

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T-17717
December 17, 2020**

RESOLUTION

Resolution T-17717: Approval of funding for the grant application of Hunter Communications, Inc. (U-7281-C), from the California Advanced Services Fund up to the amount of up to \$8,223,340 for the Hoopa Valley Broadband Initiative Project located in Humboldt County.

SUMMARY

This Resolution approves up to \$8,223,340 in funding from the California Advanced Services Fund (CASF) for the grant application of Hunter Communications, Inc. (Hunter) to construct the Hoopa Valley Broadband Initiative (HVBI) Project. Hunter proposes to deploy hybrid fiber optic and wireless middle-mile infrastructure and a last-mile hybrid fiber and fixed wireless network to provide high-speed Internet service to the Hoopa Valley Tribal Reservation in Humboldt County. The proposed project will enable broadband access at speeds of at least 100 Megabits per second (Mbps) download and 25 Mbps upload to 1,198 unserved households. The proposed project will provide ancillary benefits, including improved connectivity in a region located in Tier 2 and Tier 3 Fire-Threat Districts as noted on the California Public Utilities Commission's (Commission) Fire Map¹.

BACKGROUND

The CASF Infrastructure Grant Account (CASF Infrastructure) provides grant funding to Internet service providers to build or upgrade broadband infrastructure in areas that are unserved by existing broadband providers. The CASF program was initiated in 2008, after the program was first adopted by the Commission in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill 1193.

¹ <https://ia.cpuc.ca.gov/firemap/>.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)² into law. That legislation amended the statute governing the CASF program, Public Utilities Code § 281. The Commission issued D.18-12-018 adopting the programmatic changes to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure.³

On June 29, 2020, Governor Newsom signed AB 82 into law amending Public Utilities Code § 281 to authorize leveraging of CASF Infrastructure grant funding to supplement the costs of broadband infrastructure already funded, in whole or in part, by the federal Rural Digital Opportunity Fund (RDOF).⁴ In an effort to effectively utilize state and federal funding toward meeting the CASF program goals, Staff has recommended project applications that include areas eligible to receive RDOF may be deferred for approval until after the results of the RDOF Phase I (Auction 904) have been published.⁵

On May 4, 2020, Hunter submitted a CASF Infrastructure application, requesting 100-percent funding of \$8,223,340, for the HVBI Project to deploy hybrid fiber and fixed-wireless last-mile broadband access to 1,198 unserved households on the Hoopa Valley Reservation in Humboldt County. The HVBI project will be constructed in collaboration with the Hoopa Valley Public Utilities District (HVPUD). Hunter will be the fiber-to-the-home (FTTH) service provider while HVPUD will complement that service by providing wireless Internet service until the fiber deployment can be completed within the Hoopa Valley. The proposed project includes a licensed microwave and fiber optic middle-mile component critical to accessing the last-mile infrastructure. The CASF grant funding request would cover 86.3 percent of the project deployment costs of the HVBI Project with matching funding from Universal Service Administration Co (USAC) grants through the Corporation for Education Network Initiatives in California (CENIC) and the Hoopa Valley Tribe. Table 1, below, identifies Hunter's proposed project budget using CASF and matching funding.

² AB 1665 is codified at Public Utilities (Pub. Util.) Code § 281.

³ The Commission extended the CASF Infrastructure application deadline from April 1 to May 4, 2020, and all subsequent deadlines are moved back by five weeks due to COVID-19 public health emergency. Executive Director Letter to CASF Distribution and Service Lists, Postponement of the 2020 CASF Infrastructure Application Deadlines, March 20, 2020.

⁴ See Public Utilities Code § 281(b)(1)(B)(ii).

⁵ See Staff Proposal on State-Federal Broadband Infrastructure Funds Leveraging Rulemaking (R.)20-08-021, October 1, 2020, which is pending Commission decision.

Table 1: CASF Infrastructure Grant Application

	Funding
CASF Infra Grant Request	\$ 8,233,340
USAC/CENIC, Hoopa Valley Tribe	\$ 1,308,515
HVBI Project	\$ 9,541,855

Hunter is a Southern Oregon-based Telecommunications Company, Competitive Local Exchange Carrier, and Internet service provider (ISP). Hunter has been involved in a variety of cabling and installation services to customers in Oregon and throughout the Pacific Northwest. Hunter has abundant experience in telecommunications and serves the largest privately owned fiber optic network in Oregon, connecting Southern Oregon's Educational Systems, Healthcare Facilities, Financial Institutions, City and County Governments and businesses to reliable, commercial grade communications network. Hunter maintains peering relationships with multiple national and international service providers, allowing Hunter to offer Ethernet transport services virtually anywhere in the world.

HVPUD is an entity duly chartered in 1982 pursuant to Tribal Council authority in Article IX, Section 1(p) of the Hoopa Valley Tribe's Constitution and By-laws, which were approved by the Commission of Indian Affairs on August 18, 1972, and ratified by an Act of Congress on October 31, 1988. In the HVPUD Charter, the Hoopa Valley Business Council stated the primary goals are self-sufficiency and the maintenance of self-determination for the Hoopa people. The goal of self-sufficiency was expanded to include the provision for safe, healthy, dependable, and appropriate sources of energy. HVPUD has successfully managed and operated the utility functions under its charter for the Hoopa Valley Tribe for almost 40 years.

NOTICE

On May 18, 2020, Staff posted the proposed project area map, census blocks, and zip codes for the HVBI Project on the Commission's CASF webpage⁶ under "CASF Application Project Summaries" and sent notice regarding the project to the CASF Distribution List.⁷

⁶ <https://www.cpuc.ca.gov/General.aspx?id=1040>

⁷ <https://www.cpuc.ca.gov/General.aspx?id=8246>

PROTEST/CHALLENGES

On June 8, 2019, Velocity Communications (Velocity) challenged the application stating it provides broadband availability at served speeds in the Hoopa Valley area.

