

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight and Programs Branch**

**RESOLUTION T-17265
May 6, 2010**

R E S O L U T I O N

Resolution T-17265 Funding Approval for Audeamus LLC. (dba Sebastian) (U-6217-C) Last Mile Project, from the California Advanced Services Fund (CASF), Amounting to \$1,154,494.50.

Summary

This Resolution adopts a contingent funding award for Audeamus LLC. dba Sebastian (Audeamus) Last Mile project, amounting to \$1,154,494.50 from the California Advanced Services Fund (CASF). This award will provide broadband service to unserved and underserved areas in Fresno County in accordance with Commission Resolution T-17143 and Decision (D.) 09-07-020.

Background

On December 20, 2007, the Commission approved D.07-12-054 which established the two-year CASF program to provide matching funds of up to 40% of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in California.¹ Resolution T-17143, approved on June 12, 2008, adopted application requirements, scoring criteria for the award of funds, and a prescribed timeline for other filings and notifications including a projected Commission Meeting date for final approval of award(s).

On July 9, 2009, the Commission issued D.09-07-020 establishing new schedules and plans for the filing, review and approval of an additional round of broadband project requests. This decision also provides the potential for the applicants to seek CASF program funding while pursuing funding for broadband deployment grants issued under the American Recovery and Reinvestment Act (Recovery Act).² Because the federal grants under the Recovery Act can fund up to 80% of the project. In D.09-07-

¹ SB 1193 (Chapter 393, Stats. of 2008) established the California Advanced Services Fund as a new public purpose program.

² The American Recovery and Reinvestment Act (Recovery Act) appropriates \$7.2 billion for grants and loans to support broadband deployment on a national level. The Recovery Act offers a unique and ground breaking opportunity for California to partner with the federal government and other state agencies in advancing the goal of bridging the digital divide.

020, the Commission provided applicants in D.09-07-020 the opportunity to seek an additional 10% funding coverage from the CASF, leaving only 10% for the applicant to provide.

As of February 25, 2010, \$87.11 million has been granted for 42 projects covering 28,741 square miles, benefiting 294,807 potential households as follows:

- Unserved- \$12.04 million, 17 projects, 4,302 square miles, and 33,327 households
- Underserved- \$75.07 million, 25 projects, 24,438 square miles, and 261,530 households.

Notice/Protests

The Census Block Group (CBG) list for the Audeamus Last Mile project was posted on the Commission's CASF website page under "(1) UNSERVED areas proposed to be served as of August 14, 2009: Census Block Groups (CBGs)," and (2) UNDERSERVED areas proposed to be served as of August 14, 2009: Census Block Groups (CBGs)". This list showed the counties that the CBGs are in. Two challenges were filed with the Communications Division (CD) for five CBGs by Kerman Telephone and Comcast.

Discussion

Summary

This Resolution adopts contingent funding of \$1,154,494.50 for the proposed Audeamus, LLC. Last Mile project in Fresno County. Key information for this project is contained in Appendix A, page A-1. Maps of the proposed project can be found on pages A-2 and A-3 of Appendix A.

Original Project Overview

On August 14, 2009, Audeamus originally submitted its Last Mile application for the areas of San Joaquin, Tranquillity and West Fresno. The total project cost was estimated at \$5,483,000 of which 10%, or \$548,300, was being requested from CASF, as a match to Audeamus' 80% Recovery Act fund request.

Audeamus is a wholly owned subsidiary of Sebastian Enterprises, Inc. (Sebastian). Sebastian is the parent company of two local exchange carriers Kerman Telephone Company and Foresthill Telephone Company. Audeamus seeks funding to serve consumers, businesses, and community anchor institutions in rural areas close to Sebastian's local exchange areas that are currently unserved and underserved. Audeamus' management and personnel have over nine years of broadband service experience and over 25 years of telecommunications related experience making them well prepared to provide shovel-ready broadband access to these communities.

