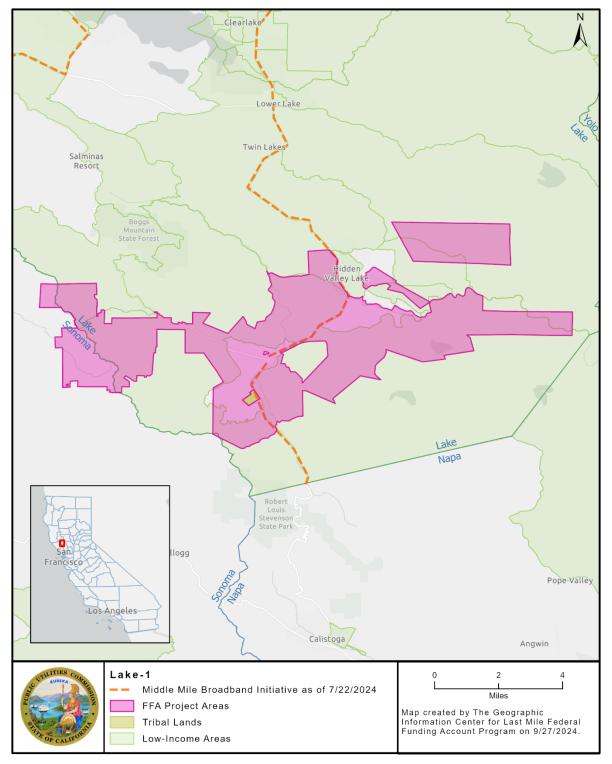
## APPENDIX C Lake - 1 Key Information

Project Name	Lake - 1
Applicant Name	AT&T Services, Inc. on behalf of its affiliate Pacific Bell Telephone Company d/b/a AT&T California
Community Names	Lake County
County	Lake County
County Allocation	\$28,435,066
Project Size (in square miles)	94
Maximum Download/Upload speed	5,000/5,000 Mbps
Lowest cost plan (non-income qualified)	\$55/month for 100/100 Mbps
Low-income plan	\$30/month for 100/100 Mbps
Low-cost plan	No
LifeLine Participation	Yes
Percent Disadvantaged Communities	0 percent
Percent Low-Income Areas	67 percent
Median Household Income (weighted)	\$63,167
Area Households	1,129
Area Population	3,027
Estimated locations within 1000 feet of the project area (location passings)	1,852
Estimated units within 1000 feet of the project area (unit passings)	1,990
Unserved locations proposed to be served by the project	620
Unserved locations in the project area	586
Unserved units in the project area	629
Estimated unserved population in the project area	1,372
Estimated unserved Multiple Dwelling Unit (MDU) locations in the project area	37

# **Resolution T-17873** CD/CJ2

Estimated unserved Multiple Dwelling Unit (MDU) location units in the project area	80
Community Anchor Institutions benefitting from the project	34
Public safety locations benefitting from the project	13
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	\$2,218,869
Deployment Schedule	18 Months
Total Project Cost	\$4,437,738
Amount of FFA grant funds requested	\$2,218,869
Applicant funded	\$2,218,869
Grant (excluding middle mile) per unserved unit in the project area	\$3,528
Grant (excluding middle mile) per unit passing	\$1,115

Map of AT&T's Lake - 1 Project
AT&T- Lake-1- Lake County



#### APPENDIX D Lake - 1E Key Information

Project Name	Lake - 1E
	AT&T Services, Inc. on behalf of its affiliate Pacific
Applicant Name	Bell Telephone Company d/b/a AT&T California
Community Names	Lake County
County	Lake County
County Allocation	\$28,435,066
Project Size (in square miles)	31
Maximum Download/Upload speed	5,000/5,000 Mbps
Lowest cost plan (non-income qualified)	\$55/month for 100/100 Mbps
Low-income plan	\$30/month for 100/100 Mbps
Low-cost plan	No
LifeLine Participation	Yes
Percent Disadvantaged Communities	0 percent
Percent Low-Income Areas	57 percent
Median Household Income (weighted)	\$65,136
Area Households	663
Area Population	1,671
Estimated locations within 1000 feet of the project area (location passings)	1,078
Estimated units within 1000 feet of the project area (unit passings)	1,124
Unserved locations proposed to be served by the project	504
Unserved locations in the project area	482
Unserved units in the project area	509
Estimated unserved population in the project area	992
Estimated unserved Multiple Dwelling Unit (MDU) locations in the project area	27