The outcome of the challenge is addressed in the Discussion, Section I, Project Area Eligibility.

DISCUSSION

Staff recommends the approval of a CASF Infrastructure grant for the HVBI Project, including RDOF eligible areas, prior to the results of the RDOF Phase I auction, despite the risk of disqualifying areas and reducing the amount of federal funds available in California. On May 4, 2020, the Communications Division received 54 CASF Infrastructure grant applications requesting over \$500 million – much more than the amount available in the fund. As part of Rulemaking (R.)20-08-021, Staff proposed waiting for the outcome of the RDOF Phase I auction to leverage available federal funding and maximize finite state funding. However, Staff recognizes the disparity of access to fixed broadband service on Tribal lands compared to non-Tribal rural areas. In general, there is a lack of federal broadband funding being invested in Tribal areas. As further discussed in the Project Area Eligibility analysis, Frontier Communications Corporation (Frontier) accepted federal grant funding from the Federal Communications Commission (FCC) Connect America Fund Phase II (CAF II) program to provide broadband access to households in the HVBI project area; however, Frontier has not reported any CAF II deployments within in the HVBI project area, leaving the area unserved. Given the historical lack of federal broadband money going to Tribal areas, Staff recommends awarding CASF funding now to provide a clear path forward for the Hoopa Valley Tribe.

In a letter to FCC Chairman Ajit Pai, U.S. Senator Tom Udall, Vice Chairman of the Senate Committee of Indian Affairs, and fourteen Senate Democrats called on the FCC for emergency actions for Tribal broadband in effort to expedite broadband connectivity to Native communities.⁸ Senator Udall challenged the FCC on its July 2019 Broadband Deployment Report's finding that advanced telecommunications capability is being deployed to all Americans in a "reasonable and timely fashion," pointing out there is a

⁸ See United States Senate Committee on Indian Affairs, FCC Emergency Actions for Tribal Broadband Letter, available at <https://www.tomudall.senate.gov/imo/media/doc/FCC%20Emergency%20Actions%20for%20Tribal%20Broadband%20Letter%20-%20FINAL.pdf>

27-point gap in fixed broadband service between Tribal and non-Tribal communities. According to the FCC, fewer than half of Tribal households have access to fixed broadband service.⁹ Tribal lands often present significant obstacles to deploying broadband including rugged terrain, complex permitting processes, and jurisdictional issues involving states and sovereign Tribal governments, combined with a lack of necessary infrastructure. Furthermore, Tribal lands have a predominance of low-income residential customers with high poverty rates which do not offer a viable business model for privately owned service providers.

The Hoopa Valley Tribe has partnered with Hunter to address its severe need for high-speed broadband in the Hoopa Valley. A majority of the unserved households on the Hoopa Valley Reservation are eligible for RDOF (see Table 2). However, the market-based mechanisms employed by the FCC for broadband deployment have not proven successful in providing broadband to Tribal areas in California, given the scarcity of broadband access and the CAF II efforts which failed to deploy broadband in the region. In addition, Commission action on this Application, before the outcome of the RDOF Phase 1 auction, is warranted where: (1) the applicant is a California Tribe to serve Tribal lands, and Commission consideration supports Tribal sovereignty consistent the Commission's Tribal Consultation Policy; (2) the FCC declined California's recommendations to include Tribal consultation for service providers to win support to serve Tribal lands;¹⁰ (3) the Application will provide immediate broadband service and fund long-term, fiber infrastructure; (4) and the project includes significant non-CASF funding.

For these reasons, Staff recommends approval of the HVBI Project to expedite broadband connectivity, improve access to critical services, and promote self-governance and self-determination to the Hoopa Valley Tribe.

⁹ See FCC Report on Broadband Deployment in Indian Country, Pursuant to the Repack Airwaves Yielding Better Access for Users of Modern Services Act of 2018, May 2019, available at <https://docs.fcc.gov/public/attachments/DOC-357269A1.pdf>

¹⁰ See *Federal Communications Commission, Notice and Filing Requirements and Other Procedures for Auction 904*, AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, FCC 20-77, (Released June 11, 2020) at paragraph 134, footnote 301 (“...we see no need for the short-form application to include a specific question on Tribal engagement...”).

Table 2: HVBI Project CASF and RDOF Eligibility Overlap

	Census Blocks	Unserved Households
CASF Eligible Census Blocks	185	1,198
RDOF Eligible Census Block	73	1,099
Percent Overlap	39.5%	91.7%

In compliance with D.18-12-018, Staff determined Hunter’s HVBI Project is eligible to receive \$8,223,340 in CASF Infrastructure grant funding.

Details of Staff analysis are explained in the following sections:

- I. Project Area Eligibility
- II. Minimum Performance Criteria
- III. Funding Determination
- IV. Safety and Community Support
- V. Compliance Requirements
- VI. Payments to CASF Recipients

Key project information and maps are shown in Appendix A and B.

I. Project Area Eligibility

No provider filed a “right-of first refusal” for Hunter’s project area by January 15, 2020.

Connect America Fund Phase II (CAF II) census blocks located in Hunter’s HVBI project area are eligible for a CASF Infrastructure grant. Public Utilities Code § 281(f)(5)(C) prohibited the approval of CASF Infrastructure grants for projects in census blocks where an existing facilities-based broadband provider had accepted federal CAF II funds for broadband deployment. However, by its own provisions, this prohibition sunset on July 1, 2020. In 2015, Frontier accepted federal grant funding from the FCC’s CAF II program to provide broadband access to 836 households in the HVBI project area. On January 15, 2020, Frontier reported to have completed 76 percent of its CAF II deployment in California. However, Frontier has not informed the Commission of any intent to serve, nor reported any CAF II deployments, within the HVBI project area leaving the area unserved. Therefore, Staff determined the HVBI Project is eligible for a CASF Infrastructure grant.