Audeamus's Last Mile proposed areas will be overbuilt with fiber optic cables passing every household, business, school, and public agency in the area. These fiber cables will be routed back and terminated to a Broadband Loop Carrier (BLC) cabinet. These BLCs will be sized and equipped with optical line termination equipment to serve their respective areas. The BLCs for Tranquillity will be linked to Kerman's central office via a fiber optic cable loop. This ring configuration will have Ethernet Protection Switching (EPS) which can perform a path switchover in less than 50 milliseconds in the event of a cable cut or equipment failure. The BLC for the West Fresno area will be connected in the same manner on a separate ring to the central office. The BLC access equipment in the central office will be connected to the existing core switches and thus to Audeamus' existing core network with access to internet and video services. This network configuration has proven to be reliable and proficient in providing high quality, high bandwidth services.

Audeamus proposes to offer high-speed internet access, data, long distance and video (IPTV). Audeamus anticipates a VoIP offering may be feasible in this area and is exploring this potential. The proposed Technology to provide these services is a standards-based point-to-point Fiber to the Premises (FTTP) technology. This Active Ethernet over Fiber technology is based on IEEE 802.3 standards and provides the largest bandwidth connection to subscribers currently available.

Audeamus proposes to offer high-speed internet access service at speeds of up to 50 Megabits per second (mbps) download and up to 20 mbps upload for business customers. The following table outlines Audeamus' initial product and pricing service strategy. Audeamus' proposal includes a commitment to honor these prices for at least 24 months from initial service deployment, with one year term commitment required of customers who subscribe to the entry broadband package. Non-recurring charges include \$99 installation charges for standard service installation, non-standards installation charge which may occur where substantial house rewiring is required to facilitate service, with maintenance or repair charges at hourly loaded labor rate of \$95/hr, first hour or fraction thereof of \$23.75. Standard business terms and conditions will apply to all customer accounts.

Audeamus dba Sebastian, Product and Pricing Proposal:

Tier Designation	Advertised Speeds		Average Speeds		Pricing Plan \$ per Month
	Downstream mbps	Upstream mbps	Downstream mbps	Upstream mbps	
Residential					
Entry-Level	5	2	5	2	\$33.95
Maximum	35	5	20	5	\$99.00
Other Residential Tiers	20	3	20	3	\$59.95
Business or Institutions					
Entry Level	10	3	10	3	\$79.95
Maximum	50	5	50	5	\$399.99
Other Business or Institution Tiers (30%) Discount for Critical and Strategic Institutions	50	20	50	20	\$279.95

Among those public agencies and anchor institutions that have a collaborative interest in Audeamus receiving project approval are the U.S. Department of Commerce, County of Fresno, Fresno County Sherriff's Office, City of San Joaquin, City of Kerman, Kerman Unified School District, Fresno County Public Library, Fresno Fire Department, Kerman Police Department, Fresno County Farm Bureau, Kerman Chamber of Commerce, United Health Centers of the San Joaquin Valley and Valley Health Team, Inc.. All of these organizations have provided documented support to Audeamus for this project.

Proposal Analysis Overview

For qualification purposes under the CASF program, unserved areas are defined as areas not served by any form of facilities-based broadband, or where internet connectivity is available only through dial-up service or satellite. Likewise, underserved areas are defined as areas where broadband is available but no facilities-based provider offers service at speeds of at least 3 mbps download and 1 mbps upload.

The Communications Division (CD) reviewed this project's eligibility through analysis of the required submitted data. These data include, but are not limited to: proof of Certificate of Public Convenience and Necessity (CPCN) registration; descriptions of current and proposed broadband infrastructure; Geographic Information System (GIS) formatted Shapefiles mapping the subject areas; assertion that the area is unserved and/or underserved; potential subscriber size and household incomes; project

construction schedule; project budget; proposed pricing and commitment period for new subscribers; and, financial qualifications of the applicant. In addition, CD reviewed the submitted Shapefiles, which mapped the broadband deployment in the proposed areas using United States 2000 Census data, the January, 2008, Broadband Task Force Report (BBTF) including its on-line maps, and the revised August 10, 2009, California Broadband Task Force (CBTF) maps, among others. CD conducted its independent review and analysis of the Audeamus Last Mile project to verify that the areas proposed to be served by Audeamus did not coincide with areas shown as served on the updated broadband availability maps. When necessary, CD performed verification with the applicant which included requests for additional data and/or other communication with the applicant in order to clarify their project proposal.

