

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight and Programs Branch \***

**RESOLUTION T- 17240  
November 20, 2009**

**R E S O L U T I O N**

**Resolution T-17240 Funding Approval for the University Corporation at Monterey Bay Central Coast Broadband Consortium Middle Mile Project from the California Advanced Services Fund (CASF) Amounting to \$4,975,009.**

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**Summary**

This Resolution adopts contingent funding for the University Corporation at Monterey Bay (The University Corporation) Central Coast Broadband Consortium Middle Mile project amounting to \$4,975,009 from the California Advanced Services Fund (CASF). The amount granted represents 10% of the project costs to provide broadband service to unserved and underserved areas 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.<sup>1</sup> 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). This same Resolution directed interested applicants seeking funding for unserved and underserved projects, to file their project proposals and funding requests beginning July 24, 2008, and August 25, 2008, respectively.

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 provided the potential for the applicants to seek CASF program funding while pursuing funding for broadband deployment grants issued

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

under the American Recovery and Reinvestment Act (ARRA).<sup>2</sup> Because the federal grants under ARRA can fund up to 80% of the project, 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 October 29, 2009, \$15.2 million has been granted for 30 projects covering 4,942 square miles benefiting 41,209 potential households as follows:

- Unserved -- \$11.64 million, 16 projects, 4,284 square miles, and 32,284 households
- Underserved -- \$3.48 million, 14 projects, 658 square miles, and 8,925 households

## **Notice/Protests**

The Census Block Group (CBG) list for The University Corporation's Central Coast Broadband Consortium Middle Mile project appeared by county 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)." Of a total of seven unserved and nineteen underserved CBGs filed initially for this project, none were formally challenged. The Communications Division (CD) proceeded to review and analyze these project areas to verify that they were indeed unserved and/or underserved as of the applicant's filing date.

## **Discussion**

This Resolution adopts funding of \$4,975,009 for The University Corporation at Monterey Bay's proposed Central Coast Broadband Consortium Middle Mile project. This project is described in detail in Appendix A. The University Corporation, as the lead fiscal agent, submitted its Central Coast Broadband Consortium Middle Mile application on August 14, 2009. The total project cost is estimated at \$49,750,090 of which 10%, or \$4,975,009, is being requested from CASF as a match to their 80% ARRA fund request.

Through the early organizational efforts of the Central Coast Broadband Consortium (CCBC), a group of individuals representing diverse public and private organizations in the tri-county regions of the central coast, the University Corporation's Central Coast Broadband Consortium Middle Mile project proposes to build 428 miles of fiber backbone in a combination of underground and aerial construction in the Monterey Bay tri-county region of the central coast throughout 3,797 square miles. The project includes synchronous optical network (SONET)/time division multiplexing (TDM) rings to provide a robust, reliable, and scalable infrastructure. The system will support

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<sup>2</sup> The American recovery and Reinvestment Act (ARRA) appropriates \$7.2 billion for grants and loans to support broadband deployment on a national level. ARRA 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.

traditional TDM services as well as Ethernet over SONET and wavelength support. Every segment of the system will have a minimum of 100 gigabits per second (Gbps) symmetrical bandwidth. The reference architecture is designed to be upgradable to 1.6 terabits per second (Tbps) on a segment-by-segment basis by adding or replacing cards at individual nodes. Technical details of the network include: backbone node facilities secured in concrete shelter buildings which will provide interconnection and co-location facilities for customers; 200 amps DC power system, battery backups, and emergency generators on-site; centrally located wireless interconnection facility accessible via licensed microwave radios; two leased-line fiber optic connections to an Internet cross-connect and co-location facility in San Jose; and, 21 node facilities sited to the extent possible in or adjacent to unserved and underserved areas.

The Monterey Bay area, which includes Monterey, San Benito, and Santa Cruz Counties, is home to the region's largest employment sectors such as small business, government, education, agriculture, and tourism, which all share the existing and limited network of community resources. They include more than 15,000 small businesses, from retailers to environmental consultants; twenty-six institutions of scientific research and higher education that employ more than 12,000 faculty, staff, and researchers and enroll some 65,000 students; and, the Salinas Valley, also known as "The Nation's Salad Bowl," one of the world's most productive agricultural centers.

The University Corporation indicates that local leaders have envisioned developing the diverse economic and intellectual resources to establish a robust business environment but have been stymied by two major challenges: the region's geography and economics. Geographically, the rugged mountains and coastline have been critically affected by recent damaging wildfires which hindered voice and data connectivity, both were sharply limited or non-existent, and there was no cell phone coverage for many large areas. Firefighters struggled to contain simultaneous fire areas and all first responders were unable to communicate which severely hampered their effectiveness. Educational and medical services are challenged to provide equitable access to their resources and services and to maintain standards of quality. Economically, tourism and agriculture generate lower wage salary scales and seasonal employment opportunities which result in long-term economic stagnation. Developing opportunities to improve the trend has been compromised by the region's inability to offer high-bandwidth optical connections in the business districts and industrial parks.