Hunter disputes the served status of 31 census blocks and attests the households in the HVBI project area are unserved. In its application, Hunter and HVPUD disputed the California Interactive Broadband Map’s depiction of served status for 31 census blocks and claimed that 90 percent of the reservation is unserved by high-speed broadband Internet. Velocity, a small California-based wireless service provider, claims coverage of the Hoopa Valley Reservation. However, the Hoopa Valley Tribe attests that the broadband service as advertised is not accurate. Hunter provided speed tests from various Tribal departments within the HVBI project area to support the claim. Staff reviewed the speed test data and found that the measured broadband performance was half the advertised subscribed bandwidth rates in a majority of the results provided; with most of the subscriptions not receiving 6 Mbps download and 1 Mbps upload service.¹¹ Table 3 summarizes the eligibility status of census blocks in the HVBI project area.

Table 3: Hunter’s CASF Infrastructure Grant Application

	Census Blocks	Unserved Households
CASF Eligible Census Blocks	154	327
CASF In-eligible Census Blocks (Disputed)	31	871
Proposed HVBI Project Area	185	1,198

Velocity submitted an incomplete challenge to the HVBI Project. Velocity challenged the application, asserting the 31 census blocks depicted as served on the California Interactive Broadband Map are already served and therefore ineligible for CASF funding. Staff reviewed the information submitted by Velocity and determined Velocity did not provide sufficient information to indicate that it has subscribers at served speeds in the proposed project area. Velocity submitted customer billing information but failed to identify the census block or service address location to verify served status. Therefore, Staff determined Velocity’s challenge to the Hoopa Valley Broadband Initiative Project is invalid.

The HVBI Project is eligible for a CASF grant. Only households that are unserved are eligible for the CASF Infrastructure grant. Unserved means there is no provider offering access at speeds of at least 6 Mbps downstream and 1 Mbps upstream. Based on data provided by Hunter, HVPUD, and Velocity, Staff finds the households in the HVBI Project area are unserved and thus eligible for CASF Infrastructure grant funding.

¹¹ Velocity claims a maximum of 20 Mbps download and 2 Mbps upload.

Middle-Mile infrastructure is eligible for a CASF grant. Hunter proposes to deploy a hybrid fiber optic and wireless middle-mile infrastructure to provide the critical backhaul required to deliver the last-mile service. In December 2019, the Hoopa Valley Tribe in partnership with Hunter completed a fiber network connecting all Tribal departments and entities. However, this network has no direct access to the Internet and only serves as an Intranet for the Tribe. Hunter proposes to place approximately 16 miles of middle-mile fiber optic cable from Hunter's Central Office located at the Hoopa Valley Fire House and interconnecting to (1) the Bald Hills cell tower site for wireless backhaul, (2) the Klamath River Rural Broadband Initiative (KRRBI) Project¹² in Weitchpec, and (3) the Digital 299 Project¹³ in Willow Creek. Nevertheless, the HVBI Project is a standalone project and is not contingent on the completion of the KRRBI or Digital 299 Projects. Indefeasible Rights of Use agreements have not been negotiated between Hunter, the Hoopa Valley Tribe, HVPUD or adjacent entities and tribes.

The wireless portion of the middle-mile infrastructure consists of a licensed, point-to-point microwave link over a combination of Tribal and leased tower sites to Eureka, where an Internet point of presence (POP) can be established. The wireless backhaul will serve as the primary middle-mile connection for the HVBI Project until the KRRBI and Digital 299 Projects are completed. Once these projects complete, the middle-mile fiber connections to KRRBI and Digital 299 will provide the long term, critical backhaul that will support last-mile fiber and wireless distribution throughout the Hoopa Valley Reservation; and provide path redundancy and increase network resiliency and reliability for this remote region.

Currently, Velocity operates wireless middle-mile facilities in the Hoopa Valley area. However, Velocity's existing infrastructure does not offer the level of services nor bandwidth required for Hunter to serve the HVBI project area. This is further supported by the fact that Velocity itself does not currently serve all the households on the Hoopa Valley Reservation. Hunter is unable to deliver last-mile service without building the middle-mile infrastructure. Therefore, Staff determined the middle-mile infrastructure is necessary to serve the proposed communities and thus eligible for CASF funding, pursuant to Pub. Util. Code § 281(f)(5)(B). The CASF-funded portion of the HVBI middle-mile fiber network shall be made available for wholesale access to other potential CASF grantees at reasonable rates and terms. These reasonable rates shall be at cost.

¹² See Resolutions T-17418 and T-17690 approving funding from the CASF for Klamath River Rural Broadband Initiative Project.

¹³ See Resolution T-17548 approving funding from the CASF for the Digital 299 Middle-Mile Broadband Project.

II. Minimum Performance Criteria

Based on Staff's review, the HVBI Project meets the minimum performance criteria pursuant to D.18-12-018, Appendix 1, Section 6, as summarized in Table 4.

Table 4. Minimum Performance Criteria

	CASF Performance Criteria	Proposed Project
Project Completion	CEQA-exempt projects must be completed within 12 months, and all other projects shall be completed within 24 months after receiving CEQA permit	12 months (CEQA exempt)
Pricing	Prices committed for two years after completion of the project	2-year
Speed	At least 10/1 Mbps	100 / 20 Mbps
Latency	Maximum of 100 ms of latency	25 ms
Data Caps	Minimum of 190 GBs per month	No data cap
Affordability	Must offer low-income plan	Low-Income Plan - \$14.99/month for 25/10 Mbps

Hunter's HVBI Project is categorically exempt from California Environmental Quality Act (CEQA) review. The Commission must review all CASF projects in accordance with CEQA requirements unless the project is statutorily or categorically exempt pursuant to CEQA guidelines.

In its application, Hunter requested categorical exemption from CEQA and provided the Commission with its plan to use existing infrastructure and facilities such as utility poles, towers, and buildings for the installation of aerial fiber cable, microwave backbone, and the fixed wireless network. Much of the proposed construction will take place on Tribal lands that have previously been disturbed. The proposed project would cover approximately 106.5 square miles, including the entirety of the Hoopa Valley Reservation in Humboldt County, California.

