

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

**Communications Division  
Broadband Policy and Analysis Branch**

**RESOLUTION T- 17350  
August 23, 2012**

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

**Resolution T- 17350 Approval of Funding for the Grant Application of Verizon California Inc. (U-1002-C) from the California Advanced Services Fund (CASF) Amounting to \$286,398.45 for the Crowley Lake and Swall Meadows Unserved and Underserved Broadband Project**

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**Summary**

This Resolution adopts funding amounting to \$286,398.45 from the California Advanced Services Fund (CASF) for the CASF grant application of Verizon California Inc. for its Crowley Lake and Swall Meadows Project. The Project will extend high-speed Internet service to the Crowley Lake and Swall Meadows communities in Mono County..

**Background**

On December 20, 2007, the Commission approved Decision (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 the 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 February 1, 2012, the Commission adopted Decision 12-02-015, which increased the maximum award amount to 60% of total project cost for projects in underserved areas and up to 70% of total project cost for projects in unserved areas. Decision 12-02-015 also

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<sup>1</sup> An unserved area is defined as an area that is not served by any form of facilities-based broadband, or where internet connectivity is available only through dial-up service or satellite. An underserved area is defined as an area in which broadband is available but no facilities-based provider offers service at speeds of at least 3 mbps download and 1 mbps upload.

amended the definitions of underserved and unserved areas, among other modifications. This application is the last CASF grant application received under the rules established in Resolution T-17143. The rules established in D.12-02-015 apply to all future applications.

### **Notice/Protests**

Communications Division (CD) staff posted the proposed area project map, census block groups (CBGs) and Zip Codes lists by county for the Verizon Crowley Lake and Swall Meadows Project on the Commission's CASF website page under "Pending New CASF Applications to Offer Broadband as of September 20, 2011." CD received one challenge to the proposed project. Schat.net claims it can serve both communities of the proposed project at speeds of 3 mbps download and 1 mbps upload (see map entitled "Verizon Crowley Lake Map - Challenge Area" in Appendix A, page A-3). CD staff investigated the challenge. Based on the information provided to CD, staff cannot verify the challenger's claim that it serves the communities of Crowley Lake and Swall Meadows at the required speeds. Therefore, CD denied the challenge.

### **Discussion**

This Resolution adopts CD's recommended CASF funding award of \$286,398.45 for the Crowley Lake and Swall Meadows Project. This award represents 34.82% of the total project cost (\$693,000) plus Contribution in Aid of Construction (CIAC) to provide service to this unserved and underserved area application filed in accordance with Resolution T-17143. CD staff reduced Verizon's original grant request by 13% to account for households that will not receive minimal speeds of 3 mbps download and 1 mbps upload. Under this Project, Verizon will provide 450 out of 517 households in the communities of Crowley Lake and Swall Meadows with broadband service at the minimum speed thresholds under Resolution T-17143.

Key information on the project is on page A-1 of Appendix A. Shapefiles and map of the proposed project can be found on pages A-2 and A-3 of Appendix A, respectively.

Verizon submitted this application on July 12, 2011, well before the Commission adopted Decision 12-02-015 on February 1, 2012. As such, CD staff evaluated the application based on the criteria established in Resolution T-17143. Verizon will be required to complete the project in compliance with Resolution T-17143. Finally, Verizon will be reimbursed in accordance with procedures instituted under Resolution T-17143, including speed requirements. Accordingly, Verizon is eligible for reimbursement of up to 40% of total project cost (plus CIAC) and must provide potential customers with service at speeds of 3 mbps download and 1 mbps upload.

### Project Overview

On July 12, 2011, Verizon California Inc. (“Verizon”) submitted an application for CASF funding in unserved and underserved areas in Mono County comprising Crowley Lake and Swall Meadows.

The Crowley Lake and Swall Meadows Project would include portions of one wire center in the southern part of Mono County along Highway 395, north of Bishop. Verizon currently offers voice telephone service to this wire center, but does not currently offer broadband to any portion of this wire center. The Crowley Lake wire center includes the community of Crowley Lake. In addition, the community of Swall Meadows served from a remote facility adjacent to the Crowley Lake wire center would be included in the project.

The Crowley Lake and Swall Meadows Project will consist primarily of the placement of inter-office facility equipment in the Crowley Lake wire center, which requires upgrading to handle the increased volume of traffic, and placing fiber to the digital loop carrier site in Swall Meadows.

Finally, with the addition of the appropriate electronics in the Central Office, Verizon will be able to provision broadband services utilizing Digital Subscriber Line (DSL) technology to customers at varying speeds dependent on the customer distance from the Central Office. The CBGs impacted by the Project are 060510001014 and 060510001013.

Pursuant to Resolution T-17330, Verizon targeted these communities for broadband deployment. Resolution T-17330 provided Verizon with the authority to deviate from California Public Utilities (PU) § 320 () along scenic Highway 395 in Mono County between Bishop and Mammoth Lakes. Public Utilities Code §320 requires the underground placement of all communications or electric utility facilities within 1,000 feet of a scenic highway. In Resolution T-17330, the Commission approved Verizon’s deviation request for approximately 32,000 feet of fiber optic cable it deployed along scenic Highway 395 in Mono County. As a condition of receiving the waiver, the Commission required Verizon to submit an application for a CASF grant to provide broadband to the communities of Swall Meadows and Crowley Lake. As noted in Resolution T-17330 (page 3), Verizon submitted its application prior to the Commission’s adoption of the resolution. Pursuant to Resolution T-17330, Verizon must offer service to these communities within 18 months of the approval of the resolution (July 28, 2011), regardless of the outcome of its CASF application.