The CCBC, as a public and private member organization with ties in the regional community, has received interest from agencies, business, institutions, and entrepreneurs wanting to purchase wholesale capacity from the project. At least three last-mile service providers with wireless facilities have stated a firm interest in using the project's new facilities to provide consumer and business Internet service. This cooperative network will build-out the region's broadband infrastructure for multiple anchor sites, support high paying jobs, enable the connection of public safety authorities, and will link two of the region's large medical centers. Anchor sites include health clinics, county offices of education, fire/police public safety units, and research

institutions linked to the California State University and University of California systems. The project will extend high-speed broadband services to rural residents with limited or no access to a variety of public and private services and will open new opportunities to pursue education to prepare for advanced studies and higher levels of income.

During its project planning, the CCBC and The University Corporation collaborated with many community and governmental agencies to obtain support for this large project. Some of them include the Cities of Hollister and Watsonville, Monterey County Business Council, Clinica de Salud del Valle de Salinas, Big Sur Health Center, Monterey Peninsula College, Emergency Communications Leadership and Innovation Center, and California Assemblyman William Monning. The University Corporation concentrated its planning efforts to include ARRA-specific targets and letters of support to corroborate the Central Coast Broadband Consortium Middle Mile project have been submitted with this project application.

The University Corporation asserts that the CBG areas within its proposal are designated as both unserved and underserved based on their analysis of the Commission's July 21, 2009, "Broadband Availability Maps."

For qualification purposes under the CASF program, the Commission defines unserved areas 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, the Commission defines underserved areas 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.

Communications Division (CD) reviewed this project's eligibility through analysis of the required submitted data. These data include, but are not limited to the following: 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 proposed 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 Central Coast Broadband Consortium Middle Mile project to verify that the areas proposed to be served by The University Corporation do not coincide with areas shown as served or underserved on the updated broadband availability maps.

None of the seven unserved and nineteen underserved CBGs initially filed for this project were formally challenged. CD subsequently performed verification analysis

with the applicant, which included requests for additional data and/or other communication with the applicant in order to clarify their project proposal and determine whether the CBGs were unserved and/or underserved as of the applicants' filing date. Through that verification process, The University Corporation modified its proposal, thus agreeing to construct in nine unserved and fifteen underserved CBGs. CD determined that the modified map plan for a total of 24 CBGs satisfies the requirements for eligibility and completed the application review. CD has determined that the Central Coast Broadband Consortium Middle Mile project covers unserved and underserved broadband areas and is eligible to receive CASF funding.

This project is the only proposal submitted on August 14, 2009, for these unserved and underserved areas of California after the adoption of D.09-07-020. As such, the project will provide for an improved network that will deliver internet access to thousands of potential new subscribers, deliver broadband at faster speeds, and create a self-sufficient, sustainable capacity infrastructure for The University Corporation. CD recommends approval and award of a CASF grant to The University Corporation's Central Coast Broadband Consortium Middle Mile project.

AB 1555 also provides that the Commission establish requirements for non-certificated applicants. On October 29, 2009, the Commission approved Resolution T-17233, which established the requirements for non-certificated applicants. The University Corporation, as a non-certificated applicant, is required to comply with all the requirements set forth in Resolution T-17233.

The University Corporation should be required to post a performance bond equal to the total amount payable under this CASF award, or 10% of the project costs, and provide a copy of the bond to CD as prescribed under existing CASF rules.

The University Corporation should be required to comply with all the guidelines, requirements and conditions associated with the granting of CASF funds as specified in Resolutions T-17143 and T-17233, including submitting Form 477. The Commission must complete California Environmental Quality Act (CEQA) review before disbursing CASF funds to The University Corporation for the construction of middle mile infrastructure. The University Corporation shall submit a Proponent's Environmental Assessment to Commission staff as soon as specific, project-level details become known and, at least, before the first scheduled 25% payment. The University Corporation continues to identify any other special permit requirements and will provide those with a cross-reference to the 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 Resolutions T-17143 and T-17233, including the submission of FCC Form 477.

## Payments to CASF Recipients

Submission of invoices from and payments to The University Corporation 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 The University Corporation shall essentially follow the process adopted for funds created under Public Utilities Code §270. The following table describes the timeline for processing CASF payments.