The fiber portion of the network will consist of 45.3 miles of aerial fiber installation on existing joint-use utility poles, located within existing public utility easements and public rights of ways (ROW). Hunter does not anticipate any underground fiber installation; however, Hunter will utilize minimally invasive trenching techniques (e.g. specialized plow or pavement saw cutting) in the event underground installation is necessary. Trenching will be performed in existing ROWs or roadside drainage ditches.

Following the installation of any underground facilities and cabling, the site will be returned to its original condition. In all underground construction, Hunter will install two conduits to permit future addition of fiber optic cables while avoiding further ground disturbance.

In cases where tower sites will be upgraded to support the microwave backbone and the fixed wireless network, upgrades will be performed by “swap and replace” of equipment within the existing fence line, which will not require additional ground disturbance. Tower site upgrades include new propane generator, solar power system, new fencing, and communications shelter. Any additional network equipment will be installed within Hunter’s existing Central Office and Hoopa Valley Public Utility District’s Network Operations Center.

Based on the above information, Energy Division has confirmed that the project is categorically exempt from CEQA review. This project meets the criteria of the CEQA categorical exemptions for CEQA Guidelines, 14 C.C.R. § 15301 (Existing Facilities) and § 15303 (New Construction or Conversion of Small Structures). Thus, the entirety of the HVBI Project is categorically exempt from CEQA review.

Hunter’s broadband service offering meets CASF minimum performance criteria.

Hunter commits to residential and low-income broadband pricing plans, as summarized in Table 5 and Table 6, for two years starting from the beginning date of service. Customers must commit to a minimum of 12 months of service to receive these prices. Initially, customers will only be able to subscribe to wireless service plans. After the HVBI network has established a middle-mile fiber interconnection (via the KRRBI and Digital 299 Projects), customers will be able to subscribe to the fiber service.

Activation and installation fees will be waived for this project for the first two years starting from the beginning date of service and cost \$99 - \$150 thereafter.

Table 5: Broadband Pricing Plan

Service Type	Download Speed	Upload Speed	Monthly Price
Wireless	10 Mbps	1 Mbps	\$45.00
Wireless	15 Mbps	2.5 Mbps	\$75.00
Wireless	25 Mbps	2.5 Mbps	\$100.00
Fiber	100 Mbps	25 Mbps	\$49.99
Fiber	1,000 Mbps	50 Mbps	\$89.99

Table 6: Low-Income Broadband Pricing Plan

Service Type	Download Speed	Upload Speed	Monthly Price
Fiber	25 Mbps	10 Mbps	\$14.99

The proposed speed offerings (up to 1,000 Mbps download and up to 50 Mbps upload) meet the 10/1 minimum performance requirement. This project is capable of providing Internet service with speeds of up to 1 Gbps download and 1 Gbps upload, which will be available to customers; however, the standard service offering is 1,000 Mbps download and 50 Mbps upload. Hunter's service offering is for broadband access only, no interconnected voice services will be provided. This service will be available to the general public, as well as anchor institutions and small businesses.

III. Funding Determination

Hunter is eligible to receive 100 percent funding for its HVBI Project. AB 1665 authorizes the Commission to award grants to fund all or a portion of the project and requires that it determine, on a case-by-case basis, the level of funding to be provided. Staff used the statutory factors for consideration of the grant funding level, as described by Pub. Util. Code §§ 281(f)(12) and 281(b)(2)(B)(i), and CASF rules adopted in D.18-12-018. Based on those factors, Staff determined Hunter's request of a 100 percent funding level is appropriate; and thereby recommends awarding a CASF Infrastructure grant of \$8,223,340 for the HVBI Project. Table 7, below, summarizes Staff's funding level determination for the project.

Table 7. Funding Level Criteria for Hunter HVBI Project

Funding Criteria	HVBI Project
Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (40%)	11%
Low Income - up to 40% <ul style="list-style-type: none"> Median Household Income for community is less than CARE standard for family of 4, which is currently \$50,200 (30%) Applicant serves low-income customers for no more than \$15/month (10%) 	30% 10%
Others: PU Code Sec 281 (f)(13) Criteria - up to 20% <ul style="list-style-type: none"> Inaccessible Location (10%) Uses Existing Infrastructure (10%) 	10% 10%

• Makes a Significant Contribution to the Program Goal (10%)	10%
Total Funding Level	100%¹⁴

Details of the appropriate funding level are described below.

Baseline for an Eligible Project qualifies for 60 percent funding. The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The Hoopa Valley Reservation meets all of the eligibility criteria, as previously described in the Project Area Eligibility section.

Service Level Preference qualifies for an additional 11 percent funding. Pub. Util. Code § 281(b)(2)(B)(i) encourages the Commission to give preference to projects in areas with no Internet connectivity or where Internet connectivity is available only through dial-up service that are not served by any form of wireline or wireless facility-based broadband service. According to the California Interactive Broadband Map, 42 of the 185 census blocks in the project area have access to fixed wireless service but at unserved speeds, and thus do not qualify for additional funding. The remaining 143 census blocks qualify for the Service Level Preference.

The maximum funding level for the Service Level Preference is 40 percent. Staff calculated the percentage of additional funding in proportion to the percentage of households in the project area. The 145 census blocks identified include 327 of 1,198 CASF-eligible households; this represents 27 percent of the households in the project area. Therefore, this project should receive 27 percent of the Service Level Preference, which equates to an additional 11 percent funding for this criterion.

Low Income considerations qualify for an additional 40 percent funding. The average median household income of the census block groups in the proposed project area is \$29,486, and thus qualifies for an additional 30 percent funding. For those households with incomes at or below the federal poverty level, Hunter will offer a \$14.99 monthly plan and is therefore eligible for an additional 10 percent funding.