Service Area Challenges and Outcomes

Of the one (1) unserved and five (5) underserved CBGs originally submitted for this proposed project, 5 underserved CBGs were formally challenged by Kerman and Comcast.³ Challenges of underserved CBGs were independently reviewed and CD determined that the proposed project area was in conflict with some already-existing service in the several CBGs. Thus, CD asked Audeamus to address the challenges filed either through a modification of the proposed areas and project cost or rebuttal of challenges filed. Audeamus chose to defer action on CD's request pending the outcome of their Recovery Act application.

Recovery Act Award

On January 25, 2010, Audeamus was awarded a 50% Broadband Initiatives Program (BIP) loan of \$2,741,505 and 50% BIP grant of \$2,741,505 for the areas of San Joaquin, Tranquillity and West Fresno for a total of \$5,483,010 or 100% funding under the Recovery Act.

Revised CASF Proposal

On February 3, 2010, Audeamus filed with the Commission a Modification to and renewal of the initial CASF funding proposal. The revised proposal seeks an increase in their CASF funding request from 10% (\$548,300) to 40% (\$2,193,200) since Audeamus has received only 50% federal grant for the project instead of their Recovery Act request of 80% grant. Audeamus anticipated an 80% grant (\$4,386,400) from the Recovery Act and stated in their Recovery Act submission that lower grant levels were not sustainable given the project's financial viability. Audeamus asserted that 50% grant and 50% combination loan funding would result in cumulative operating losses of nearly \$300,000 by the end of year 5.

³ Audeamus subsequently modified its request on March 31, 2010, as discussed below.

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The Recovery Act's approval of Audeamus' application shows that the project is 100% funded. However, based on the communications received by CD from Audeamus, the project would not be viable under the 50%/50% grant-loan combination and would only be viable under an 80% Federal grant financing and 10% CASF funding.

On March 3, 2010, Audeamus submitted a revised proposal reducing the CBGs from 1 unserved and 5 underserved to 1 unserved and 3 underserved. The revised proposal also included a modified map of the project removing already-existing service areas, revised project costs, revised CBGs list, and revised potential households to be benefited by the project.

Audeamus project area coverage has been reduced from 21.6 to 20.6 miles and from 1 unserved and 5 underserved CBGs to 1 unserved and 3 underserved CBGs (60190082002, 60190041001, 60190039005, 60190039004) in West Fresno and Tranquillity, revised total project costs of \$3,320,470, and CASF funding request of 40% of the project cost.

The total proposed project of 20.6 square miles surrounds unserved and underserved areas of 585 households and 34 businesses. Audeamus proposes to deploy the network so that it passes and has the capacity to serve every household and business in the specified markets. Some portion of the capacity will be reserved for public benefit organizations such as fire and police departments, hospitals, and educational institutions who desire to have their own fiber optic network to improve community services. Audeamus estimates that the revised project would be completed within 18 months from the beginning of construction, expected to start upon approval of this resolution.

CD Analysis of Revised Proposal

Since Audeamus is one of the two broadband providers to date that have been successful in securing Recovery Act funds for broadband infrastructure⁴, a CASF grant to Audeamus would effectively leverage federal grant monies and be beneficial to California's efforts towards deployment and upgrading of broadband, job creation, and economic growth in unserved and underserved areas. Likewise, based on the guidelines of the Recovery Act, no awards will be considered for the same Audeamus approved areas. The loss of this project will mean the loss of much-needed federal funds to California. Additionally, CD has determined that the four CBGs covering the proposed area are qualified as unserved and/or underserved as defined in Resolution T-17143,

Pursuant to Decision (D.) 09-07-020, OP 7:

⁴ Ponderosa CableVision has also been granted 50% grant and 50% loan funding under the Recovery Act's first round.

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In situation where an applicant receives an award of up to 10% matching California Advanced Service Fund funds, but where matching American Recovery and Reinvestment Act funds are awarded below the amount that the applicant requested, such applicants shall be permitted to reapply with the California Public Utilities Commission for additional California Advanced Service Fund funding up to a cumulative maximum of 40% of the broadband project cost, or 50% of the requested American Recovery and Reinvestment Act funding that was denied, whichever is less.