Event	Payment Cycle 1 (Day/Month)	Payment Cycle 2 (Day/Month)
Invoices due from The University Corporation at Monterey Bay to CD	5 <sup>th</sup> of Month 1	20 <sup>th</sup> of Month 1
Payment letters from CD to Information and Management Services Division (IMSD) <sup>3</sup>	On 19 <sup>th</sup> of Month 1	On 4 <sup>th</sup> of Month 2
Invoices submitted from IMSD to State Controller's Office (SCO) for payments	20 <sup>th</sup> through 26 <sup>th</sup> of Month 1	5 <sup>th</sup> through 13 <sup>th</sup> of Month 2

The University Corporation 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. Approval and disbursement of the first 25% CASF payment is contingent upon The University Corporation at Monterey Bay 1) complying with Resolution T-17233, 2) receiving ARRA funding approval, and 3) receiving CEQA review approval.

## Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on October 21, 2009, informing a) all applicants filing for unserved and underserved areas 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

<sup>3</sup> 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.

parties that the final conformed Resolution adopted by the Commission will be posted and will be available at this same website.

On November 3, 2009, the Division of Ratepayer Advocates (DRA) submitted comments on Draft Resolution T-17240. DRA's comments and the Communications Division's responses to these comments are discussed below.

A. Project Costs Are Too High on a "Per-Household" Basis

- DRA recommended that the Commission set a benchmark to determine the reasonableness of project costs and commented on the following:
- No justification is required from the applicant on the project cost;
- A purported "competitive bidding" process is relied on to keep project costs in check; and
- No competition is evident except in the area covered by Resolution T-17197.

Further, DRA recommended that the Commission should perform a cost review of applications for areas where there are no competitive bids since it believes the market cannot constrain costs and cannot check on cost reasonableness where competition does not exist.

DRA also suggested using a benchmark cost per household from past CASF projects to compare costs of various pending CASF projects as a proxy to determine whether costs are reasonable. DRA calculated the cost per household to be \$956 based on projects approved as of September 24, 2009, and it has taken issue with those pending resolutions (e.g. Race, Ponderosa Cablevision) with DRA calculated cost per household figures for these pending resolutions above this level.

In reviewing DRA's comments, we note that its comments are flawed. DRA miscalculated the cost per household relying on total costs rather than CASF costs and has erroneously assumed that all of the CASF projects approved as of September 24, 2009, are seeking 40% funding. The Lookout Project, for instance, only requested 10% CASF funding to match their request for 80% funding from ARRA. Also, some of the projects include Contribution in Aid of Construction costs in addition to the 40% CASF funds. Thus, if the total CASF funds approved to date as of September 24, 2009, of \$12.6 million is divided by the total number of households at 32,943, the result would be \$384 per household, not \$956.

Additionally, DRA has miscalculated reported cost for household figures. As examples, the actual CASF cost per household for Ponderosa is \$389 while that for Race Communications is \$390 not \$3,889 and \$3,901, respectively, as DRA has computed. DRA basically erred in using total project costs instead of CASF funds granted in computing cost per household.

More importantly, DRA misses the point in seeking to analyze costs of individual projects. The Commission has already determined that CASF cost per household data cannot be standardized for all areas. In fact, the latest response to this issue is on page 12 of Resolution T-17233, where the Commission states that:

“The overriding goal of the CASF program - that is to provide broadband service to areas where there is none or to improve the quality of broadband service to areas that currently suffer from unreliable, spotty, and inferior speeds not geared towards the present economic and business need. It was not the intent of the Commission to set a ceiling or an absolute minimum that applicants need to meet in order to qualify for funding. As the Commission has stated in several CASF resolutions adopting funding for projects, “low speed is better than no speed.” Likewise, the areas that are being funded and will be funded by CASF are areas that have no broadband precisely because these are high cost areas that are characterized by rugged terrain and low population density, which would not otherwise be economically viable or make business sense for private entities to invest in without CASF funding assistance.”

In summary, CASF project costs cannot be standardized precisely because not all areas have the same topographical characteristics, the same demographics, or can be served by the same technology or infrastructure. Accordingly, we do not agree with the DRA recommendation that past approved CASF projects covering different areas should be used as an absolute basis to deny pending CASF projects, as it would unfairly prevent residents in areas of the State from receiving broadband service simply because they live in areas that are more costly to serve.

With respect to DRA competitive bidding comments, again this issue has been previously raised by DRA and addressed by the Commission. The Commission has already stated in Resolutions T-17234 and T-17229:

“As the CASF/ARRA process relies on a competitive bidding process to keep an applicant’s costs and proposed installation fees in check, rather than a cost reasonableness review requiring the applicant to justify details of specific project costs and proposed installation fees. Under the established CASF/ARRA process, an applicant risks not receiving a CASF/ARRA award if its costs are too high and other carriers bid at lower costs.”

