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**PRESS RELEASE**

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## **CPUC APPROVES MATCHING GRANTS FOR BROADBAND IN CENTRAL VALLEY AND NORTHERN CALIFORNIA**

SAN FRANCISCO, January 21, 2010 – The California Public Utilities Commission (CPUC) today approved three matching grants totaling \$27,778,681 from the California Advanced Services Fund (CASF) to bring high-speed Internet broadband services to unserved and underserved areas of the Central Valley, North Coast, and Northeastern California.

“These three projects would create numerous jobs in our state and they indicate how California and the federal government, working together and using stimulus funds, can greatly benefit our communities,” said CPUC President Michael R. Peevey. “Moving to quickly approve funding allows California to take advantage of federal stimulus funds, which may bring \$225,268,972 to our state.”

The projects are:

1) **California Valley Broadband Project by California Valley Broadband, LLC** would build a wireless network to serve communities in the counties of Fresno, Madera, Merced, Sacramento, San Joaquin, Solano, and Stanislaus. This project has a total cost of \$78,939,009. The project will receive 10 percent matching grants from the CASF contingent upon approval for 80 percent matching grants from the federal broadband stimulus portion (\$7.2 billion) of the American Recovery and Reinvestment Act (ARRA). Thus, CASF would provide \$7,893,700 and the federal government would provide \$63,152,300.

California Valley Broadband, LLC would construct a wireless network using WiFi and WiMAX frequencies to deliver Internet services, including VoIP, at speeds of up to 20 mbps download and 6 mbps upload to an estimated 40,905 potential unserved households and 36,290 underserved households. (Underserved are those accessing the Internet at speeds less than 3 mbps download and 1 mbps upload.) It would serve potential new subscribers, create an estimated 560 construction and related jobs, stimulate economic output and growth, and improve the lives of the residents of the

Central Valley area, the CPUC determined. California Valley Broadband, LLC is a consortium of three companies: Moreno Trenching, Mika Telecom Group, and MT2 Telecom, and was formed in May 2009 to develop this project. The proposal voted on is available at [http://docs.cpuc.ca.gov/WORD\\_PDF/AGENDA\\_RESOLUTION/112591.PDF](http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_RESOLUTION/112591.PDF).

**2) Northeastern California Broadband Project by Broadband Associates International, Inc. (BBA)** involves the construction of 640 miles of fiber optic infrastructure from BBA's existing backbone at State Highway 299 for an overall coverage of approximately 6,000 square miles to serve schools, colleges, health centers, businesses, and residents in the counties of Butte, Colusa, Glenn, Lake, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Tehama, and Yuba. The project will receive 10 percent matching grants from the CASF contingent upon approval for 80 percent ARRA funding including a 10 percent matching fund waiver or a total of 90 percent from the federal broadband stimulus portion of the ARRA. Thus, CASF would provide \$18,012,964 and the federal government would provide \$162,116,672.

The project would provide connection to 11 county offices of education, 599 K-12 schools, five community colleges, the California State University at Chico, as well as libraries, healthcare centers, businesses, and residents. The project involves a consortium of BBA, Corporation for Education Network Initiatives in California's California Research and Education Network, and Level 3 Communications. The proposal voted on is available at [http://docs.cpuc.ca.gov/WORD\\_PDF/AGENDA\\_RESOLUTION/112208.PDF](http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_RESOLUTION/112208.PDF).

**3) Sea Ranch Project by Verizon California, Inc.**, would install new fiber optic line to serve unserved and underserved portions of the Sea Ranch - (Yardarm-95480 cluster), Cazadero, and Timber Cove areas along the northern Sonoma County coast. The project would provide Internet speeds of 7 mbps download and 0.768 mbps upload. The project spans 20 square miles and would serve approximately 232 households. The project will receive a 40 percent matching grant from the CASF and will not apply for ARRA funding. CASF Award: \$ 1,872,017. The proposal voted on is available at [http://docs.cpuc.ca.gov/WORD\\_PDF/AGENDA\\_RESOLUTION/112461.PDF](http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_RESOLUTION/112461.PDF).

On July 9, 2009, the CPUC established a new schedule for filing, review, and approval of CASF broadband fund applications to allow project sponsors to simultaneously apply for an 80 percent match from federal ARRA stimulus.

Before then, on December 20, 2007, the CPUC established the \$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, \$57,609,708 in broadband infrastructure grants have so far been approved. Today's approvals bring the total to \$85,388,389. Applications for CASF grants are still being accepted by the CPUC.

For information on the Governor's Broadband Taskforce, please visit [www.calink.ca.gov/taskforce/aboutus.asp](http://www.calink.ca.gov/taskforce/aboutus.asp).

For more information on communications issues, please visit [www.CalPhoneInfo.com](http://www.CalPhoneInfo.com).

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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