Verizon commits to provide Internet service plans at the following prices for one-year starting from the beginning date of service, and under the following terms:

<b>Proposed Pricing</b> (for households within 6,500 feet of Crowley Lake wireline center and remote facility in Swall Meadows)	Broadband Price w/ Voice Svc	Standalone Broadband Price (no Voice Svc)*
<b>Proposed (initial year) monthly subscription fee<sup>2</sup>:</b>		
3.0 mbps—10 mbps download AND 1 mbps upload plan	\$45.25	\$60.25
0.5 mbps-1.0 mbps download and 0.384 upload plan	\$34.25	\$49.25
Services upon which the above monthly subscription fee(s) is/are based:		
<b>Recurring rates</b>		
3.0 mbps—10 mbps download AND 1 mbps upload plan	\$39.00	\$54.00
0.5 mbps-1.0 mbps download and 0.384mbps upload plan	\$28.00	\$43.00
<b>Non-recurring charges</b>		
Initial service connection charges		
Shipping and Activation Charge	\$25.00	\$25.00
Modem	\$50.00	\$50.00

Project Qualification

To qualify under the CASF program, the applicant is required to submit proof that the area is unserved or underserved by submitting shapefiles of the proposed project. CD reviews the submitted shapefiles by comparing them with United States 2010 Census data and the revised June 30, 2011, California Broadband Availability maps. Once the area is found to be eligible either as an unserved or underserved area, CD staff evaluates all other information submitted by the applicant to determine if the project meets the requirements as outlined in Resolution T-17143. Other information reviewed includes: proof of a Certificate of Public Convenience and Necessity (CPCN) from the Commission; descriptions of current and proposed broadband infrastructure; potential subscriber size

<sup>2</sup> Resolution T-17143 defines monthly subscription fee as “the sum of all recurring rates and non-recurring charges the customer must pay to receive service during the initial year of service, expressed as a monthly average...” and as “represent[ing] the maximum amount that customers will pay, on average, for the duration that this price is committed.”

and household incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and financial qualifications of the applicant.

As an initial step in the review of Verizon's application, CD checked the CBGs as submitted in the project application and corrected the CBGs to conform to the 12-digit format and the 2010 Census. CD then confirmed the CBGs the applicant proposed to serve were unserved and underserved. CD then published the CBGs, zip codes, and map of the proposed project on the CASF Commission's CASF website page under "Pending New CASF Applications to Offer Broadband as of September 20, 2011" to offer interested parties the opportunity to challenge the proposed project areas. CD initially received no challenges. However, after reviewing data from the latest data submission round for the California Broadband Mapping Program that indicated that Verizon already served two neighborhoods in the proposed area, CD requested that Verizon clarify its service in the proposed areas. CD reviewed Verizon's response and reconfirmed that the project areas are unserved and underserved. On December 5, 2011, CD received a challenge from Schat.net, a wireless Internet service provider, asserting that the company already provided service in the proposed project areas.

Prior to its challenge, Schat.net had not provided the Commission with coverage information, nor had it registered with the FCC and submitted Form 477. CD staff assisted Schat.net in submitting its broadband service data for mapping purposes and also advised Schat.net to collect data that would help it prove it serves the communities in question at the required speeds. Normally, challengers supply CD staff with speed tests and the names of customers CD staff may contact to verify the assertions of service. CD staff can then resolve the challenge by contacting the customers to confirm service and by using broadband mapping data and the information contained in FCC Form 477.

Although Schat.net asserts that it can provide broadband service at speeds of 3 mbps download and 1 mbps upload, no customers opt to pay for that service. The only evidence supporting the challenger's claim includes its unsubstantiated assertion that it provides service and unverifiable speed tests it submitted to CD staff. Since Schat.net did not submit Form 477 to the FCC, it provided CD staff with the number of customers it serves at each speed tier in the proposed project area. After reviewing the data, CD staff determined Schat.net's customer base did not support its claim that it served the two communities in question.

Moreover, other data the challenger submitted to the Commission contradicts its claim that it can serve the communities at the required speeds. Although it has not previously provided the Commission with Broadband Mapping data, Schat.net submitted

information for the Commission's Fifth Round of data collection.<sup>3</sup> This data (see Appendix A page A-4) indicates Schat.net does not offer broadband service at speeds of 3 mbps download and 1 mbps upload in the communities of Crowley Lake and Swall Meadows.

After thorough examination, Schat.net did not convince CD staff that it could serve the communities as it claimed. On the Commission website, CD staff notes it will use whatever information it has in its review to determine whether a proposed CBG qualifies as unserved or underserved. Based on the information provided, CD staff cannot verify the challenger's claims and therefore cannot conclude the challenger is capable of serving the communities in question, especially when the data submitted by the challenger contradicts its assertions.

Additionally, according to its website, the challenger charges customers at the 3/1 speed tier \$149.95/month for service, over \$100/month more than Verizon commits to charge potential customers for service at similar speeds. While the definition of "underserved area" in Resolution T-17143 does not include a requirement that customers actually purchase the service and is silent regarding the price a provider should charge for service (see footnote 1 above), CD staff found it problematic to uphold a challenge that essentially is incompatible with the CASF mission of providing broadband access to those currently lacking it. Upholding the challenge may discourage consumers in Crowley Lake and Swall Meadows from receiving advanced communication services, and the economic and social benefits that flow from such services, because their best option is not at a price they can afford.

Given the information in its review and the above concerns, staff denied the challenge.

After denying the challenge, CD proceeded to evaluate the application with respect to the speed, service area, the applicant's commitment and ability to fund 60% of the project cost, the price commitment period, and the deployment schedule.