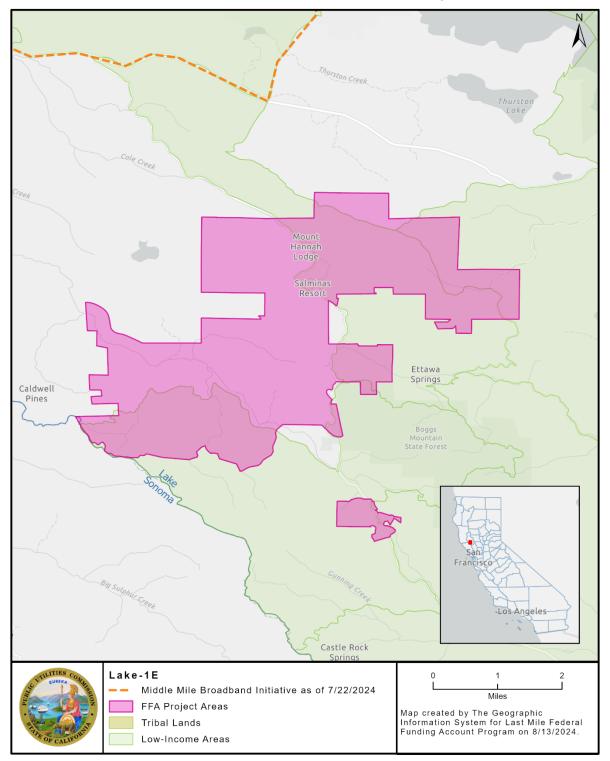
#### **Resolution T-17873**

#### CD/CJ2

Estimated unserved Multiple Dwelling Unit (MDU) location units in the project area	54
Community Anchor Institutions benefitting from the project	1
Public safety locations benefitting from the project	1
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	\$4,000,000
Deployment Schedule	18 Months
Total Project Cost	\$5,906,345
Amount of FFA grant funds requested	\$4,000,000
Applicant funded	\$1,906,345
Grant (excluding middle mile) per unserved unit in the project area	\$7,859
Grant (excluding middle mile) per unit passing	\$3,559

Map of AT&T's Lake - 1E Project

AT&T- Lake-1E- Lake County



## APPENDIX E Lake County Grant Build Key Information

Project Name	Lake County Grant Build
Applicant Name	MCC Telephony of the West LLC
Community Names	
County	Lakeport, unincorporated Lake County
,	Lake County
County Allocation	\$28,435,066
Project Size (in square miles)	14
Maximum Download/Upload speed	2,000/1,000 Mbps
Lowest cost plan	\$40/month for 100/100 Mbps
Low-income plan	\$14.95 for 25/3 Mbps
Low-cost plan	\$40/month 100/20 Mbps
LifeLine Participation	Yes
Percent Disadvantaged Communities	0 percent
Percent Low-Income Areas	34 percent
Median Household Income (weighted)	\$62,039
Area Households	829
Area Population	2,249
Estimated locations within 1000 feet of the project area (location passings)	1,131
Estimated units within 1000 feet of the project area (unit passings)	1,254
Unserved locations proposed to be served by the project	1,037
Unserved locations in the project area	888
Unserved units in the project area	943
Estimated unserved population in the project area	1,982
Estimated unserved Multiple Dwelling Unit (MDU) locations in the project area	52