¹⁴ Maximum funding level is 100 percent. See D.18-12-018, Table 1. Summary of Funding Level Determinations.

Other Factor considerations qualify for an additional 20 percent funding. The HVBI Project meets all three criteria and qualifies for an additional 20 percent funding.

Staff determined the proposed project meets the inaccessible location criteria for an additional 10 percent funding. The project area is located in the rugged Pacific Coast Ranges and bordered by the Six Rivers National Forest. The Hoopa Valley Tribal Reservation covers more than 92,000 acres of primarily timber and agricultural land and is within the Trinity River watershed. Staff considers the project area to be forested, difficult terrain and relatively inaccessible to construction of advanced broadband communications infrastructure. Additionally, the proposed project areas are in rural census blocks as defined by the U.S. Census.

The proposed project is eligible for an additional 10 percent funding for use of existing infrastructure. Hunter and HVPUD propose to use existing utility poles, towers, and buildings for the deployment of its fiber and fixed wireless service offerings.

Staff determined the project makes a significant contribution to the program goal and is eligible for an additional 10 percent funding. The Redwood Coast Connect Consortium region to which the Hoopa Valley Reservation belongs, is at 90.3 percent served,¹⁵ which is below the CASF program goal. Therefore, this project will make a significant contribution to the program goal.

IV. Safety and Community Support

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, access to emergency services, and to allow first responders to communicate with each other and collaborate during emergencies.

Hunter's HVBI Project will provide enhanced communications services that will promote public safety capabilities in an area located in Tier 2 and Tier 3 Fire-Threat Districts.¹⁶ The Hoopa Valley Reservation has been designated by CalFire as "Communities at Risk" of damage from wildfire. The Hoopa Valley is only accessible

¹⁵ See 2019 Annual Report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2020, Table 7: Remaining Unserved Households in Each Consortia Region.

¹⁶ See <https://ia.cpuc.ca.gov/firemap/>.

by Highway 96, where in the event of a major wildfire, the Hoopa Valley Reservation could easily become isolated. The Hoopa Valley Tribal Council (HVTC) Office of Emergency Services (OES) filed a letter of support emphasizing the importance of broadband infrastructure to improve essential communications required to carry out operational tasks and incident command during emergency situations. During complex disasters, OES hosts multiple federal, state, and local agencies in which improved high-speed Internet will increase the emergency service capacity to respond to events and increase the functionality of these critical and essential entities. For these reasons, Staff finds the project will enhance public safety.

The project is greatly supported by the community for its potential to remove barriers to economic and workforce development, health care, education, and public safety. Per Hoopa Valley Tribal Chairman Byron Nelson, Jr, increased broadband capacity will strengthen the Tribe's sovereignty and self-governance as a federally recognized Tribe. Broadband is essential to provide significant beneficial impacts for economic development, education, emergency services, health care, and the overall livelihood of the Hoopa Valley community. Increased infrastructure and broadband capacity will have a lasting impact on the entire community and will benefit residents in all facets of modern life. Additionally, HVTC Land Management Department supports the HVBI project for its ability to increase access to online training and educational webinars that will improve employee work productivity and processes. HVTC Forestry Department adds that broadband access would also facilitate faster research and data acquisition and enable cloud-based backup data and storage.

The Hoopa Tribal Education Association serves as the Education Department of the Hoopa Valley Tribe and oversees lifelong learning from Early Childhood Education through Higher and Adult Educations, including offering community college courses on the Hoopa Valley Reservation through a partnership with College of the Redwoods. Per the Hoopa Tribal Education Association, students and faculty often face added challenges and obstacles due to lack of access to high-speed broadband. Most notably, limitations are felt as the integration of smartboards and other technologies are not able to be successfully implemented and fully transitioned due to Internet limitations. High-speed broadband would provide the opportunity to integrate additional web-based service, teaching methods, and student/consumer support.

Letters of Support were also received from HVTC Natural Resources Department Forestry Division, HVTC Roads Department, Hoopa Valley Public Utilities District, and 91.3 KIDE FM Community Radio.

V. Compliance Requirements

Hunter is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D. 18-12-018. Such compliance includes, but is not limited to, the items noted below.

A. Deployment Schedule

The Commission expects Hunter to complete the project within 12 months from the start date (whereby the applicants have secured CEQA approval from the Commission and all required permits), and the applicant has committed to do so. If Hunter is unable to complete the proposed project within the 12-month timeframe requirement, Hunter must notify the Director of the Communications Division as soon as Hunter becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement of notifying the Director on a timely basis.

B. Execution and Performance

Staff and Hunter shall determine a project start date after Hunter has obtained all approvals. The Commission may terminate the grant should Hunter or any contractor it retains fail to commence work by the designated date, upon five days written notice to Hunter. In the event that Hunter fails to complete the project in accordance with the terms of CPUC approval as set forth in this resolution, Hunter shall reimburse some or all of the CASF funds that it has received. Hunter must complete all construction covered by the grant on or before the grant's termination date.

C. Letter of Credit

The Commission exempts Certificate of Public Convenience and Necessity (CPCN) holders from providing a letter of credit, on the basis that the company submitted a performance bond to the Commission to maintain its CPCN and that the Commission has other means to enforce compliance. In its application, Hunter provided proof of CPCN registration and thus, is exempt from providing a letter of credit.

D. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.

The Hunter invoices will be subject to a financial audit by the Commission at any time within three years of completion of the work.

E. Reporting

All grantees must submit biannual progress reports on the status of the project, irrespective of whether grantees request reimbursement or payment. These reports are due semi-annually, in March and September, until the project is completely built and operational. Progress reports shall use the schedule for deployment, major construction milestones and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

Before full payment of the project is made, Hunter must submit a project completion report. Hunter shall also include test results on the download and upload speeds by census block in the final completion report. Hunter must certify that each progress report is true and correct under penalty of perjury.