CD found that Verizon's Crowley Lake project meets CASF funding requirements with respect to the following factors:

- Speed – Verizon proposes to offer speeds of 3.0-10 mbps download and 1 mbps upload to customers within roughly 6,500 feet of its Central Office in Crowley Lake and its remote site in Swall Meadows, in compliance with the benchmark set by the Commission

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<sup>3</sup> Pursuant to the NTIA's State Broadband Data and Development Grant Program, the CPUC must collect certain data regarding the availability of broadband services, the technology used to provide them and the location of certain broadband infrastructure for all broadband providers in California. Fifth Round information, scheduled to be available on California Interactive Broadband Map on June 1, 2012, reflects speed service data as of December 31, 2011.

- Service area- is determined to be unserved and underserved
- Matching Funds of 60% of the Project's cost – the applicant has certified that the matching funds will come from their capital budget; the submitted balance sheet, income and cash flow statements show that the applicant has the financial capability to do so
- Price commitment period- the applicant has committed to a pricing plan of one year as required
- Deployment schedule – pursuant to Resolution T-17330, the Project will be completed no later than January 28, 2013

Based on its review, CD determined that Verizon's grant application qualifies for funding as an unserved and underserved area and meets the requirements of Resolution T-17143. CD recommends Commission approval of CASF funding for Verizon's Crowley Lake project.

#### Compliance Requirements

The Application Requirements and Guidelines on the awarding of CASF Funds set forth in Resolution T-17143 provide that a Performance Bond is not required if 60% of the total project costs come from the applicant's capital budget and is not obtained from outside financing sources. In its application, Verizon certified that 60% of the total project costs will come from its existing capital budget. Therefore, a performance bond is not required for this project.

Verizon should comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in Resolution T-17143 such as compliance with the California Environmental Quality Act (CEQA) and the submission of FCC Form 477, among others.

For purposes of CEQA review, Verizon provided the Commission with project construction plans. Verizon does not anticipate any ground disturbing activity, as the backhaul fiber needed for this project is already in place. The only cable (approximately 40') that would be placed would be from an existing pole to Verizon's existing cross-connect box in existing conduit. The Inter-Office Facility equipment work entails installing the DSLAM and other equipment to upgrade the Central Office in Crowley Lake. Accordingly, this project meets the criteria of the CEQA categorical exemption for minor alterations to land (CEQA Guidelines § 15304 g.) Thus, the Commission is not required to conduct an environmental review pursuant to CEQA before approving this project.

### Payments to CASF Recipients

Submission of invoices from and payments to Verizon 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 Verizon 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 Verizon 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>4</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

Verizon 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. SCO requires 14 to 21 days to issue payment from the day that requests are received by SCO.

### Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on June 12, 2012, informing all members of the CASF distribution list of the availability of this Draft 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 received opening and reply comments from the Mono County Board of Supervisors ("Mono County"), Verizon, the Eastern Sierra Connect Regional Broadband



Consortium (“ESCRBC”), the Division of Ratepayer Advocates (“DRA”), Schat.net and Mr. Stephen Kalish of Swall Meadows. Comments mostly focused on the following issues.

1. Awarding CASF grant to Verizon when it is already required to provide broadband service to these two communities.

While expressing general support for the Project in its opening comments, the ESCRBC noted slight dismay over Verizon receiving CASF funds when, pursuant to Resolution T-17330, it is already required to provide service to the communities of Crowley Lake and Swall Meadows.

In response, the Commission notes that, instead of imposing a substantial fine on Verizon for its PU Code § 320 violation, the Commission opted to require Verizon to provide broadband service to the communities of Crowley Lake and Swall Meadows, thereby ensuring residents in the area received a benefit for granting Verizon a waiver.

In compliance with the requirements Verizon anticipated the Commission would impose under Resolution T-17330, Verizon submitted a CASF application prior to the Commission adopting Resolution T-17330. CD staff evaluated the submission pursuant to the rules and requirements under Resolution T-17143 and recommends funding portions of the Project area that satisfy those requirements.

2. Adequacy of Verizon speeds

In its opening comments, DRA argued that Verizon did not commit to provide a majority of subscribers in the project area with speeds of 3 mbps download/1 mbps upload. Mr. Kalish also expressed concern over using ratepayer funds to supplement the Project if residents are not provided service at speeds of 3 mbps download/1 mbps upload.

CD staff received confirmation from Verizon representatives that customers within 6,500 feet of the wire center serving Crowley Lake or the remote facility serving Swall Meadows will be offered broadband access at speeds of 3-10 mbps download and 1 mbps upload. CD staff determined that 67 households, roughly 13% of total households, would not have access to broadband services at speeds required for CASF funding under Resolution T-17143. As such, the Commission will fund 87% of the grant request.

3. Requiring Verizon to provide speeds of 6 mbps download/1.5 mbps upload.

Given the passage of D. 12-02-015 and the upgraded speed requirements contained therein, Mono County, ESCRBC and DRA all support requiring Verizon to increase the speeds it will offer to 6 mbps download/1.5 mbps upload, as communities would remain underserved under D. 12-02-015. Verizon filed reply comments in opposition to applying the new 6 mbps download/1.5 mbps upload standard retroactively to the Project, as it

applied under the previous standards. Verizon also noted that this project is not unique; other areas with CASF funded projects will be underserved following the new rules set forth in D. 12-02-015.

The Commission agrees with Verizon. Verizon applied under the rules established in Resolution T-17143. Additionally, requiring Verizon to increase the speeds it offers residents in these communities will require significantly increased funding, both from Verizon and ratepayers. As such, the Commission will not require Verizon to meet the speed requirements under D. 12-02-015.

