

Decision 26-06-033

June 11, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VELOCITY  
COMMUNICATIONS, INC. for  
Rehearing of Resolution T-17898.

Application 26-01-019

**ORDER DENYING REHEARING OF RESOLUTION T-17898**

In this Order, we dispose of the application for rehearing of Resolution (Res.) T-17898 filed by Velocity Communications, Inc. (Velocity). We have determined that good cause has not been demonstrated to grant rehearing of the Resolution.

**I. BACKGROUND**

On February 23, 2023, the California Public Utilities Commission (Commission) initiated an Order Instituting Rulemaking (OIR), R.23-02-016, to consider rules to determine grant funding, eligibility, and compliance for funds distributed to California under the federal Broadband Equity, Access, and Deployment (BEAD) Program, created by the Infrastructure Investment and Jobs Act of 2021 (IIJA). (P.L. 117-58 § 60102(b) (2021).) Among the law’s numerous provisions, the IIJA established the \$42.45 billion BEAD Program, administered by the National Telecommunications and Information Administration (NTIA). California is eligible to receive approximately \$1.86 billion in BEAD funding, based on the federal government’s calculation of California’s share of unserved locations nationally.

After receiving BEAD funding from the NTIA, a state may award subgrants competitively to subgrantees to carry out the following broadband deployment activities: (1) unserved service projects; (2) underserved service projects; (3) projects connecting eligible community anchor institutions (CAI); (4) broadband data collection, mapping, and planning; (5) installing internet and Wi-Fi infrastructure or providing reduced-cost broadband within a multi-family residential building; (6) broadband adoption programs; and (7) other activities determined by NTIA, including administrative

activities undertaken by the State. (Decision (D.) 24-09-050, pp. 1-2.)

On May 13, 2022, the NTIA released the Notice of Funding Opportunity (NOFO) describing the requirements for awarding grants in connection with the BEAD Program.<sup>1</sup> Among other requirements, the NOFO directs states participating as “eligible entities” to submit an Initial Proposal and Final Proposal for NTIA review and approval before the NTIA will release BEAD funding. (NOFO, pp. 9-10, 84.) If the NTIA disapproves the Initial or Final Proposal, the NTIA will provide the eligible entity with an opportunity to resubmit the Initial or Final Proposal for reconsideration. (NOFO, p. 84.)

After submission of its Initial Proposal to NTIA and before awarding BEAD funds to subgrantees, the NOFO requires the Commission to conduct the NTIA-approved Challenge Process, whereby a unit of local government, nonprofit organization, or broadband service provider can challenge a mapping determination as to whether a particular location or CAI is eligible for the grant funds, including whether a particular location is unserved, underserved, or served. (NOFO, p. 9.) The NOFO defines reliable broadband service as: “broadband service that the Broadband DATA Maps show is accessible to a location via: (i) fiber-optic technology; (ii) Cable Modem/ Hybrid fiber-coaxial technology; (iii) digital subscriber line (DSL) technology; or (iv) terrestrial fixed wireless technology utilizing entirely licensed spectrum or using a hybrid of licensed and unlicensed spectrum.” (NOFO, p. 15.) Staff utilized Version 4 of the Broadband Serviceable Locations Fabric, which was released by NTIA on May 14, 2024, as the basis for the BEAD Challenge Process. This data point was set for the Commission and held constant by NTIA.

The Commission held the initial BEAD Prequalification Application window on March 25 – May 1, 2025, and the initial Project Application window on April 2 – May 9, 2025. Commission Staff’s evaluation of the subgrantees’ applications was therefore already well underway when NTIA issued its Restructuring Policy Notice (RPN) on June 6, 2025. NTIA’s RPN added new requirements, including but not exclusive to, the need

---

<sup>1</sup> The BEAD NOFO is available at: <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>.

to revise the file containing eligible Broadband Serviceable Locations (BSLs) to account for unlicensed fixed wireless service that could demonstrate they are served, revise the scoring rubric to evaluate applications, open an additional application round incorporating the RPN policy changes to provide the opportunity for all eligible technologies to qualify for Priority status, and submit a Final Proposal by September 4, 2025. Staff submitted subsequent waiver requests and NTIA ultimately extended the Final Proposal submission deadline to December 19, 2025. (Res. T-17898, p. 3.)

On July 24, 2025, the Commission approved D.25-07-040, which modified D.24-05-029 and D.24-09-050, to implement the changes NTIA mandated in the BEAD RPN. D.25-07-040 requires Staff to submit the Final Proposal for Commission approval. (Res. T-17898, p. 3.)