Page 13 of Resolution T-17233 also states:

“We also take exception to the statement of parties that there is no competition. Under existing rules, CBGs and Zip Codes are posted on the CASF webpage 7 days after an application is received. Any party who wishes to submit a competing application may do so by submitting a letter of intent to submit a counter-proposal and/or submit a counter-proposal directly within the prescribed timelines as stated in Resolution T-17143 and D.09-07-020. As



Resolution T-17197 and draft Resolution T-17225 demonstrate, competition does exist.”

Where there is no counter-proposal or competing proposal submitted for an area, this implies that the broadband cost for developing broadband infrastructure in the area is too high that even with the 40% or 10% CASF funds match, broadband providers are not confident that it would make business sense for them to invest in the area.

In summary, we believe the CASF competitive bidding process renders cost reasonableness review as an unnecessary step in our program and one that will cause unserved and underserved communities in the state a delay in receiving broadband service.

#### B. The CASF Program Requires an Audit

DRA commented that all resolutions should include an audit requirement as provided in the CASF legislation and D.07-12-054. However, we note that all resolutions have an Ordering Paragraph to the effect that they will comply with all the guidelines, requirements and conditions associated with the CASF funds award as specified in resolution T-17143 and D.07-09-020. Page A-14 of Resolution T-17143 describes the payment procedure, which includes the submission of progress reports and invoices, as well as the right of the Commission to conduct any necessary audit, verification, and discovery during project implementation / construction to ensure that CASF funds are spent in accordance with Commission approval. Thus, the audit requirement and all other requirements applicable to CASF fund recipients as specified in Resolution T-17143 are already addressed in the Ordering Paragraph.

Likewise, as DRA pointed out, the Commission, in SB 1193 and AB 1555, financial and performance audits of the implementation and effectiveness of the CASF is required and a report on the said audits submitted to the Legislature by December 31, 2010. The Commission will comply with this requirement.

#### C. Project Details Are Confusing

DRA commented that the University Corporation of Monterey Bay’s project is a middle mile project and as such will not serve any households. However, the Resolution describes probable customers as “agencies, businesses, institutions, and entrepreneurs.” DRA recommended that the Resolution delete any references to household customers, including the reference to households in Appendix A of Resolution T-17240. We have amended Appendix A of the Draft Resolution to revise the number of potential households to potential customers.

## **Conclusion**

The Commission finds CD's recommended contingent CASF funds award for unserved and underserved areas in the Central Coast Broadband Consortium Middle 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. The University Corporation's contingent funding is based on 1) complying with Resolution T-17233, 2) receiving ARRA funding, and (3) receiving CEQA review approval. The University Corporation should notify the CD Director of the disposition of its ARRA application and work with the Commission's staff to complete its CEQA review. If The University Corporation at Monterey Bay is unable to 1) comply with Resolution T-17233, 2) receive ARRA funding approval, 3) receive CEQA review approval and will not build the Central Coast Broadband Consortium Middle Mile project, then The University Corporation at Monterey Bay should notify the CD Director that the project will not be built so that CASF funds may be reallocated to other grants. The University Corporation is also required to post a performance bond and provide a copy of the bond to CD as directed in this Resolution.

## **Findings**

1. The Commission finds Communications Division's (CD) recommended contingent California Advanced Services Fund (CASF) award for unserved and underserved areas for The University Corporation at Monterey Bay's (The University Corporation) Central Coast Broadband Consortium Middle Mile project as discussed in this Resolution and summarized in Appendix A reasonable and consistent with Commission orders and, therefore, adopts such award. The CASF was implemented by Decision (D.) 07-12-054.
2. The CASF 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.
3. 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). T-17143 directed interested applicants seeking funding for unserved and underserved projects to file their project proposals and funding requests beginning July 24, 2008.
4. 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 (ARRA). 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.