#### 4. Waive 3-Year Waiting Period

Mono County, ESCRBC and DRA proposed granting the area a waiver from the 3-year waiting period to receive additional CASF funding to allow providers to submit other projects in the area during the next CASF application rounds. Verizon opposed the waiver, arguing that a waiver would jeopardize its ability to realize a return on its investment.

Under D. 12-02-015, areas previously receiving CASF funds are not eligible for additional CASF funding until three years after completion of the respective project. The Commission shares concerns over residents in Mono County not being able to participate in the next CASF application rounds and also remaining “underserved” under the speed requirements established in D. 12-02-015. While Verizon correctly notes that other areas in the state will face similar circumstances and have not requested an exemption, the Commission views this specific project as a penalty under Resolution T-17330. In Resolution T-17330, the Commission imposed a \$5,000 fine on Verizon for violating PU Code Section 320, and ordered it to provide broadband service to the communities of Crowley Lake and Swall Meadows, regardless of whether or not it subsequently received CASF funds. Given these concerns, and in light of the penalty aspect of this project, the Commission allows the requested waiver.

#### 5. Add Paradise to Project Area

Mono County and ESCRBC proposed adding the community of Paradise to the Project area. DRA also supported adding Paradise to the Project area, along with the communities of Tom’s Place and Sunny Slopes. Verizon argued adding Paradise is not economically viable with a 40% matching grant. Verizon also stated it did not have the time to calculate the cost of adding other communities to the Project.

While the Commission hopes CASF funds will be used to provide broadband service to other unserved and underserved communities in Mono County, including Paradise, this specific grant application is not the proper vehicle for this endeavor. Resolution T-17330 required Verizon to provide broadband service to the communities of Crowley Lake and Swall Meadows. Prior to final adoption of Resolution T-17330, Verizon submitted a CASF

application in support of this project, in anticipation of requirements to do so. Further, Verizon and other providers are eligible to apply for a CASF grant to bring broadband service to Paradise during subsequent CASF funding rounds. Given that, the Commission encouraged Mono County officials and the ESCRBC to work with providers to help make that goal a reality.

6. Verizon needs to provide standalone broadband package

Mono County, ESCRBC and Mr. Kalish all requested clarification if broadband subscribers would also need to have a telephone account with Verizon, as indicated in the Draft Resolution. All opposed forcing subscribers to also have phone service or to bundle in order to receive Internet service. DRA further argued Verizon is committing legal error by not providing DSL on a standalone basis and that there should be no requirement to purchase Verizon landline phone service. Verizon responded that its current pricing commitment, requiring Verizon telephone service, is legal under Resolution T-17143.

D. 07-12-054 makes clear that Verizon must offer customers a standalone price package: "[I]n order to ensure that CASF recipients can be held accountable for commitments regarding the affordability of broadband services, we shall require that any voluntary broadband pricing commitments be offered to customers on a standalone basis." As such, Verizon submitted a price commitment for standalone broadband service (see page 4).

7. Concerns Verizon may be "oversold" in area

Mono County, ESCRBC and DRA all expressed concerns Verizon may be unable to serve the communities of Crowley Lake and Swall Meadows at required speeds due to Verizon overselling its services in nearby areas. The ESCRBC requested assurances that subscribers receive the service promised and inquired about enforcement mechanisms available to the CPUC should Verizon not meet those agreed upon levels of service.

Verizon responded that the requested assurances are unnecessary. Customers' ability to order high-speed internet or upgrade to a higher speed of service is currently constrained until a multi-year effort to upgrade the backhaul capacity covering the 297 miles between Victorville and Mammoth Lakes is completed in early November 2012. Moreover, Verizon noted that Resolution T-17143 requires grantees to submit a completion report prior to the reimbursement of the final payment. The completion report will include an assessment of the speed the broadband facilities are delivering to their subscribers, as compared to the initial proposals approved by the Commission. In addition, because Verizon will be submitting certain data regarding the availability of broadband services, the technology used to provide them, and the location of certain broadband infrastructure for the Commission's efforts in the NTIA's State Broadband Data and Development (SBDD) Grant Program, ongoing monitoring data will be available.

The Commission appreciates Verizon's update on the upgrade of its backhaul capacity in the region. Further, the Commission agrees with Verizon that additional assurances are not necessary. Verizon is correct in outlining the manners in which the Commission requires CASF grantees to comply with approved grant applications. If Verizon fails to provide broadband service to the communities in question, it risks facing Commission proceedings for violating Resolution T-17330. If any CASF grantee fails to provide broadband service at the speeds agreed to in an approved resolution, the Commission will deny its reimbursement request.

8. Open access to Verizon fiber

Mono County, ESCRBC and DRA support allowing other providers open access to Verizon's fiber optic cable, thereby allowing them to serve Tom's Place, Sunny Slopes and Paradise, or to compete with Verizon in Crowley Lake and Swall Meadows. Verizon opposed this condition, arguing that the Commission addressed this issue in previous decisions. In their comments both Mono County and ESCRBC recognized that the Commission is not able to require Verizon to provide access to its fiber. We reject this modification to the resolution, as the Commission declined to implement open access rules in D. 12-02-015, for reasons set forth therein.

9. Schat.net challenge

Aaron Schat, owner of Schat.net, requested the Commission deny Verizon's application, arguing that Schat.net can deliver broadband at speeds of 3mbps download/1mbps upload. However, Mr. Schat failed to provide the Commission with any evidence to support overturning the denial of his challenge. As set forth above, CD staff and the Commission have no credible evidence Schat.net can serve the communities it claims it can, beyond unfounded assertions.