F. Submission of Form 477

The Federal Communications Commission (FCC) currently requires broadband providers to semiannually submit Form 477, which includes speed data. While there is an imperfect match between the data that is reported in Form 477 and data relevant to the CASF program, Form 477 data will be useful in documenting CASF deployment for the service provider's new service. Service providers in California must submit a copy of their Form 477 data directly to the Commission, concurrent with their submission of the same data to the FCC, for a five-year period after completion of the project.¹⁷

G. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. Hunter has committed to follow state prevailing wage requirements with regards to this project.

VI. Payments to CASF Recipients

The Commission may reimburse Hunter's expense in accordance with Pub. Util. Code, § 281(f)(11). Details of reimbursable expenses are in Appendix D. Applicant must inform the Commission of any RDOF support applicant or affiliated entities receive for the project area.

¹⁷ *Approval of the California Advanced Services Fund (CASF) Application Requirements and Scoring Criteria for Awarding CASF Funds* (2008) Cal. P.U.C. Res. No. T-17143 at 4.

COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code § 311(g), a notice letter was e-mailed on November 13, 2020, informing all parties on the CASF Distribution List of the availability of the draft of this resolution and of the opportunity to comment, at the Commission's website at <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

FINDINGS

1. Hunter submitted an application for CASF funding for its HVBI Project on May 4, 2020. The revised proposed project would deploy middle-mile and last-mile fiber facilities that will enable provision of high-speed Internet service with speeds of up to 100 Mbps download and 25 Mbps upload to 1,198 unserved households in the Hoopa Valley Tribal Reservation in Humboldt County.
2. On May 18, 2020, Staff posted a summary of the proposed project, including a listing of the census blocks and zip codes covered, and the proposed project area map. The project summary was posted on the "CASF Applications Project Summaries" webpage, which may be found on the Commission's CASF website.
3. Staff received one challenge to this project from Velocity. Based on the review of information submitted, Staff concluded that Velocity's challenge was not a valid claim for the proposed area.
4. Based on its review, Staff determined that the project qualifies for funding pursuant to CASF guidelines and requirements found in D. 18-12-018 and its Appendix 1 and recommends Commission approval of CASF funding for Hunter's HVBI Project.
5. The HVBI Project is a standalone project and is not contingent on the completion of the Klamath River Rural Broadband Initiative (T-17418 and T-17690) or Digital 299 (T-17548) Projects.
6. The Commission has determined that the project is categorically exempt from CEQA review, pursuant to CEQA guidelines at 14 C.C.R. § 15301 regarding exemption for Existing Facilities and 14 C.C.R. § 15303 regarding New Construction or Conversion of Small Structures.
7. A notice letter was e-mailed on November 13, 2020, informing all applicants filing for CASF funding and parties on the CASF distribution list of the

availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award up to \$8,223,340 to Hunter for the HVBI Project as described herein and summarized in Appendix A of this Resolution, which shall be paid out of the CASF Infrastructure Grant Account in accordance with the guidelines adopted in D. 18-12-018 and its Appendix 1, and with the process defined in Appendix C "Payments to CASF Recipients" of this Resolution.
2. Hunter shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D. 18-12-018 and its Appendix 1, and all requirements for this project included in this resolution, and must submit FCC Form 477 to the Commission, as specified in Resolution T-17143.
3. If Hunter fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.18-12-018 and its Appendix 1, and the terms in this Resolution, Hunter must reimburse some or all of the CASF funds that it has received.
4. Hunter must complete and execute the consent form (to be sent to the Grantee after this Resolution is adopted) agreeing to the conditions set forth in this Resolution and return it the CASF Staff within 30 calendar days from the date of the adoption of this Resolution. Failure to submit the consent form within 30 calendar days from the adoption date of this Resolution may result in the Commission voiding the grant award.

This Resolution is effective today.

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

RACHEL PETERSON
Acting Executive Director

APPENDIX A

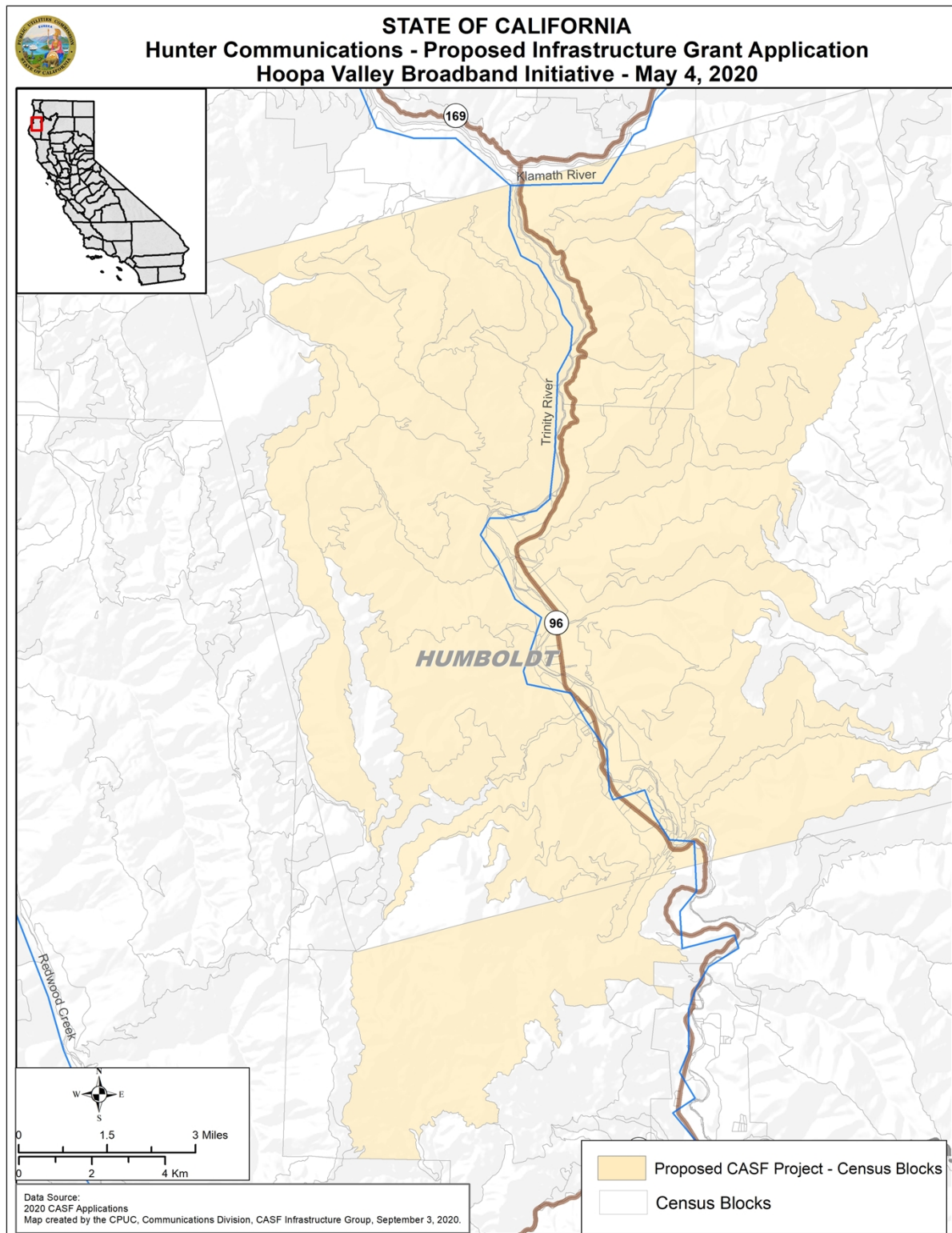
Resolution T-17717: Hunter Communications Hoopa Valley Broadband Initiative CASF Applicant Key Information