5. A list of census block groups (CBGs) appeared by county 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)." 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.
6. The University Corporation submitted its Central Coast Broadband Consortium Middle Mile application on August 14, 2009. The total project cost is estimated at \$49,750,090 of which 10%, or \$4,975,009, is being requested from CASF as a match to their 80% ARRA fund request.
7. The University Corporation at Monterey Bay's Central Coast Broadband Consortium Middle Mile project proposes to deploy 428 miles of fiber backbone in a combination of underground and aerial construction in the Monterey Bay tri-county region of the central coast throughout a proposed service area of 3,797 square miles.
8. The project includes synchronous optical network (SONET)/time domain multiplexed (TDM) rings to provide a robust, reliable, and scalable infrastructure. The system will support traditional TDM services as well as Ethernet over SONET and wavelength support. Every segment of the system will have a minimum of 100 gigabits per second (Gbps) symmetrical bandwidth. The reference architecture is designed to be upgradable to 1.6 terabits per second (Tbps).
9. This cooperative network will build-out the region's broadband infrastructure for multiple anchor sites, support high paying jobs, enable the connection of public safety authorities, and will link two of the region's large medical centers. The project will extend high-speed broadband services to rural residents with limited or no access to a variety of public and private services and open opportunities to pursue advanced education and higher levels of income.
10. During its project planning, The University Corporation collaborated with many community and governmental agencies to obtain support for this large project. Some of them include the Cities of Hollister and Watsonville, Monterey County Business Council, Clinica de Salud del Valle de Salinas, Big Sur Health Center, Monterey Peninsula College, Emergency Communications Leadership and Innovation Center, and California Assemblyman William Monning.
11. The University Corporation concentrated its planning efforts to include ARRA-specific targets and letters of support to corroborate the Central Coast Broadband Consortium Middle Mile project have been submitted with this project application.
12. The University Corporation asserts that the CBG areas within the Central Coast Broadband Consortium Middle Mile project are both unserved and underserved.

13. 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.
14. 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.
15. CD reviewed The University Corporation at Monterey Bay's Central Coast Broadband Consortium Middle Mile project eligibility through the analysis of required data submitted. These data include, but are not limited to the following: 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.
16. 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.
17. None of the original 26 Census Block Groups (CBGs) in The University Corporation at Monterey Bay's proposal were formally challenged. CD requested additional information and/or meetings with the applicant to clarify its project proposal and two CBGs were removed. CD conducted an independent review and analysis of The University Corporation at Monterey Bay proposal, which included discussions with The University Corporation regarding their proposal. Subsequent to these meetings, The University Corporation at Monterey Bay modified their proposal to nine unserved and fifteen underserved CBGs for a total of 24 CBGs in this project.
18. CD determined that the CBGs covering the proposed area are qualified as unserved and underserved as defined in Resolution T-17143.
19. After its review, CD determined that The University Corporation at Monterey Bay's Central Coast Broadband Consortium Middle Mile project application for unserved and underserved areas covering twenty-four CBGs is eligible to receive funding under CASF.
20. The University Corporation submitted its application under AB 1555 as a non-certificated entity and as authorized under D.07-09-020. The University Corporation should comply with all other requirements and conditions as specified in Resolution T-17233.
21. The University Corporation at Monterey Bay should be required to post a performance bond equal to the total amount payable under this CASF award, or

- 10% of the project cost, and provide a copy of the bond to CD in accordance with the existing CASF funding rules.
22. The University Corporation at Monterey Bay, filed an application on August 14, 2009, and was the only applicant for this area after the adoption of D.09-07-020.
  23. The University Corporation at Monterey Bay should comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in Resolutions T-17143 and T-17233, including the submission of FCC Form 477 and compliance with the California Environmental Quality Act (CEQA), among others.
  24. The Commission must complete California Environmental Quality Act (CEQA) review before dispersing CASF funds to The University Corporation for the construction of middle mile infrastructure.
  25. The University Corporation shall submit a Proponent's Environmental Assessment to Commission staff as soon as specific, project-level details become known and, at least, before the first scheduled 25% payment.
  26. Approval and disbursement of the first 25% CASF payment is contingent upon The University Corporation at Monterey Bay 1) complying with Resolution T-17233, 2) receiving ARRA funding approval, and 3) receiving CEQA review approval.
  27. A notice letter was emailed on October 21, 2009, informing a) all applicants filing for unserved and underserved areas 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 available at this same website.
  28. Comments filed by the Division of Ratepayers Advocates are addressed in this resolution.
  29. The Commission finds CD's recommended CASF award, contingent on receiving ARRA funding for unserved and underserved areas for The University Corporation at Monterey Bay's Central Coast Broadband Consortium Middle Mile project and as discussed in this Resolution and summarized in Appendix A, reasonable and consistent with Commission orders and should be adopted.
  30. The University Corporation at Monterey Bay's contingent funding is based on 1) complying with Resolution T-17233, 2) receiving ARRA funding, and 3) receiving CEQA review approval.
  31. If The University Corporation at Monterey Bay is unable to 1) comply with Resolution T-17233, 2) receive ARRA funding approval, 3) receive CEQA review approval and will not build the Central Coast Broadband Consortium Middle Mile project, then The University Corporation at Monterey Bay should notify the CD Director that the project will not be built so that CASF funds may be reallocated to other grants.