## **Findings**

1. The Commission established the California Advanced Services Fund (CASF) in Decision (D.) 07-12-054 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, adopts 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. Resolution T-17330 ordered Verizon to provide broadband service to the communities of Crowley Lake and Swall Meadows by no later than January 28, 2013, and to submit an application for CASF grant funding.
4. Verizon California Inc. (U-1002-C) (Verizon) filed an application for CASF funding for its Crowley Lake and Swall Meadows Project on July 12, 2011. The Crowley Lake and Swall Meadows Broadband Project will extend high-speed internet service to the communities of Crowley Lake and Swall Meadows, in the following two CBGs: 060510001014 and 060510001013.
5. CD staff posted the map, census block groups (CBGs) and zip codes lists by county for the Verizon Crowley Lake and Swall Meadows Project on the Commission's CASF website page under "Pending New CASF Applications to Offer Broadband as of September 2011."
6. CD received one challenge to the proposed project areas.
7. After thorough review, CD denied the challenge.
8. CD reviewed and analyzed data submitted for the Verizon Crowley Lake and Swall Meadows Project CASF grant application to determine the project's eligibility for CASF funding. These data include, but are not limited to: proof of a Certificate of Public Convenience and Necessity (CPCN) from the Commission; descriptions of current and proposed broadband infrastructure; geographic information system (GIS) formatted shapefiles mapping the subject areas; assertion that the area is unserved and 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.
9. CD reviewed the submitted shapefiles which mapped the proposed broadband deployment using United States 2010 Census data and the revised December, 2011 California Broadband Availability maps. These maps helped to verify the existence or non-existence of broadband service areas and broadband speeds, where available.
10. Based on its initial review, CD determined that the project qualifies for funding under Resolution T-17143 and recommends Commission approval of CASF funding for Verizon's Crowley Lake and Swall Meadows Project.
11. The posting of a performance bond by Verizon is not required because the remainder of the total project cost will be financed through Verizon's existing capital budget.
12. Verizon should comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in Resolution T-17143 such as compliance

with the California Environmental Quality Act (CEQA) and the submission of FCC Form 477, among others.

13. A notice letter was emailed on June 12, 2012, informing all members of the CASF distribution list of the availability of this Draft 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.
14. The Commission received comments from the Mono County Board of Supervisors, Verizon, the Eastern Sierra Connect Regional Broadband Consortium, the Division of Ratepayer Advocates, Schat.net and Mr. Stephen Kalish of Swall Meadows, addressed most of these comments in the Discussion section of this draft resolution, and modified the draft resolution accordingly.
15. In response to comments from Mono County, DRA and Mr. Kalish, expressing concern that some Verizon customers would not receive the minimal speeds required under Resolution T-17143, CD confirmed with Verizon its capacity to serve the Project area. Verizon informed CD staff that it could only provide customers within 6,500 feet of its facilities with broadband service at speeds of at least 3 mbps download and 1 mbps upload. CD staff determined that 67 households, roughly 13% of total households (517), would not have access to broadband services at speeds required for CASF funding under Resolution T-17143. As such, the Commission reduces the grant amount by 13%. However, pursuant to Resolution T-17330, Verizon still must also provide broadband service to households in Crowley Lake and Swall Meadows located beyond 6,500 feet of its facilities.
16. In response to comments submitted by Mono County and the ESCRBC, and due to conditions imposed on Verizon in Resolution T-17330, the Commission issues a waiver of the three-year waiting period for CASF funding outlined in D. 12-02-015.
17. The Commission finds the CD's recommendation to fund Verizon's Crowley Lake and Swall Meadows Project as summarized in Appendix A to be reasonable and consistent with Commission orders and, therefore, adopts such recommendation.

**THEREFORE, IT IS ORDERED that:**

1. The Commission shall award funding of \$286,398.45 from the California Advanced Services Fund to Verizon for the Crowley Lake and Swall Meadows unserved and

underserved area broadband project as described in the Discussion section and summarized in Appendix A of this Resolution.

2. The program fund payment of \$286,398.45 for this unserved and underserved project shall be paid out of the CASF fund in accordance with the guidelines adopted in Resolution T-17143.
3. Payments to the CASF recipient 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.
4. The CASF fund recipient, Verizon, shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in Resolution T-17143.
5. The CASF fund recipient, Verizon, shall begin offering broadband service to the communities of Crowley Lake and Swall Meadows by no later than January 28, 2013.
6. The communities of Crowley Lake and Swall Meadows are hereby exempted from the provision in D. 12-02-015 that forbids areas that previously received CASF funds from receiving additional CASF funding until three years after completion of the respective project.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 23, 2012. The following Commissioners approved it:

/s/ Paul Clanon

PAUL CLANON  
Executive Director

MICHAEL R. PEEVEY  
President  
TIMOTHY ALAN SIMON  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
MARK J. FERRON  
Commissioners



