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**CPUC APPROVES FUNDING FOR HIGH-SPEED
BROADBAND IN UNSERVED AREAS OF MOTHER LODGE REGION;
SETS NEW SCHEDULE FOR GRANTS UNDER ARRA FUNDING**

SAN FRANCISCO, July 9, 2009 – The California Public Utilities Commission (CPUC), in its ongoing efforts to help bridge the Digital Divide in the state, today approved funding of more than \$2.7 million to the Mother Lode Broadband project to bring high-speed Internet broadband for the first time to 14,629 unserved households in the Mother Lode region of Alpine, Amador, Calaveras, Tuolumne, and Mariposa counties. The CPUC also set a new schedule for broadband project requests for California Advanced Services Fund (CASF) grants when the applicant is also applying for economic stimulus money for broadband projects under the American Recovery and Reinvestment Act (ARRA).

The Mother Lode project plans to leverage local broadband provider experience, support, and presence by expanding a network of fixed wireless broadband services. The project will provide expanded backhaul to a regional network of primarily existing main towers linked via high capacity licensed spectrum, which will feed a network of repeater towers focused to deliver broadband to these unserved areas. The Mother Lode Broadband project will provide broadband service at an average speed of up to 14 mega bits per second (mbps) for both download and upload. Mother Lode plans to complete its project within approximately 20 months.

“This fixed wireless broadband project shows tremendous innovation in bringing very fast broadband to over 14,600 rural households in the Mother Lode region who have never had fast Internet access before,” said CPUC Commissioner Rachelle Chong, a member of the state’s Broadband Task Force. “Broadband is critical infrastructure like highways and bridges, because

it allows users to quickly apply for jobs, find health care information, access educational resources, telework, and other Web 2.0 applications.”

On December 20, 2007, the CPUC established the two-year, \$100 million CASF to provide 40 percent matching infrastructure grants to broadband providers willing to put up the matching 60 percent of funds and to serve the nearly 2,000 California communities that are currently unserved and underserved by broadband. Of that \$100 million, \$12.3 million in broadband infrastructure grants have so far been approved. CASF funds remain available for unserved and underserved areas and applications from broadband providers are still being accepted.

Separately, the CPUC approved a new schedule and plan for filing, review, and approval of an additional round of broadband project requests under the CASF program, where the applicant is also seeking a grant from the National Telecommunications and Information Administration (NTIA) or Rural Utilities Service (RUS) for broadband funds from the economic stimulus law. The new schedule was adopted so that CASF applicants could obtain up to 10 percent matching funds towards the project cost if they are applying to the NTIA or RUS for broadband grants under the ARRA, the federal government’s recently enacted economic stimulus plan. As a key part of its program for economic stimulus, ARRA appropriates \$7.2 billion for grants and loans to support broadband deployment on a national level. The CPUC has urged broadband companies to apply for broadband projects for California that meet the ARRA definition of “unserved” and “underserved”.

A CPUC resolution for ARRA eligible CASF projects filed by July 17, 2009, will be placed on the CPUC’s voting meeting agenda for the second meeting in September 2009, to coordinate with the federal government’s schedule for awarding initial ARRA grant applications. Applications submitted between July 18 and August 14, 2009, will receive second priority for consideration for approval at the second CPUC voting meeting in October 2009.

Said Commissioner Chong, “ARRA offers a unique opportunity for California broadband providers to partner with the state and federal governments to help bridge the digital divide. This decision allows us to leverage the remaining CASF funds together with ARRA funding to achieve our goal of broadband access for all.”

The adopted schedule is contained in Appendix 1 in the proposal adopted today:

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/103985.pdf.

For information on the broadband ARRA and the CPUC's July 10th workshop in San Francisco and July 13th workshop in Whittier on the application process for ARRA funds for broadband, please visit www.cpuc.ca.gov/puc/stimulus.

For more information on California's Recovery Task Force, please visit www.recovery.ca.gov.

For more information the Governor's Broadband Taskforce, please visit www.calink.ca.gov/taskforce/aboutus.asp.

For more information on communication issues, please visit www.CalPhoneInfo.com.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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