As discussed above, the Commission was required to hold a BEAD Challenge Phase prior to making subgrantee awards. This process was called BEAD 1.0 which refers to BEAD programmatic design prior to the RPN. The Commission's BEAD Challenge Phase opened on July 8, 2024, at 8:00 a.m. PST and ended on August 6, 2024, at 11:59 p.m. PST. Staff evaluated the evidence provided by the challenging entities and updated its BEAD-eligible location list based on its review.

Velocity Communications, Inc. (Velocity) participated in the BEAD Challenge Phase and submitted evidence alleging that certain areas proposed by Stimulus Technologies of California, LLC (Stimulus) were already adequately served by Velocity. One of Velocity's challenges was accepted, CA-1993, in which Velocity provided sufficient evidence showing that 242 locations were adequately served using FTTP technology and provided at least 100/20 megabits per second (Mbps) service. However, the remaining eight existing service challenges, CA-1985 thru CA-1992 consisting of 1,049 locations which used Licensed by Rule (Code 72) technology, were rejected because sufficient evidence was not provided. Specifically, the Fixed Wireless Access (FWA) technical template was incomplete or empty, even after multiple revision requests were sent by Staff to Velocity. Therefore, it was not possible for Staff to evaluate the information Velocity provided in their responses. As a result, Staff rejected Velocity's

challenge for these 1049 locations.

California's BEAD Challenge results were submitted in December 2024 to NTIA and approved in January 2025. (Res. T-17898, p. 4.) Upon NTIA approval of the BEAD Challenge Process, Staff published a final map of locations eligible for BEAD funding along with additional materials for the public on its BEAD Challenge Process website.

The BEAD RPN required Staff to adjust California's BEAD-eligible locations for BEAD 2.0 ("BEAD 2.0" refers to the BEAD programmatic design after the changes made by the RPN). Staff accounted for locations that did not require BEAD funding using the reason code process detailed in NTIA's Final Proposal Guidance, consistent with requirements in the RPN. Staff investigated locations served by unlicensed fixed wireless (Reason Code 5), locations with pending enforceable commitments (Reason Code 4), locations that were removed from Version 6 of the Federal Communications Commission (FCC) Fabric (Reason Code 3), and CAI designations to update its BEAD-eligible locations list in compliance with the RPN. (Res. T-17898, pp. 4-5.)

On June 13, 2025, Staff received a list of changes to federal enforceable commitments from its NTIA Federal Program Officer. Staff evaluated this list and modified its BEAD-eligible locations list accordingly. Staff compared locations in Version 6 of the FCC Fabric with California's post-challenge BEAD eligible locations list and removed locations that were removed from Version 6 of the FCC Fabric for BEAD 2.0, consistent with requirements in NTIA's Final Proposal Guidance and the RPN. Staff removed locations from its approved CAI list that no longer qualified as CAIs under the definition adopted by the RPN. (Res. T-17898, p. 5.)

On June 18, 2025, Staff notified unlicensed fixed wireless providers to indicate their intent to submit evidence that BEAD-eligible locations they serve have access to BEAD-qualified service. Providers were given a seven-day window, consistent with requirements in the RPN, to notify Staff of their intent to submit their evidence and were given an evidence template developed by Staff and instructions. (Res. T-17898,

p. 5.)

On July 19, 2025, the State published the final list of the approved post-Challenge Process location classifications reconciled for BEAD 2.0 on the Commission's website. The locations included in this final list constitute all locations that applicants could apply to serve in the BEAD 2.0 process. (Res. T-17898, p. 5.)

On December 2, 2025, Commission Staff issued draft Resolution T-17898 setting forth the recommended Final BEAD Proposal for submission to NTIA. Velocity filed comments on Draft Resolution T-17898 on December 9, 2025.

On December 18, 2025, the Commission adopted Res. T-17898, which approved the Final BEAD Proposal and authorized Staff to submit the final proposal to NTIA. The Final Proposal builds on the previously approved Initial Proposal, which was modified in accordance with the BEAD RPN, and includes a list of preliminary awards to applicants selected for BEAD grant funding through the BEAD Subgrantee Selection Process.

On January 20, 2026, Velocity filed an application for rehearing of Res. T-17898 (Application 26-01-019). Velocity seeks rehearing regarding the BEAD funds preliminarily awarded to Stimulus (Project ID CM61-BEAD-CA-176-9393) to build wireline broadband facilities in several California communities including Willow Creek, Salyer, Hawkins Bar, Burnt Ranch, Big Bar and Lewiston. (Reh. App., p. 1.) Velocity alleges that Res. T-17898 errs by awarding funds to Stimulus in areas in which Velocity already provides broadband at the required speeds by: (1) discounting Velocity's broadband service because it is provided via fixed wireless facilities; and (2) by relying on outdated broadband data that was compiled before Velocity expanded the geographic scope and capabilities of its broadband services.