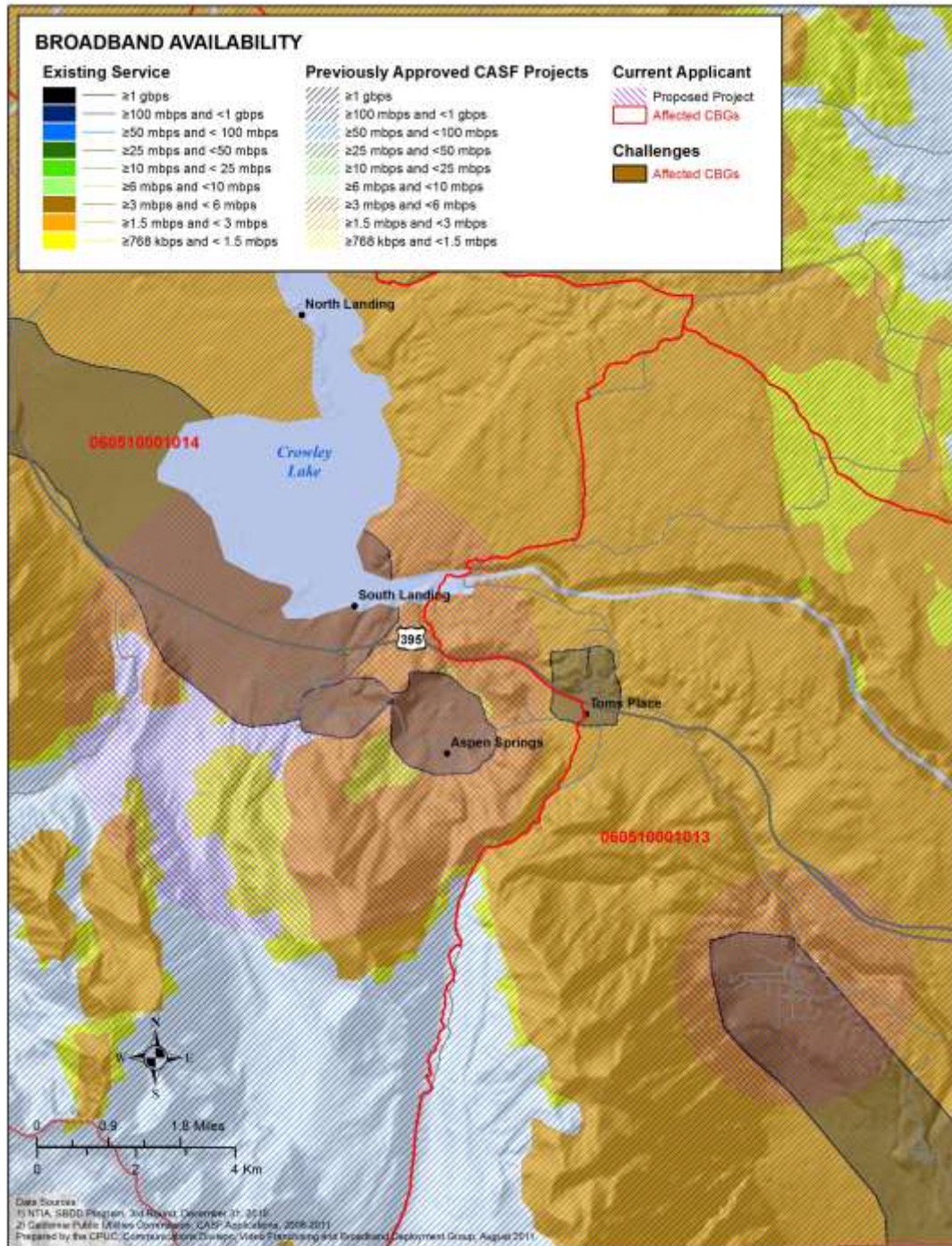
**APPENDIX A**  
**Resolution T- 17350**  
**Verizon Crowley Lake and Swall Meadows Project**  
**Key Information**

<i>Project Name</i>	<b>Verizon Crowley Lake and Swall Meadows Project</b>		
<i>Project Plan</i>	The Crowley Lake project would consist primarily of the placement of IOF equipment in the Crowley Lake wire center and placing fiber to the DLC site in Swall Meadows.		
<i>Project Size (in square miles)</i>	1.19 square miles		
<i>Download / upload speed (in Mbps)</i>	3-10 mbps/1 mbps (for households within 6,500 feet of the Crowley Lake wire center or remote facility site in Swall Meadows)		
<i>Location</i>	Mono County		
<i>Community Name</i>	Crowley Lake & Swall Meadows		
<i>CBGs / Household Income</i>	060510001014/ \$54,597		
	060510001013/ \$54,597		
<i>ZIP Codes</i>	93514 & 93546		
<i>Estimated Potential Subscriber Size</i>	450/450		
<i>Households / Subscribers</i>			
<i>Deployment Schedule (from Commission approval date)</i>	no later than January 28, 2013		
<i>Proposed Project Budget</i>	\$693,000		
<i>Total</i>	\$693,000		
<i>Amount of CASF Funds approved</i>	\$286,398.45		
<i>CIAC (18.7%)</i>	\$45,121.85		
<i>Internally funded</i>	\$406,601.55		