Pursuant to OP7 of D.09-07-020, CASF can therefore fund up to a cumulative maximum of 40% of the broadband project cost, or 50% of the requested Recovery Act funding that was denied, whichever is less. The calculation of the two options is shown below and it shows that the CASF funding of 50% of the denied grant amount is less than 40% of the broadband project cost.

Option 1: 50% of the Denied Recovery grant amount requested

Total project cost originally filed under the Recovery Act	\$5,483,000	
Recovery Act grant funding originally requested	\$4,386,400	
Recovery Act grant awarded	- \$2,741,505	
Amount not approved as grant under the Recovery Act	\$1,644,895	
CASF funding allowed (50% of \$1,664,895)		\$ <u>822,447.50</u>

Option 2: 40% of the total project cost

Audeamus project cost filed	\$5,483,000	
40% of project cost (\$5,483,000x0.4)		\$ <u>2,193,200.00</u>

Based on these two options, CD recommends granting Audeamus an additional CASF grant of \$822,447.50.

As discussed previously, Audeamus' 10 % CASF funding per D. 09-07-020 would be \$332,047 based on Audeamus' revised CASF project cost, after reducing the coverage area from 21.6 to 20.6 miles and from 1 unserved and 5 underserved CBGs to 1 unserved to 3 underserved CBGs. Thus, the total CASF funding to Audeamus would be:

CASF funding based on D.09-07-020	\$ 332,047.00
Additional funding based on Option 1	\$ <u>822,447.50</u>
Total CASF funding	\$1,154,494.50

With the Recovery Act grant and with this adjustment to Audeamus' CASF funding award, Audeamus will still be expected to fund \$1,587,000.50 (\$5,483,000 - (\$1,154,494.50 + \$2,741,505)) through their internally generated funds and/or through other external funding source(s).

Loan Compliance Requirement

To prevent a scenario that Audeamus can leverage Recovery grants and loans with CASF awards to collect in excess of 100% of the project costs, Audeamus should be directed to forego the portion of the loan,⁵ equivalent to this CASF grant award. As a condition of this grant, Audeamus should submit proof to CD's Director that it will be foregoing the portion of the loan equivalent to this CASF grant award. CD should be copied on future correspondence between Audeamus and RUS. CD will send notice of this to the RUS Administrator.

Other Compliance Requirements

This project is subject to the California environmental Quality Act (CEQA). The Commission cannot authorize the disbursement of funds, and Audeamus cannot conduct ground disturbing activities prior to the completion of CEQA review. Audeamus should identify any other special permit requirements and should provide cross-references to government agencies from which the permits will be or have been required for this project in compliance with all other guidelines, requirements, and conditions associated with the granting of CASF funds as specified in T-17143 including the submission of FCC Form 477.

Since Audeamus will fund the balance of the total project cost from their own funds, grant awards and RUS loans and considering that Audeamus has an established track record with the Commission, Audeamus is not required to post a performance bond.

Payments to CASF Recipients

Submission of invoices from and payments to Audeamus shall be made in accordance with Section IX of Appendix A of Resolution T-17143 and according to the guidelines and supporting documentation required in Resolution T-17143.

Payment to Audeamus shall essentially follow the process adopted for funds created under Public Utilities Code §270. The following table describes the timeline for processing CASF payments.

⁵ Since Audeamus has been awarded a combined 50% loan which was not anticipated and 50% grant, CASF will grant matching funds of up to 10% plus half of the amount requested from Recovery Act that was denied. This amount denied from ARRA would be 30% (80% requested less the 50% granted). One half of this amount would be 15%. This 15% will be added to the 10% requested in the application..

There will be a difference in the project's total cost under the Recovery Act and CASF as the definitions of unserved and underserved areas differ.