## II. DISCUSSION

### A. **Rehearing is unwarranted because Velocity fails to demonstrate legal error.**

Pursuant to the Commission's Rules of Practice and Procedure (Rules) Rule 16.1(c), the purpose of an application for rehearing is to alert the Commission to a

legal error, so that the Commission may correct it expeditiously. In its rehearing application, Velocity alleges that Res. T-17898 errs by awarding funds to Stimulus in the following areas where Velocity already provides broadband at the required speeds (Willow Creek, Salyer, Hawkins Bar, Burnt Ranch, Big Bar and Lewiston). (Reh. App., p. 1.) Velocity further argues that awarding public funds to overbuild existing broadband facilities is contrary to the public interest and constitutes legal error such that the Commission should correct the Resolution by removing the Stimulus award in these areas and notifying NTIA of this change. (Reh. App., p. 6.)

Velocity's allegation that the award to Stimulus in the aforementioned areas will overbuild existing broadband facilities is unsubstantiated. Staff adhered to the guidelines and requirements set forth in the BEAD RPN and other BEAD Program guidance when making preliminary award determinations. (Res. T-17898, p. 24.)

Velocity participated in the BEAD Challenge Process and was afforded the opportunity to challenge the areas that the carriers proposed to offer broadband service. Staff accepted Velocity's challenge, CA-1993, as Velocity provided sufficient evidence to demonstrate that 242 locations using FTTP technology received at least 100/20 Mbps service. However, Staff denied Velocity's remaining eight service challenges, CA-1985 through CA-1992 consisting of 1,049 locations which used Licensed by Rule (Code 72) technology, due to insufficient evidence. Specifically, Velocity provided an incomplete or empty FWA template, even after Staff sent Velocity multiple revision requests. As a result, Staff did not have sufficient evidence to evaluate Velocity's remaining challenges and accordingly rejected Velocity's remaining eight challenges.

Staff therefore reviewed Velocity's evidence and appropriately excluded the areas that were no longer eligible for BEAD funding. The remaining areas that were included in the Final BEAD Proposal were deemed by Staff as eligible for BEAD funding. (Res. T-17898, pp. 4, 5.)

Moreover, the Final BEAD Proposal may still be modified by NTIA prior to the issuance of BEAD funding. Res. T-17898 states that Staff will continue working with NTIA to make any needed adjustments prior to issuing BEAD awards.

(Res. T-17898, p. 24.) Velocity acknowledges in its rehearing application that the Final BEAD Proposal may still be modified by NTIA but argues that the Commission should make the adjustments now to expedite NTIA's review of the BEAD Final Proposal. (Reh. App., p. 3.) However, Velocity's demand that the Commission make adjustments now are unfounded and its allegations fail to demonstrate legal or factual errors.

**B. The Resolution relied on the data point set by NTIA.**

Velocity alleges that the Commission either failed to review the updated FCC and Commission broadband maps entirely or relied on outdated versions of the broadband maps from 2023 rather than the broadband maps that were updated as of December 31, 2024. (Reh. App., p. 3.) D.24-05-029 requires that the Commission utilize the latest available version of the FCC's National Broadband Map to determine where a broadband serviceable location is served, unserved, or underserved in compliance with NTIA instructions. (D.24-05-029, p. 65.) Staff utilized the most recent broadband maps that were available at the time of the BEAD Challenge Process. As Res. T-17898 states: "Version 4 of the Broadband Serviceable Locations Fabric, released by NTIA on May 14, 2024, served as the basis for the BEAD Challenge Process." (Res. T-17898 at 4.) This was the data point set by and held constant by NTIA.

Staff made updates to the broadband maps after the BEAD Challenge Process as stated in Res. T-17898:

The BEAD Challenge Phase opened on July 8, 2024, at 8:00 a.m. PST and ended on August 6, 2024, at 11:59 p.m. PST. Staff evaluated the evidence provided by the challenging entities and updated its BEAD-eligible location list based on its review. California's BEAD Challenge results were submitted in December 2024 to NTIA and approved in January 2025.

Upon NTIA approval of the BEAD challenge process, Staff published final map of locations eligible for BEAD funding. Staff published additional materials for the public on its BEAD Challenge Process website.

(Res. T-17898, p. 4.)

As Res. T-17898 demonstrates, Staff relied upon the broadband maps

approved by NTIA to be utilized during the BEAD Challenge Phase which began prior to December 31, 2024. Staff could not have utilized the broadband maps which were updated as of December 31, 2024, during the BEAD Challenge Phase as the BEAD Challenge Phase ended on August 6, 2024. However, carriers were given the opportunity during the BEAD Challenge Phase to demonstrate whether locations identified in the broadband maps as eligible locations were adequately served.