## APPENDIX A

### Resolution T- 17350

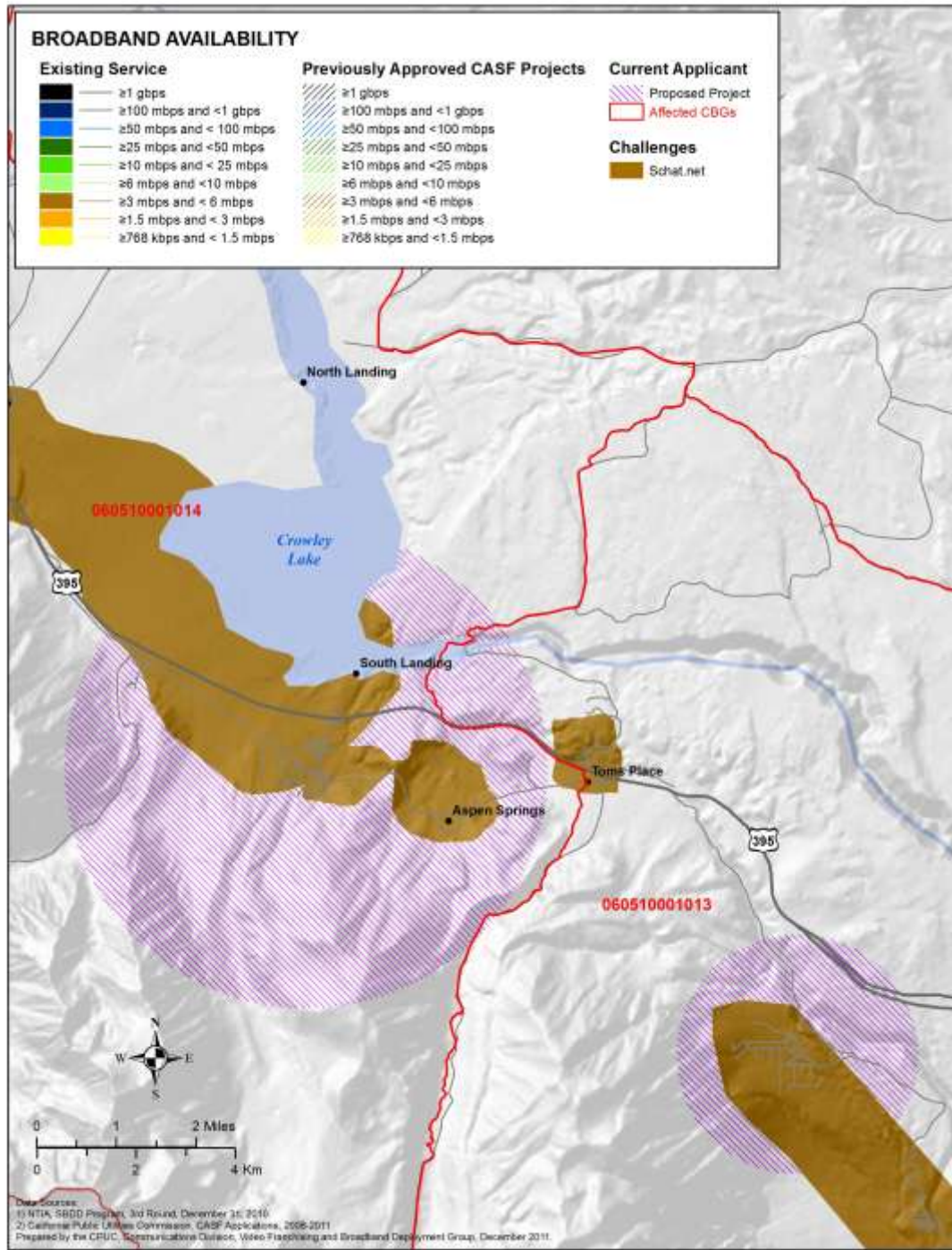
#### Verizon Crowley Lake and Swall Meadows Project Shapefiles