Event	Payment Cycle 1 (Day/Month)	Payment Cycle 2 (Day/Month)
Invoices due from Audeamus Telecommunications, Inc. to CD	5 th of Month 1	20 th of Month 1
Payment letters from CD to Information and Management Services Division (IMSD) ⁶	On 19 th of Month 1	On 4 th of Month 2
Invoices submitted from IMSD to State Controller's Office (SCO) for payments	20 th through 26 th of Month 1	5 th through 13 th of Month 2

Audeamus may submit its invoices under Payment Cycle 1 or 2.

If any date in this payment schedule falls on a weekend or holiday, that date will be advanced to the next business day but the remaining dates in the payment schedule will remain unchanged. The SCO requires 14 to 21 days to issue payment from the day that requests are received by SCO.

Conclusion

The Commission finds CD's recommended contingent \$1,154,494.50 CASF funds award for 1 unserved and 3 underserved areas in the Audeamus LLC. Last Mile project as discussed in this Resolution and summarized in Appendix A to be reasonable and consistent with Commission orders, and, therefore, adopts such award.

Audeamus' contingent funding is based on (1) the provision of notification that they are foregoing the Recovery Act loan award equivalent to this CASF award, (2) CEQA, and (3) compliance with the requirements of Resolution T-17143.

Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed March 23, 2010, informing a) all CASF applicants filing under D.09-07-020, and b) parties on the service list of R.06-06-028 of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/static/documents/index.htm>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and will be available at this same website.

The Commission did not receive any comments on this resolution.

⁶ The above schedule is contingent on the CASF recipient submitting clear, complete, and error-free invoices to CD. Additional time to process payments may be necessary if CD finds problems with the submitted invoices.

Findings

1. The CASF, implemented by Decision (D.) 07-12-054 was established as a two-year program that will provide matching funds of up to 40% of the total project costs for the deployment of broadband infrastructure in unserved and underserved areas in California.
2. Resolution T-17143, approved on June 12, 2008, adopted the application requirements and scoring criteria for the award of funds, a prescribed timeline for other filings and notifications including a projected Commission Meeting date for final approval of award(s).
3. On July 9, 2009, the Commission issued D.09-07-020 approving a new CASF schedule and plan for an additional round of broadband projects that would complement broadband grants awarded under the federal government's American Recovery and Reinvestment Act (Recovery Act). While retaining the 40% matching grant process, the Commission in this Decision authorized providers an option of seeking a 10% grant from the CASF concurrent with efforts to seek an 80% grant from the ARRA fund.
4. On August 14, 2009, Audeamus, a certified Competitive Local Exchange Carrier (CLEC), U-6217-C, with over nine years of experience building fiber to the premise facilities, submitted its Last Mile application for the areas of San Joaquin, Tranquillity and West Fresno. The total project cost was estimated at \$5,483,000 of which 10%, or \$548,300, was being requested from CASF, as a match to Audeamus' 80% ARRA fund request.
5. Audeamus is a wholly owned subsidiary of Sebastian Enterprises, Inc. (Sebastian). Sebastian is a parent company of two local exchange carriers (Kerman Telephone Company and Foresthill Telephone Company).
6. Two local distribution rings would be built from the data center and central office to serve residents and businesses in two markets. The project proposes fiber-to-the-premise construction to 585 houses and 34 businesses in the communities of Tranquillity and West Fresno.
7. Audeamus LLC. Last Mile project proposes to offer high-speed internet access, data, long distance and video (IPTV) using the same standards-based point-to-point FTTP technology. This Active Ethernet over Fiber technology is based on IEEE 802.3 standards and provides the largest bandwidth connection to subscribers currently available.
8. Audeamus LLC.'s project proposal includes a commitment to reserve a portion of its network capacity for public benefit organizations who desire to have their own fiber optic network to improve community services.
9. Several public benefit organizations and anchor institutions with a collaborative interest in Audeamus LLC., receiving project approval, including hospitals, city

administrations, schools, and police departments, have provided documented support in favor of this application.