**THEREFORE, IT IS ORDERED that:**

1. The California Advanced Services Fund shall award contingent funding of \$4,975,009 from the California Advanced Services Fund to The University Corporation at Monterey Bay for the Central Coast Broadband Consortium Middle Mile project to provide service in unserved and underserved areas as described in the Discussion section and summarized in Appendix A of this Resolution. The award is contingent on The University Corporation at Monterey Bay 1) complying with Resolution T-17233, 2) receiving an ARRA grant for 80% of the total estimated project cost, and 3) receiving CEQA review approval.
2. The University Corporation at Monterey Bay shall post a performance bond equal to the total amount payable under this CASF award, or 10% of the project cost, and provide a copy of the bond to Communications Division in accordance with the existing CASF funding rules.
3. The University Corporation at Monterey Bay shall comply with all guidelines, requirements, and conditions associated with the CASF funds award as specified in Resolution T-17143, D.09-07-020, Resolution T-17233, and the California Environmental Quality Act.
4. The University Corporation at Monterey Bay shall notify the CD Director of the disposition of its ARRA application for the Central Coast Broadband Consortium Middle Mile project and work with the Commission's staff to complete CEQA review of the project.
5. The University Corporation shall submit a Proponent's Environmental Assessment (PEA) to Commission staff as soon as specific, project-level details become known.
6. If The University Corporation at Monterey Bay's Central Coast Broadband Consortium Middle Mile project will not be completed, then The University Corporation at Monterey Bay shall notify the CD Director so that the committed CASF funds may be reallocated for other grants.
7. The program fund payment of \$4,975,009 for this Commission-approved unserved and underserved project shall be paid out of the CASF fund in accordance with the guidelines adopted in Resolution T-17143, D.09-07-020, and Resolution T-17233.
8. Payments to The University Corporation at Monterey Bay shall 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.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 20, 2009. The following Commissioners approved it:

/s/ Paul Clanon

PAUL CLANON  
Executive Director

MICHAEL R. PEEVEY  
President  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners

**APPENDIX A**  
**Resolution T- 17240**  
**The University Corporation at Monterey Bay**  
**Central Coast Broadband Consortium Middle Mile Project**  
**Key Information**

<b>1</b>	<b>Project ID</b>	
<b>2</b>	<b>Project Name</b>	<b>Central Coast Broadband Consortium Middle-Mile</b>
<b>3</b>	<b>Project Plan</b>	Middle-mile facility providing high-speed connectivity to last-mile providers and wholesale customers along 428 miles of fiber backbone within the Monterey Bay area. Unserved and underserved areas will receive 100 Gbps download and upload.
<b>4</b>	<b>Project Size (in square miles)</b>	3,787
<b>5</b>	<b>Download speed</b>	1 Gbps
<b>6</b>	<b>Upload speed</b>	1 Gbps
<b>7</b>	<b>Location</b>	Monterey, San Benito, and Santa Cruz Counties
		<b>7 a) Community Name</b>
		Castroville, Moss Landing, Nashua, Salinas
		Cooper
		Chualar, Gonzales, Paicines, Soledad
		Carmel Valley, Penvir
		60530108021
		60530108022
		Carmel, Greenfield
		60530110005
		Big Sur, Jamesburg, Mascorini Place, Tassajara Hot Springs
		Gonzales
		King City, Lockwood, San Ardo, San Lucas
		Jolon, Millers Ranch, Pine Canyon Mob. Est., Sycamore Flat
		Bradley, Bryson, Martinus Corner, Nacimiento, Parkfield, San Miguel, Valleton, Wunpost
		Gorda, Hunter-Liggett, Plasket, Pleyto
		Lucia, Slates Hotsprings
		Posts
		King City
		Hollister, Hudner, San Juan Bautista
		Salinas
		Bitterwater, Idria, Llanada, Panoche, Pinnacles, San Benito
		Santa Cruz