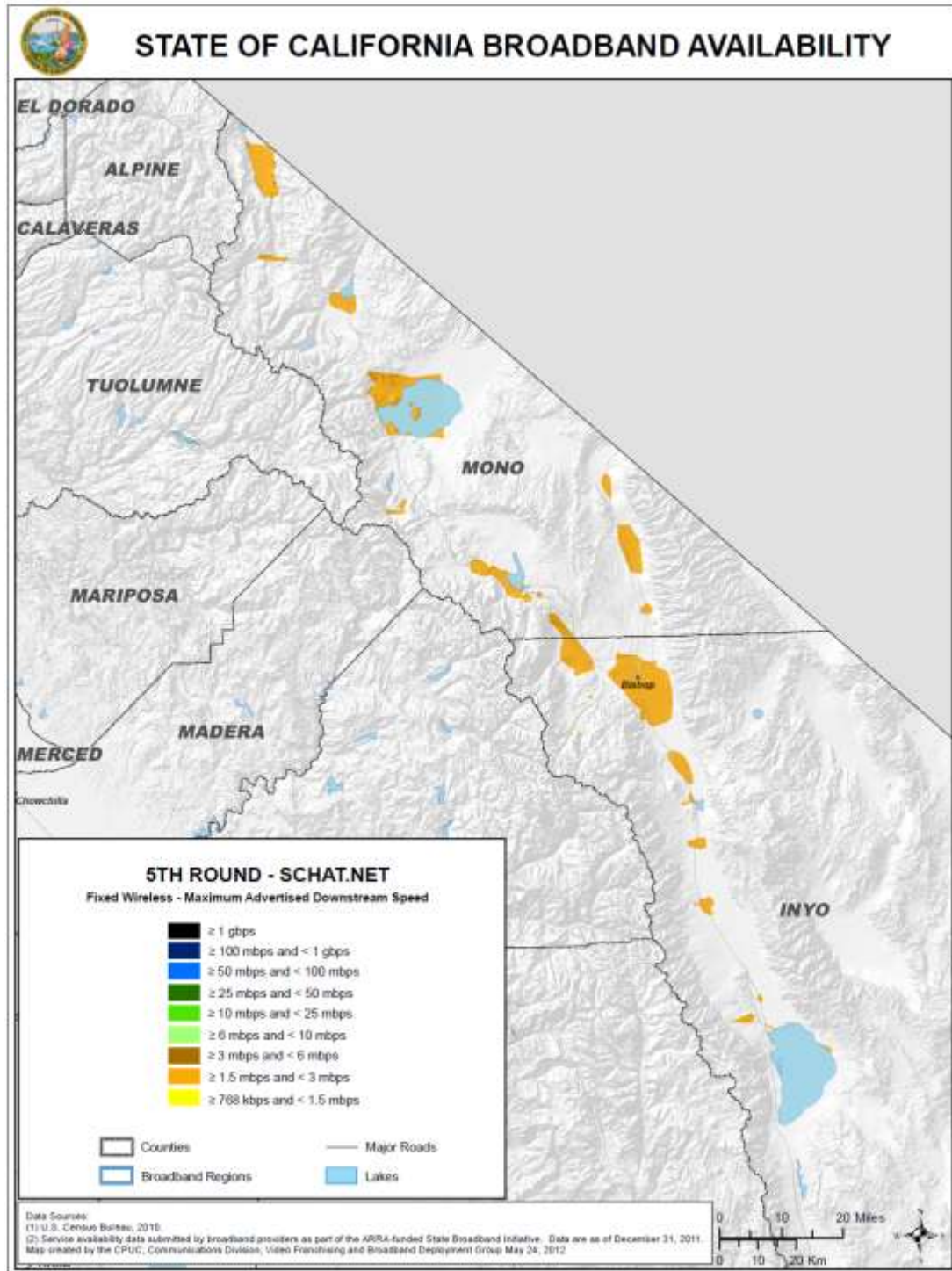
## APPENDIX A

### Resolution T- 17350

#### Verizon Crowley Lake and Swall Meadows Map - Challenge Area



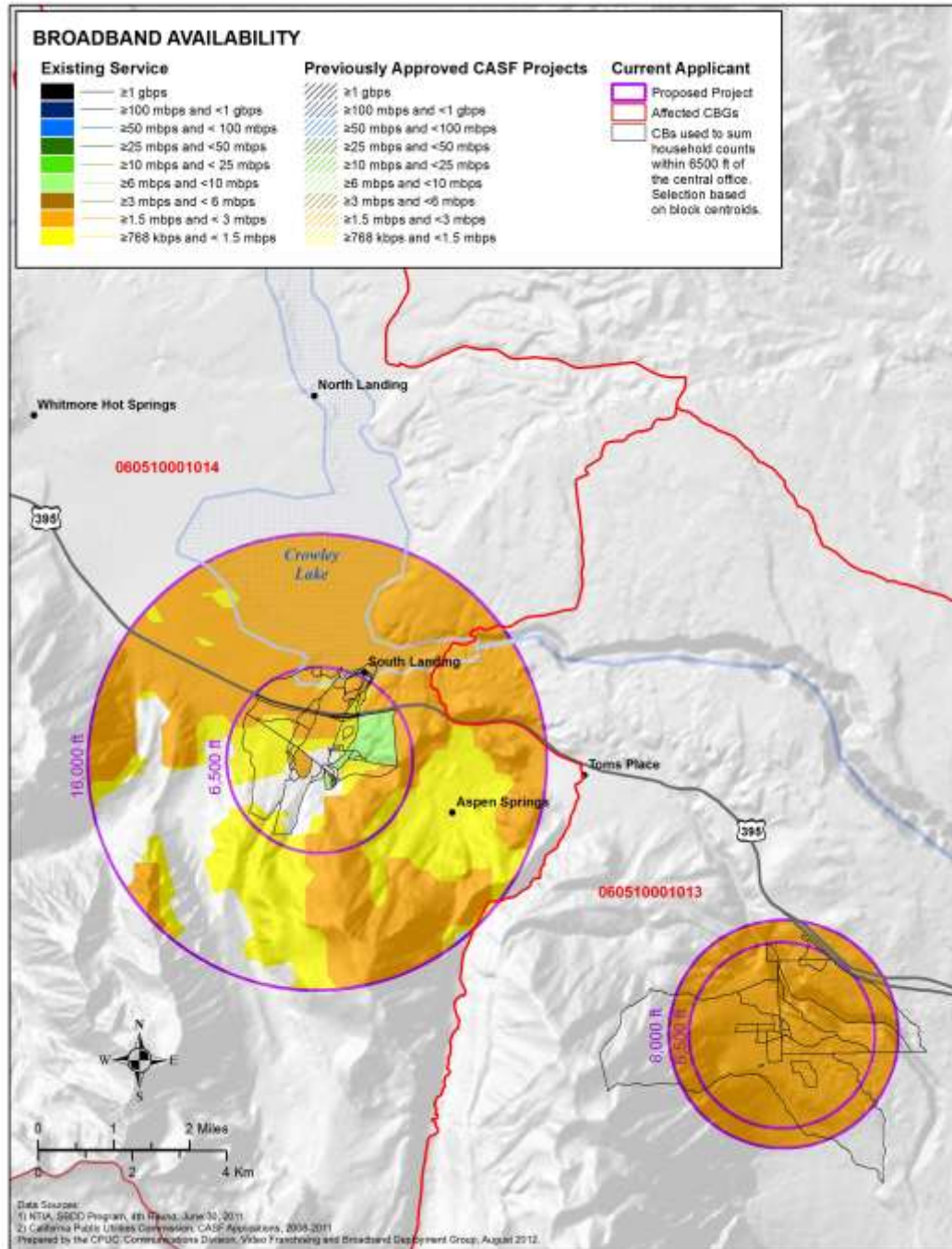
**APPENDIX A**  
**Resolution T- 17350**  
**Verizon Crowley Lake and Swall Meadows Map – Challenger’s Broadband Mapping**  
**Round Five Data**



## APPENDIX A

### Resolution T- 17350

#### Verizon Crowley Lake and Swall Meadows Map - Project Area



END OF APPENDIX A