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PRESS RELEASE

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**CPUC APPROVES MATCHING BROADBAND GRANTS
FOR CENTRAL VALLEY AND MOTHER LODGE
TO LEVERAGE FEDERAL STIMULUS FUNDS**

SAN FRANCISCO, May 6, 2010 - The California Public Utilities Commission (CPUC) today approved two matching grants of \$4.3 million from the California Advanced Services Fund (CASF) to bring jobs and high-speed Internet access to unserved and underserved areas of the Central Valley and Mother Lode regions of the state.

The two grants are:

- 1) \$1.2 million for the Audeamus LLC Last Mile project in unserved and underserved Fresno County communities.
- 2) \$3.1 million for the Mother Lode Broadband Project in underserved areas of Tuolumne, Calaveras, Alpine, Amador, and Mariposa Counties.

Audeamus' fiber-optic cable project will provide Internet access at speeds of 5-35 mbps download, and 2-5 mbps upload for 234 unserved and 351 underserved households in the communities of Tranquillity and West Fresno. Businesses or institutions will be able to get access speeds of 10-50 mbps down, and 3-20 mbps up. Public agencies and anchor institutions that may be served by the project include the 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, U.S. Department of Commerce, United Health Centers of the San Joaquin Valley, and Valley Health Team, Inc.

The project is expected to create approximately 78 jobs in project construction and service provision.

The CASF grant would leverage federal funding awarded to Audeamus earlier this year by the Broadband Initiatives Program (BIP) under the \$7.2 billion broadband stimulus portion of the American Reinvestment and Recovery Act: \$2.7 million in grant monies and \$2.7 million in loan funding. The CPUC's CASF matching grant is contingent upon Audeamus foregoing the portion of the federal BIP loan equivalent to the CASF grant.

Audeamus is a wholly-owned subsidiary of Sebastian Enterprises, Inc., the parent company of Kerman Telephone Company and Foresthill Telephone Company, two local exchanges in California. Audeamus is one of two California providers, to date, to be awarded matching federal BIP grants from the Recovery Act. The other is Ponderosa Cable Vision, which has also been awarded a 50 percent grant and 50 percent loan funding under the first round of the Recovery Act.

The Mother Lode Broadband Project of Telenational Communications Inc. and Mother Lode Internet (collectively known as MLI) will increase Internet access speeds for approximately 17,841 households covering an area of approximately 525 square miles.

The underserved areas of Tuolumne, Calaveras, Amador, Alpine, and Mariposa counties will have Internet speed levels of up to 14 mbps with line-of-site technology and 8 Mbps with non-line-of-sight technology or an average of 11.9 mbps for both upload and download. MLI plans to complete its project within 20 months.

Today's grant approval for Mother Lode Broadband is the second awarded to MLI. Last year it was approved for a matching grant of \$2.7 million 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 originally established the \$100 million CASF in December 2007 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. In July 2009, the CPUC revised the funding guidelines to 10 percent matching CASF grants provided the applicant is seeking Recovery Act funding for 80 percent of its project cost.

To date, of that \$100 million, \$87.11 million in broadband infrastructure grants have so far been approved. Today's approvals bring the total to \$91.37 million.

Applications for CASF grants are still being accepted by the CPUC. CPUC Resolution T-17143 authorized the Communications Division to establish new filing periods in the event that CASF funds remain. Prospective applicants may submit new CASF funding applications, either for a 40 percent CASF grant or for a 10 percent matching grant to complement the applicant's second round Recovery Act funding application. However, new CASF funding applications submitted on April 1, 2010, will be given primary consideration for funding.

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

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

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

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