10. Unserved areas are defined as areas not served by any form of facilities-based broadband, or where internet connectivity is available only through dial-up service or satellite.
11. Underserved areas are defined as areas where broadband is available but not provider offers service at speeds at least 3 mbps download and 1 mbps upload.
12. A list of census block groups (CBGs) was posted on the Commission's CASF website page under "UNSERVED areas proposed to be served as of August 14, 2009: Census Block Groups (CBGs)", and "UNDERSERVED areas proposed to be served as of August 14, 2009: Census Block Groups (CBGs)." This list showed the counties that the CBGs are in. Of the one (1) unserved and five (5) underserved CBGs submitted for this proposed project, 5 underserved CBGs were formally challenged by Kerman and Comcast.
13. CD proceeded with its independent review and analysis of this project area to verify that it was unserved and/or underserved as of the applicant's filing date.
14. CD reviewed Audeamus LLC., Last Mile project eligibility through the analysis of required data submitted. These data include, but are not limited to: proof of Certificate of Public Convenience and Necessity (CPCN) registration; descriptions of current and proposed broadband infrastructure; geographic information system (GIS) formatted Shapefiles mapping the subject areas; assertion that the area is underserved; potential subscriber size and household incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and, financial qualifications of the applicant.
15. Shapefiles, which mapped the broadband deployment, were reviewed by CD using sources including, but not limited to, the United States 2000 Census data, the January, 2008, Broadband Task Force Report, and the revised August 10, 2009, California Broadband Task Force map, among others. These maps helped to verify the existence or non-existence of broadband service areas and broadband speeds, where available.
16. Based on CD's findings that some of the proposed areas were already served and not underserved, CD asked Audeamus to modify their proposal to address this issue.
17. On January 25, 2010, Audeamus was awarded 50% Broadband Technology Opportunities Program (BTOP) loan of \$2,741,505 and 50% Broadband Initiatives Program (BIP) grant of (\$2,741,505) for the areas of San Joaquin, Tranquillity, and West Fresno for a total of \$5,483,010 funding for a total project cost of \$5,483,000, a 100% funding.
18. On February 3, 2010, Audeamus filed with the Commission a Modification to and renewal of the initial CASF funding seeking an increase in their CASF funding

request from 10% (\$548,300) to 40% (\$2,193,200) since Audeamus has received only 50% federal grant for the project instead of their Recovery Act request of 80% grant.

19. On March 3, 2010, Audeamus submitted a revised map of the project removing already-existing service areas, revised project costs, revised CBGs list, and revised potential households to be benefited by the project.
20. Audeamus' proposed project area coverage has been reduced to 20.6 miles from the originally proposed 21.6 square miles in West Fresno and Tranquillity, revised total project costs of \$3,320,470, and CASF funding request of 40% of the project cost.
21. Audeamus' abandonment of the project if it fails to secure additional grant monies will be detrimental to California's efforts towards deployment and upgrading of broadband, job creation, and economic growth in unserved and underserved areas. Likewise, based on the guidelines of the Recovery Act that no awards will be considered for the same Audeamus approved areas, the loss of this project will mean the loss of much-needed federal funds to California.
22. To prevent a scenario that Audeamus can leverage Recovery grants and loans with CASF awards to collect in excess of 100% of the project costs, Audeamus should be directed to forego the portion of the loan.
23. CD has determined that the CBGs covering the proposed area are qualified as undeserved and/or underserved as defined in Resolution T-17143, and recommends approval of CASF funding of \$1,154,494.50 of the total revised project cost.
24. CD recommends that Audeamus' request for funding be considered contingent on the provision of notification that they are foregoing the Recovery Act loan award equivalent to this CASF award.
25. Audeamus LLC. should comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in Resolution T-17143 including the submission of FCC Form 477 and compliance with the California Environmental Quality Act (CEQA), among others.
26. Approval and disbursement of the first 25% CASF payment is contingent upon Audeamus LLC. (1) foregoing the Recovery Act Loan award, (2) compliance with the requirements of Resolution T-17143, and (3) completion of the Commission's California Environmental Quality Act (CEQA) review. The Commission must complete California Environmental Quality Act (CEQA) review before disbursing CASF funds to Audeamus for the construction of the backbone infrastructure.
27. A notice letter was emailed on March 23, 2010, informing a) all applicants filing for unserved and underserved areas and, b) parties on the service list of R.06-06-028 of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/static/documents/index.htm>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