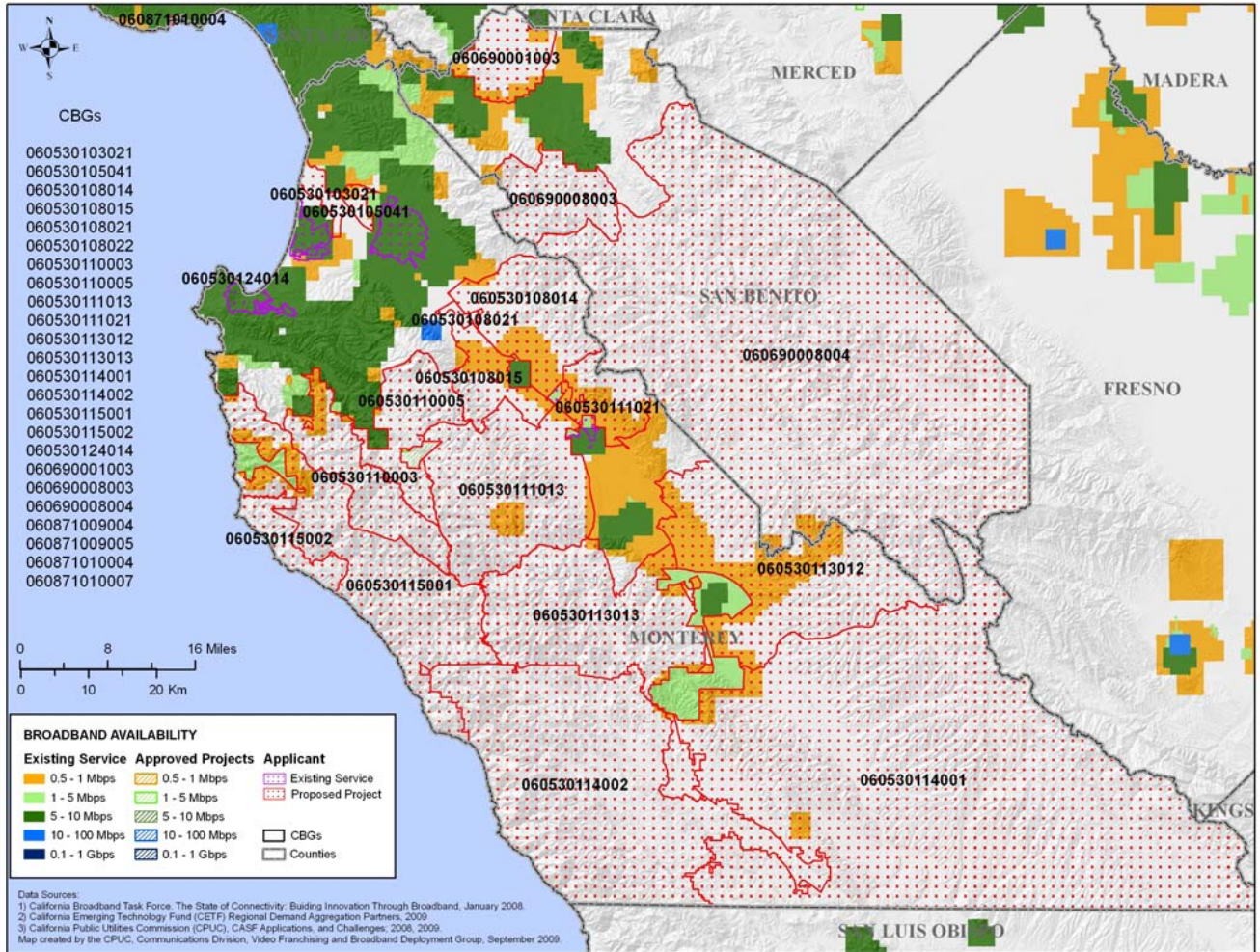
		<b>7 b) CBGs</b>	
		<b>Unserved - 9</b>	<b>Underserved - 15</b>
		060530108021	060530103021
		060530108022	060530105041
		060530114002	060530108014
		060530115002	060530108015
		060530124014	060530110003
		060871009004	060530110005
		060871009005	060530111013
		060871010004	060530111021
		060871010007	060530113012
			060530113013
			060530114001
			060530115001
			060690001003
			060690008003
			060690008004
		<b>7 c) ZIP Codes</b>	
		<b>Unserved</b>	<b>Underserved</b>
		93450	93450
		93451	93901
		93908	93907
		93920	93908
		93923	93920
		93926	93923
		93927	93924
		93930	93925
		93932	93926
		95023	93927
		95060	93930
			93932
			93960
			95023
			95043
			95045
			95060
<b>8</b>	<b>Estimated Potential Subscriber size</b>		
<b>a)</b>	<b>Customers</b>	County public safety units, 2 medical centers, 3 health clinic facilities, 3 university research centers, city and county government offices	
		Three WISPs (for 15,000 businesses; 26 scientific / higher education institutions; 38,711 subscribers)	
<b>9</b>	<b>Deployment Schedule (from Commission approval)</b>	12 months + CEQA	