<i>Project Name</i>	Hunter HVBI Project		
<i>Project Plan</i>	The project proposes to build hybrid fiber and fixed wireless last-mile infrastructure to provide high-speed Internet service to 1,198 unserved households on the Hoopa Valley Tribal Reservation. The proposed project also includes a licensed microwave and fiber optic middle-mile component critical to accessing the last-mile infrastructure. Project deployment will utilize existing utility poles, towers, and buildings for installation of fiber and fixed wireless service. The project will provide up to 100 Mbps download and 25 Mbps upload speeds.		
<i>Project Size</i>	106.5 sq. miles		
<i>Download/Upload speed</i>	100 Mbps / 25 Mbps		
<i>Location</i>	Humboldt County		
<i>Community Names</i>	Hoopa Valley Reservation		
<i>Census Blocks</i>	060230101021215	060239400001028	060239400001064
	060230101021220	060239400001029	060239400001065
	060230101021490	060239400001030	060239400001066
	060239400001000	060239400001031	060239400001067
	060239400001001	060239400001032	060239400001068
	060239400001002	060239400001033	060239400001069
	060239400001003	060239400001034	060239400001070
	060239400001004	060239400001035	060239400001071
	060239400001005	060239400001036	060239400001072
	060239400001006	060239400001037	060239400001073
	060239400001008	060239400001038	060239400001074
	060239400001014	060239400001041	060239400001075
	060239400001015	060239400001042	060239400001076
	060239400001016	060239400001052	060239400001077
	060239400001017	060239400001053	060239400001078
	060239400001018	060239400001054	060239400001079
	060239400001019	060239400001055	060239400001080
	060239400001020	060239400001056	060239400001081
	060239400001021	060239400001057	060239400001082
	060239400001022	060239400001058	060239400001083
	060239400001023	060239400001059	060239400001084
	060239400001024	060239400001060	060239400001085
	060239400001025	060239400001061	060239400001086
	060239400001026	060239400001062	060239400001089
	060239400001027	060239400001063	060239400001094

<i>Project Name</i>	Hunter HVBI Project		
<i>Census Blocks</i>	060239400001095	060239400002006	060239400002074
	060239400001099	060239400002014	060239400002075
	060239400001100	060239400002015	060239400002076
	060239400001101	060239400002016	060239400002077
	060239400001102	060239400002017	060239400002078
	060239400001103	060239400002025	060239400002079
	060239400001104	060239400002026	060239400002080
	060239400001105	060239400002027	060239400002081
	060239400001106	060239400002028	060239400002084
	060239400001107	060239400002029	060239400002085
	060239400001108	060239400002030	060239400002086
	060239400001109	060239400002031	060239400002087
	060239400001110	060239400002035	060239400002088
	060239400001111	060239400002042	060239400002089
	060239400001112	060239400002043	060239400002090
	060239400001113	060239400002044	060239400002091
	060239400001114	060239400002045	060239400002092
	060239400001115	060239400002046	060239400002093
	060239400001116	060239400002047	060239400002094
	060239400001117	060239400002048	060239400002095
	060239400001118	060239400002049	060239400002096
	060239400001119	060239400002050	060239400002097
	060239400001120	060239400002051	060239400002098
	060239400001121	060239400002052	060239400002099
	060239400001122	060239400002053	060239400002100
	060239400001123	060239400002054	060239400002101
	060239400001124	060239400002055	060239400002104
	060239400001125	060239400002056	060239400002105
	060239400001127	060239400002057	060239400002106
	060239400001128	060239400002058	060239400002107
	060239400001130	060239400002059	060239400002119
	060239400001134	060239400002060	060239400002120
	060239400001135	060239400002061	060239400002121
	060239400001136	060239400002062	060239400002122
	060239400001137	060239400002063	060239400002123
	060239400002004	060239400002072	060239400002124
	060239400002005	060239400002073	
<i>Median Household Income (by Census Block Group)</i>	\$ 29,486		
<i>Estimated potential subscriber size</i>	1,198 households 56 businesses		