28. The Commission finds CD's recommended CASF award to Audeamus of \$1,154,494.50, as discussed in this resolution and summarized in Appendix A, to be reasonable and consistent with Commission orders and hereby adopts such award.
29. Audeamus LLC.'s contingent funding is based on (1) the provision of notification that they are foregoing the Recovery Act loan award equivalent to this CASF award, (2) compliance with the requirements of Resolution T-17143.
30. CD should be copied on future correspondence between Audeamus and RUS. CD will send notice of this to the RUS Administrator.
31. If Audeamus is unable to build the Last Mile project, then Audeamus LLC. should notify the CD Director as soon as possible that the project will not be built so that CASF funds may be reallocated to other grants.
32. The Commission did not receive any comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. The California Advanced Services Fund shall award contingent funding of \$1,154,494.50 from the California Advanced Services Fund to Audeamus LLC., for the Last Mile project to provide service in unserved and underserved areas as described in the Discussion section and summarized in Appendix A of this Resolution.
2. Audeamus LLC. must comply with all guidelines, requirements, and conditions associated with the CASF funds award as specified in Resolution T-17233, T-17143 and D.09-07-020 including but not limited to FCC Form 477 and Commission auditing requirements.
3. Audeamus LLC. must notify the CD Director of the disposition of its Recovery Act loan application and work with Commission's staff to complete CEQA review of the project. Failure to comply may result in voiding of the grant.
4. CD must be copied on future correspondence between Audeamus and RUS. CD will send notice of this to the RUS Administrator.
5. If Audeamus LLC. Last Mile project will not be constructed, Audeamus LLC. must notify the Director of CD within 30 days of the decision that the project will not be constructed so that the committed CASF funds may be reallocated for other grants.
6. The program fund payment of \$1,154,494.50 for this Commission-approved unserved and underserved project must be paid out of the CASF fund in accordance with the guidelines adopted in Resolution T-17233, T-17143 and D.09-07-020.
7. Payments to Audeamus LLC. must be in accordance with Section IX of Appendix A of Resolution T-17143 and in accordance with the process defined in the "Payments to CASF Recipients" section of this resolution.

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This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 22, 2010. The following Commissioners approved it:

