

California Public Utilities Commission

CETF Rural Connections 2010 Workshop

Broadband Update:
California Advanced Services Fund



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CPUC Activities

- The CPUC has initiated a number of activities to implement the recommendations of the Governor's Broadband Task Force:
 - Approved the creation of the **California Emerging Technology Fund** (CETF)
 - Created the **California Advanced Services Fund** (CASF)
 - Updated **Broadband Maps** and designated as the California entity responsible for creating our state's portion of the national broadband map
- The CPUC is also a partner in a number of other broadband initiatives in California such as the **California Telehealth Network** and the CIO's review of BTOP applications.

CASF Background

- **The Commission established the \$100 million CASF Program on December 20, 2007** (D. 07-12-054)
- CASF provides **matching funds up to 40%** of the total project cost; recipient provides 60%
- The program sunsets on January 1, 2013

CASF Background (cont'd)

- Fund projects that build out facilities to provide broadband services
 - **to unserved areas (areas without broadband access except through dial-up or satellite) and**
 - **to underserved areas (areas where no facilities-based provider offers service of at least 3 megabits per second download and 1 megabit per second upload)**
- Final approval of projects is done through Commission resolution

Eligibility Criteria Expansion to complement Federal Funding Opportunities

- In July 2009 (D.09-07-020) the Commission:
 - Expanded the eligibility criteria to applicants who are also seeking American Recovery and Reinvestment Act (ARRA) funding
 - Allowed entities other than telephone corporations provided CASF funding is pursued in conjunction with ARRA in conjunction with AB 1555 (Chapter 24, Stats 2009)
 - Continued the 40% matching grant concept and also provided the potential for applicants to seek 10% CASF matching funds for projects under the ARRA.

California Public Utilities Commission

CASF Criteria for Awarding

- Applicants must prove that the area is unserved or underserved
- Applications must include maps and CBGs and Zip Codes for areas to be served among other requirements (CPUC Resolutions T-17143 and T-17233)
- Applications are scored according to the following criteria (applied where there are competing applications for the same area or if funding becomes limited)

• Funds Requested per Potential Customers	40 pts
• Speed	20 pts
• Service Area	15 pts
• Timeliness of Completion of Project	5 pts
• Pricing	10 pts
• Guaranteed Pricing Period	5 pts
• Low-Income Areas	5 pts
	100 pts

Projects Approved for Funding

- **As of early May 2010, the Commission has approved CASF grants for 44 projects amounting to \$91.37 million, covering 29,286 square miles, and benefiting 313,283 households**
 - **Unserved areas:** 17 projects, \$12.04 million, 4,302 square miles, and 33,327 households
 - **Underserved areas:** 27 projects, \$79.33 million, 24,984 square miles, 279,956 households
 - 30 of the 44 projects totaling \$24.41 million were awarded a 40% grant
 - 14 of the 44 projects totaling \$66.80 million have been granted conditional approval (i.e., approval is dependent on the applicants' securing ARRA funding for 80% of the broadband project's cost). Two CASF grantees secured recovery Act funding thus far.

California Public Utilities Commission

Statewide Map of Approved CASF Projects as of April 2010



May 13, 2010

Status of Approved Projects

- **Of the projects awarded CASF funding to date:**
 - **Two projects have been completed: Frontier's Pinyon project in Riverside County and Frontier's Livingston project in Merced County**
 - **Two projects: Willits Online's Covelo and Laytonville projects, in Mendocino County are about 70% complete**
 - **20 projects have started construction and will be completed between mid-2010 and mid-2011**
 - **Other projects are under CEQA review and undergoing pre-construction activities or are pending Recovery Act funding**

- **Funding for 7 CASF approved projects that were not successful in securing Recovery Act funds in round 1 and were not resubmitted for Recovery Act funding in round 2 are expected to be rescinded later this month, freeing up funds, of approximately \$38 million allocated to these projects.**

California Public Utilities Commission

New CASF Developments

- **Evaluation of 13 applications for \$28 Million CASF funding to match Recovery Act applications submitted during the 2nd round**
- **Senator Padilla introduced SB 1040 which:**
 - **Increases CASF appropriation from \$100 million to \$225 million**
 - **Encumbers \$25 million per fiscal year beginning July 1, 2010 through FY 2015 - 16 for the following:**
 - **\$20 million for the Broadband Infrastructure Grant Account**
 - **\$2 million for the Rural and Urban Regional Broadband Consortia Account, and**
 - **\$3 million for the Broadband Infrastructure Loan Funds Facility Account**

Questions?

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