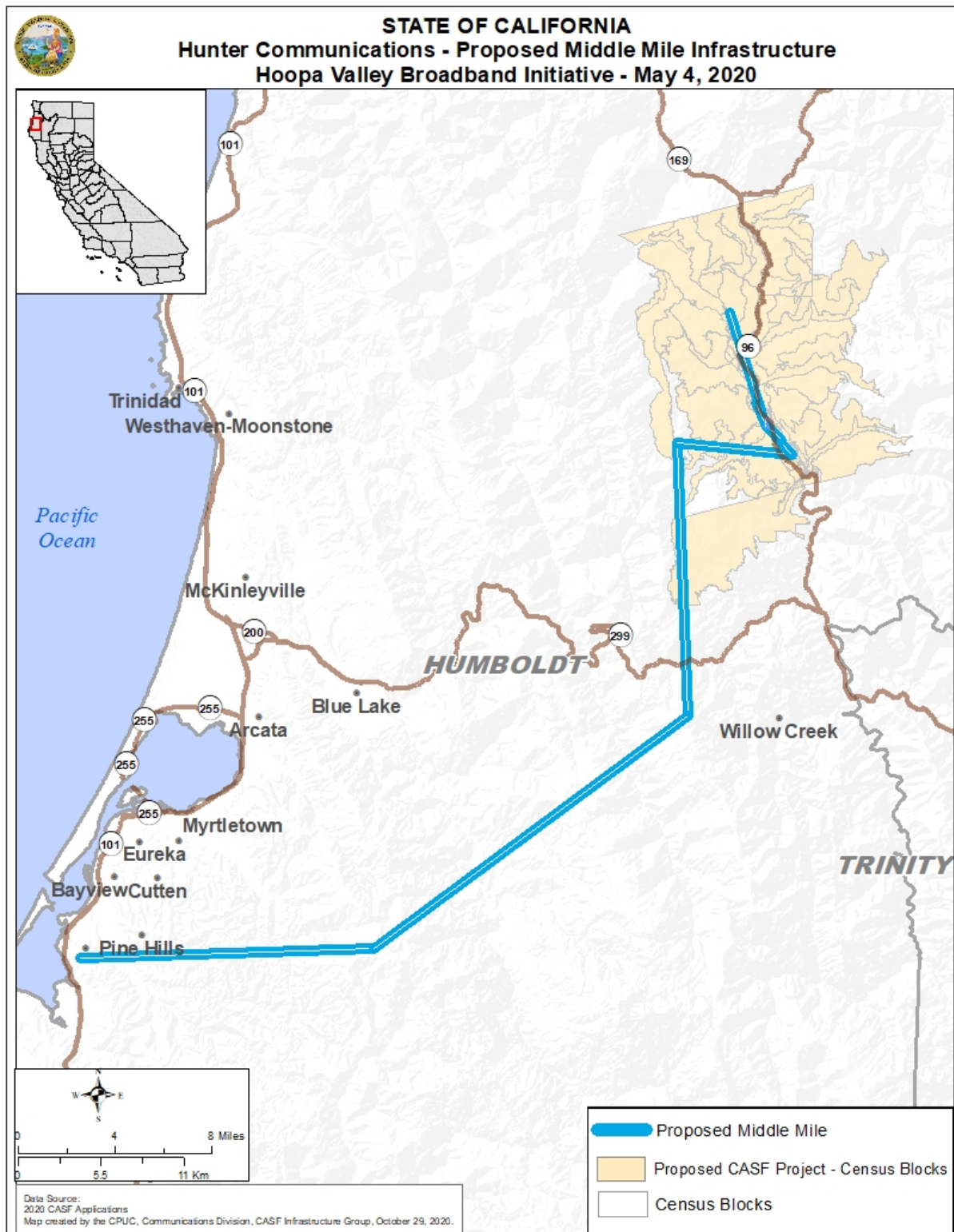
<i>Project Name</i>	Hunter HVBI Project
<i>Applicant expectations</i>	1,078 households (90-percent take rate)
<i>Pricing Plan (Monthly)</i>	Fixed Wireless: 10/1 - \$45; 15/2.5 - \$75; 25/2.5 - \$100 Fiber: 100/25 - \$49.99; 1,000/50 - \$89.99 Fiber Low-Income: 25/10 - \$14.99
<i>Deployment Schedule (from permit approval date)</i>	12 months
<i>Proposed Project Budget (Total)</i>	\$ 9,541,855
<i>Grant Requested Amount (100 percent)</i>	\$ 8,233,340
<i>CASF Grant Amount (100 percent)</i>	\$ 8,233,340
<i>Recommended Grant per household passed</i>	\$ 6,873

APPENDIX B
Resolution T-17717: Hunter Communications Hoopa Valley Broadband Initiative
Project Location Map



APPENDIX B

Resolution T-17717: Hunter Communications Hoopa Valley Broadband Initiative Project Location Map



APPENDIX C

Resolution T-17717: Hunter Communications Hoopa Valley Broadband Initiative Payments to CASF Recipients

Pub. Util. Code § 281(f)(11) defines the costs the Commission may reimburse as follows:

- Costs directly related to the deployment of infrastructure;
- Costs to lease access to property or for Internet backhaul services for a period not to exceed five years; and
- Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

Additionally, D. 18-12-018 (Appendix 1, Section 7) caps administrative expenses directly related to the project at 15 percent of the grant amount.¹⁸

The grantee may submit reimbursement requests at the following intervals:

- 10 percent completion;
- 35 percent completion;
- 60 percent completion;
- 85 percent completion; and
- 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report. Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved CASF funding budget included in the CASF grantee's application.

Payment to grantees shall follow the process adopted for funds created under Public Utilities Code § 270. The Commission generally processes payments within 20-25 business days, including Communications Division and Administrative Services review time. The State Controller's Office (SCO) requires an additional 14- 21 days to issue payment from the day that requests are received by SCO from Administrative Services.

¹⁸ Administrative costs are defined as "indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself." Applicants seeking additional funds will require a Commission exemption included in a draft resolution.