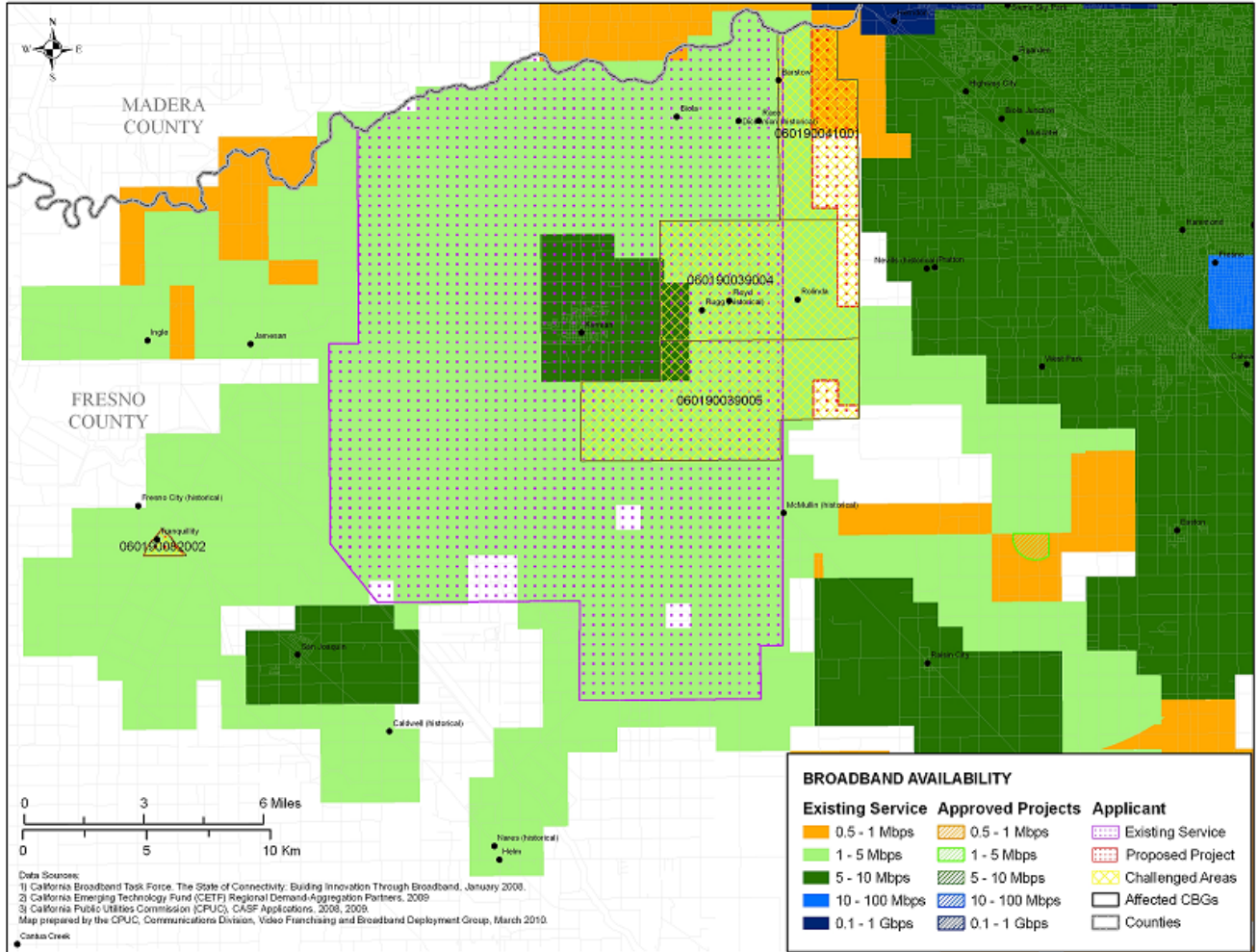
/s/ Paul Clanon
PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
NANCY E. RYAN
TIMOTHY ALAN SIMON
Commissioners

**APPENDIX A
Resolution T-
Audeamus LLC. Last Mile Project, Key Information**

1	<i>Project Name</i>	Audeamus - Tranquillity and West Fresno	
2	<i>Project Plan</i>	Offer High Speed internet, data, long distance and video (IPTV). The proposed technology to provide these services is the same standards-based point-to-point FTTP Technology.	
3	<i>Project Size (in square miles)</i>	20.6 (0.6 Unserved and 20 Underserved)	
4	<i>Download speed</i>	Business - 10-50 Mbps, can provide up to 100Mbps	Residential - 5-35 Mbps, up to 100Mbps
5	<i>Upload speed</i>	Business - 3-20 Mbps, can provide up to 100Mbps	Residential - 2-5 Mbps, up to 100Mbps
6	<i>Location</i>	Fresno County	
a)	<i>Community Name</i>	Tranquillity	
		West Fresno	
b)	<i>CBGs/Household Income</i>	<u>UNSERVED</u>	
		060190082002	\$13,128
		<u>UNDERSERVED</u>	
		060190041001	\$16,651
		060190039005	\$13,263
		060190039004	\$13,263
c)	<i>ZIP Codes</i>	<u>UNSERVED</u>	
		93668	
		<u>UNDERSERVED</u>	
		93722	
		93706	
7	<i>Estimated Potential Subscriber Size</i>		
a)	<i>Households</i>	234 Unserved; 351 Underserved	
b)	<i>Subscribers</i>	134 Unserved; 228 Underserved	
8	<i>Deployment Schedule (from Commission approval)</i>	18 months	
9	<i>Proposed Project Budget</i>	\$3,320,470	
	<i>CASF</i>	\$1,154,495.50	
	<i>CIAC</i>		
	<i>Amount of CASF Funds Approved</i>	\$1,154,495.50	

APPENDIX A Resolution T- 17241 Audeamus LLC. Last Mile Project Shapefiles



APPENDIX A
Resolution T- 17241
Audeamus LLC. Statewide Map



END OF APPENDIX A