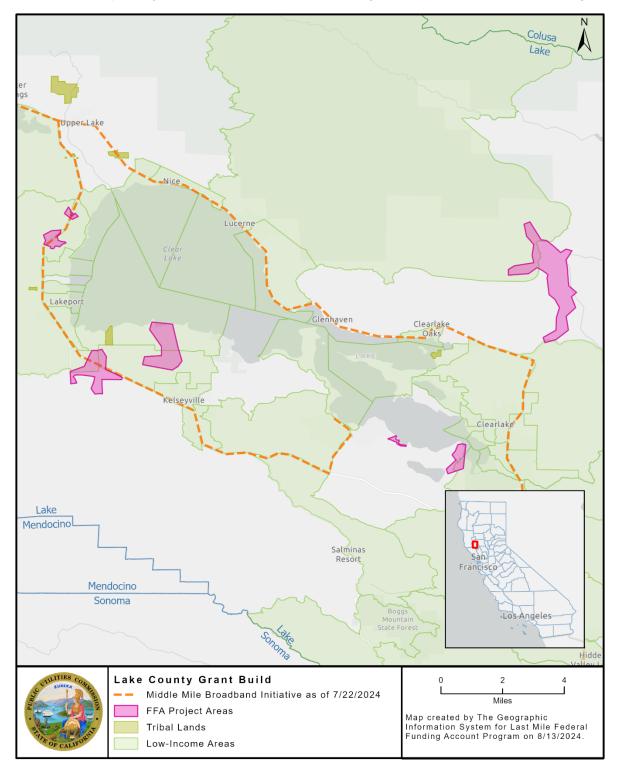
#### **Resolution T-17873**

#### CD/CJ2

Estimated unserved Multiple Dwelling Unit (MDU) location units in the project area	107
Community Anchor Institutions benefitting from the project	7
Public safety locations benefitting from the project	6
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	21 miles
Grant costs for middle-mile, backhaul, and connection to Middle Mile Broadband Initiative in project	\$0
Grant costs for last-mile delivery	\$8,429,712
Deployment Schedule	24 Months
Total Project Cost	\$12,711,544
Amount of FFA grant funds requested	\$8,429,712
Applicant funded	\$4,281,833
Grant (excluding middle mile) per unserved unit in the project area	\$8,939
Grant (excluding middle mile) per unit passing	\$6,722

Map of Mediacom's Lake County Grant Build Project

MCC Telephony of the West - Lake County Grant Build- Lake County



#### APPENDIX F 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 prices<sup>17</sup> in the Table below, including installation, for at least five years following project completion.

- Lake 1
- Lake 1E

Plan	Speed	Price in 2024 Dollars	Notes
Access from	100/100	\$30/month	Customers must provide
AT&T	Mbps		documentation showing eligibility
			for a qualifying program. <sup>18</sup>
			Price includes available
			\$5.00/month auto-pay discount
AT&T Fiber	300/300	\$55/month	Price includes available
	Mbps		\$5.00/month auto-pay discount
AT&T Fiber	500/500	\$65/month	Price includes available
	Mbps		\$5.00/month auto-pay discount
AT&T Fiber	1,000/1,000	\$80/month	Price includes available
	Mbps		\$5.00/month auto-pay discount
AT&T Fiber	2,000/2,000	\$150/month	Price includes available
	Mbps		\$5.00/month auto-pay discount
AT&T Fiber	5,000/5,000	\$250/month	Price includes available
	Mbps		\$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/."

<sup>&</sup>lt;sup>17</sup> Prices may increase at no more than the rate of inflation, defined by the Consumer Price Index.

<sup>&</sup>lt;sup>18</sup> 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 G Mediacom Service Plans

As a condition of the grant awards in this Resolution, Mediacom 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 prices<sup>19</sup> in the Table below, including installation, for at least five years following project completion.

• Lake County Grant Build

Plan	Speed	Price in 2024	Notes
		Dollars	
Connect2Compete	25/3 Mbps	\$14.95/month	Only available to residents with
			a student in a K-12 school on
			free/reduced lunch.
Connect2Compete	100/20	\$30/month	Only available to residents who
Plus	Mbps		qualify for the ACP.
Internet100	100/100	\$39.99/month	Data Cap: 1000 GB
	Mbps		
Internet300	300/100	\$94.99/month	Data Cap: 1,500 GB
	Mbps		_
1 Gig Internet	1,000/100	\$114.99/month	Data Cap: 3,000 GB
_	Mbps		
1 Gig Internet	1,000/1,000	\$154.99/month	No Data Cap
Symmetrical	Mbps		
Unlimited	_		
2 Gig Unlimited	2,000/1,000	\$179.99/month	No Data Cap
	Mbps		

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

<sup>&</sup>lt;sup>19</sup> Prices may increase at no more than the rate of inflation, defined by the Consumer Price Index.

#### APPENDIX H

# 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 Uti Resolution or Award Letter and agrees to comply with all grant terms, condition forth in the Resolution or Award Letter and those in the Federal Funding Accourules. Awards are contingent on available state budget appropriations funding.	ns, and requirements set
Undersigned representative of [Name authorized to execute this Consent Form on behalf of the Awardee and to bind terms, conditions, and requirements set forth in California Public Utilities Commaward Letter and those in the Federal Funding Account, Last Mile program rule	the Awardee to the nission Resolution or
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:	