<b>10</b>	<b>Proposed Project Budget</b>		
<b>a)</b>	<b>TOTAL PROJECT COST</b>	<b>\$49,750,090</b>	
<b>b)</b>	<b>Total CASF Request</b>		
	<b>CASF (10%)</b>	<b>\$4,975,009</b>	
	<b>CIAC (contributions-in-aid of construction)</b>	-	
	<b>Applicant's Funds (10%)</b>	\$4,975,009	
	<b>ARRA Funds (80%)</b>	\$39,800,073	

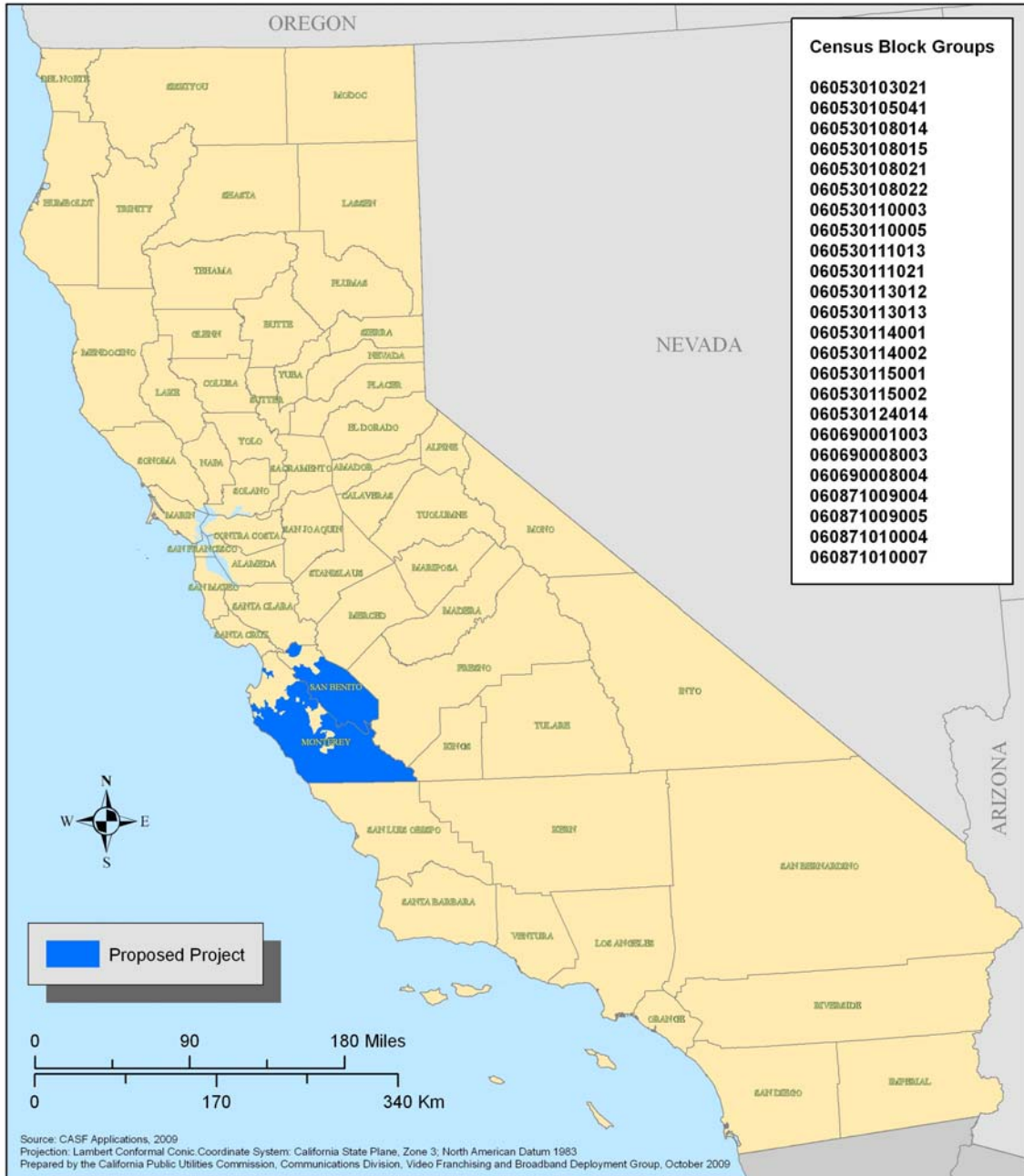
# APPENDIX A

## Resolution T- 17240

### The University Corporation at Monterey Bay Central Coast Broadband Consortium Middle Mile Project Project Map



**APPENDIX A**  
**Resolution T-17240**  
**The University Corporation at Monterey Bay**  
**Central Coast Broadband Consortium Middle Mile Project**  
**Statewide Map**



END OF APPENDIX A