Velocity participated in the formal BEAD Challenge Phase and successfully demonstrated that 242 locations were adequately served. Therefore, Staff excluded those areas from the BEAD awards. Staff's denial of Velocity's remaining eight challenges was not due to Staff's reliance on the broadband maps but resulted from Velocity's failure to provide sufficient evidence to demonstrate that the areas Velocity challenged were adequately served, despite numerous requests from Staff. Therefore, Velocity's allegation that the Resolution relied on outdated versions of the broadband maps has no merit.

**C. Resolution T-17898 did not discount broadband provided via fixed wireless.**

Velocity further alleges that the Resolution discounts broadband provided via fixed wireless. (Reh. App., p. 3.) Velocity states that it provides broadband service in Willow Creek, Salyer, Hawkins Bar, Burnt Ranch, Big Bar and Lewiston predominantly via fixed wireless technology. (Reh. App., p. 4.) Velocity further alleges that because Commission Staff failed to fund fixed wireless projects, it also appears that they disregarded existing fixed wireless networks already providing broadband at required speeds. (Reh. App., p. 5.)

Contrary to Velocity's allegations, Commission Staff scored the BEAD applications in alignment with the scoring rubric provided in the RPN which requires a technology-neutral approach. The review process included the following steps:

- *Sufficiency review*: Staff evaluated applications for completeness and sufficiency. Individual components of the application were then reviewed by Staff subject matter experts.

- *Financial review:* Staff reviewed responses to questions related to the applicant's financial capability and project-specific financial documentation.
- *Technical review:* Staff reviewed responses to questions related to technical design for technical feasibility and for Priority/Non-Priority determinations. Staff's technical review followed a uniform, **technology-neutral approach** consistent with the RPN.

(Res. T-17898 at 6 [emphasis added].)

Staff evaluated the proposals across a range of technologies such as fiber, hybrid fiber-coaxial (HFC), licensed and unlicensed fixed wireless, and low-earth-orbit (LEO) satellite systems and reviewed to ensure compliance with statutory and policy criteria. Staff evaluated the proposals utilizing a technology-neutral approach to ensure that only projects capable of delivering reliable, high-quality, and cost-effective broadband service advanced as Priority Broadband Projects. (Res. T-17898, p. 21.) In addition, to safeguard impartiality and uphold the integrity of the subgrantee selection process, Staff engaged independent and conflict-free reviewers who were technical experts, financial specialists, and analytics reviewers and knowledgeable of the BEAD requirements and followed standardized procedures and quality-control protocols. Their findings were consolidated and presented to Staff for final award determinations.

(Res. T-17898, p. 21.)

Furthermore, Res. T-17898 did not discount broadband service provided via fixed wireless service. During the "Benefit of the Bargain" (per the RPN, herein referred to as BEAD 2.0) application process, 103 Licensed Fixed Wireless (LFW) and 14 Unlicensed Fixed Wireless (ULFW) applications were received. Four of those proposals were hybrid technology applications wherein two wireless technologies were applied to the same plan for a total of 113 applications for consideration. During negotiations, several applications were consolidated for efficiency in agreement with the applicants who submitted them. These negotiations resulted in a total of 86 LFW and 12 ULFW applications for a combined total of 94 wireless applications to consider (the total was adjusted for the 4 hybrid applications which were included in these numbers).

Preliminary awards were made to 13 LFW applications and 5 ULFW applications representing a total of 16 fixed wireless preliminary awards (adjusted for 2 of the 4 hybrid technology submittals). A total of 83 preliminary awards were issued. As a result, 19.28% of the preliminary awards were made to a wireless provider application (16/83). Therefore, contrary to Velocity's allegations, Res. T-17898 gave due consideration to proposals offering broadband via fixed wireless. (*See* Res. T-17898, Appendix B2 [list of deployment projects].)

Resolution T-17898 demonstrates that the BEAD awards were recommended on a technologically-neutral basis and did not discount broadband service provided via fixed wireless as awards were made to fixed wireless providers. Therefore, Velocity's allegation that Resolution T-17898 discounts broadband provided via fixed wireless is meritless.

### III. CONCLUSION

As discussed above, we have determined that good cause has not been demonstrated to grant rehearing. As such, rehearing of Res. T-17898 should be denied.

**THEREFORE, IT IS ORDERED** that:

1. Rehearing of Resolution T-17898 is hereby denied because no legal error has been demonstrated.
2. This proceeding, Application 26-01-019, is closed.

This order is effective today.

Dated June 11, 2026 at Sacramento, California.

JOHN J.D. REYNOLDS  
President  
DARCIE L. HOUCK  
KAREN DOUGLAS  
MATTHEW BAKER  
CHRISTINE HARADA  
Commissioners