

## **1.1. Information Required From Applicants**

*(For complete documentation on application requirements and guidelines for broadband infrastructure grants, see resolution document T-17443 <http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=96961896>, Appendix 2).*

Applicants are required to submit the following information to the Commission for each proposed broadband project, where each “broadband project” is defined as deployment encompassing a single contiguous group of Census Block Groups (CBGs).

The application must be submitted online, with a hard copy sent to the CASF and the Division of Ratepayer Advocates. The applicant must submit each item as a document, unless otherwise specified, and in some cases also as data entered directly. The applicant must also fill out a checklist (attached as Attachment B) and include the completed checklist in hard copies of the proposal.

### **1.1.1. Project Summary**

The applicant must submit a project summary which the Communications Division (CD) will post on the CASF webpage under Pending New Applications to Offer Broadband. The applicant must also submit the project summary to the CASF application distribution list<sup>1</sup>. The summary must include the following information:

- Applicant’s name
- Contact person
- Project title
- Proposed Project Area Location (Community / County)
- Project Type (Last Mile or Middle-Mile)
- CASF Funding Requested (Amount of Grant / Amount of Loan)
- Description of the Project
- Map of the Proposed Project
- List of Census Block Groups
- List of ZIP codes

The applicant may also use this summary information in its adoption and outreach efforts, i.e., in soliciting local government and community support for the proposed project, in disseminating information to the proposed communities/areas.

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<sup>1</sup> Communications Division will provide instructions on how to sign up for this distribution list to parties in the CASF rulemaking proceeding (R.10-12-008) and post these instructions on the Commission website as soon as practicable.

### **1.1.2. Funding Requested**

The applicant must indicate the funding requested, i.e., whether it is applying for a grant only or a combination of a grant and a loan.

### **1.1.3. Area applied for**

Applicant must specify whether it is applying for an unserved or underserved area.

### **1.1.4. CPCN / U-Number / CPUC Registration Proof (if applicable)**

*(As a single document)*

- Applicant's U-Number and/or Proof of applicant's Certificate of Public Convenience and Necessity (CPCN)
- In the absence of a CPCN - Proof of CPCN application pending approval, or CPCN application number
- Wireless Carriers - CPUC Registration Number

### **1.1.5. Information sheet**

Applicant must submit the information sheet attached as Attachment A together with all supporting documents required.

### **1.1.6. Organizational Chart and Background**

The applicant must submit an organizational chart showing the parent organization, subsidiaries and affiliates.

The applicant must also submit a description of its readiness to construct and manage a broadband service network by listing all projects constructed and currently managed and operated.

### **1.1.7. CASF Key Contact Information**

- First Name
- Last Name
- Address Line1
- Address Line2

- City
- State
- ZIP
- Email
- Phone

**1.1.8. Key Company Officers (list up to 5):**

- Position Title
- First Name
- Last Name
- Email
- Phone Number

Resumes of each key company and management personnel must be submitted.

**1.1.9. Current Broadband Infrastructure Description (if applicable)**

Description of the provider’s current broadband infrastructure and/or telephone service area within 5 miles of the proposed project, if applicable.

**1.1.10. Current Broadband Infrastructure Shapefile (if applicable)**

Shapefile (.shp)<sup>2</sup> of current service area. A shapefile is not a single file, but a collection of seven files - .dbf, .prj, .sbn, .sbx, .shx, .shp, .xml. Without all of these, the data cannot be read.

The .shp format is compatible with the ArcGIS software used by the Commission.

**1.1.11. Proposed Broadband Project Description**

- Description of proposed broadband project plan for which CASF funding is being requested, including the type of technology to be used
- Project size (in square miles)
- Download speed capabilities of proposed facilities
- Upload speed capabilities of proposed facilities
- Whether an area is identified as a priority in Appendix 4 of Resolution T-17443 and by what organizations

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<sup>2</sup> This file format is compatible with ArcGIS software used by the Commission.

The proposed broadband description should include a description of the type of technology to be provided in the proposed service areas. The project description should provide enough construction detail to enable a preliminary indication of the need for a California Environmental Quality Act (CEQA) review. For example, when trenching is required, the applicant should so state and describe the manner in which the site is to be restored, post-trenching. The Commission established benchmark speed standards of advertised speeds of 6 mbps download and 1.5 mbps upload. Applicants may propose lower speeds; speed will be a criteria considered in evaluating the applications, with higher speeds being preferable.

**1.1.12. Proposed Broadband Project Location**

- Geographic locations by CBG(s) where broadband facilities will be deployed
- List of CBG(s),
- Number of households per CBG,
- Median household income for each CBG that intersects the proposed project, to be based on most current Census data available, and
- List of ZIP Code(s) that intersect the proposed project.

CBGs and ZIP codes must be based on the 2010 census. CBGs must be in a twelve digit format as follows:

<u>State CA</u>	<u>County</u>	<u>Tract</u>	<u>Block Group</u>
2 digits	3 digits	6 digits	1 digit

***For example: a CBG near the town of Alturas in Lassen County: Lassen County Tract 401, Block Group 1 would have the following CBG:***

<u>State CA</u>	<u>County</u>	<u>Tract</u>	<u>Block Group</u>
06	035	401.00	1

State: California is always denoted as 06.

County: Refer to County Code List

Tract: Can be denoted as 1) a number with decimal followed by 2 digits; then fill in zeroes in front to make 6 digits; or 2) as 4-6 digits, fill “0s” as needed. Drop decimal.

For the example cited; this tract/block group in Lassen would be expressed as 06-035-040100-1. For CASF purposes, we use the standard expression: 060350401001

Applicants are expected to target areas that are still unserved and underserved based on the latest available information. The most current Broadband Availability map that the applicant can use in preparing their applications is the California Broadband Interactive Map on the CASF webpage which shows the areas current served, the provider, the technology available

in a particular area up to street level, the speeds in the areas served, as well as the population in these areas.

#### **1.1.13. Proposed Broadband Project Location Shapefile**

Shapefile (.shp) showing boundaries of the specific area to be served by the project. A shapefile is not a single file, but a collection of seven files - .dbf, .prj, .sbn, .sbx, .shx, .shp, .xml. Without all of these, the data cannot be read.

The .shp format is compatible with the ArcGIS software used by the Commission.

#### **1.1.14. Assertion of Unserved or Underserved Area**

An explanation of the basis for asserting that, to the best of the applicant's knowledge, the area is unserved or underserved (i.e. a reference to the California Interactive Broadband Map or other published reports).

This includes figures, in mbps, of the current:

- average download speed by CBG(s);
- average download speed by ZIP Code(s);
- average upload speed by CBG(s); and
- average upload speed by ZIP Code(s).

#### **1.1.15. Estimated Potential Subscriber Size**

- Estimated number of potential broadband households (i.e. total occupied housing units) in proposed project location.
- Estimated number of potential broadband subscribers (i.e. total population) in proposed project location.
- Documentation of all assumptions and data sources used to compile estimates.
- Adoption / Sustainability plan

Applicants must submit a plan to encourage adoption of the broadband service in the proposed area(s). The plan should include the total number of households in the area, the number of households the applicant estimates will sign up for the service (the take rate), the marketing or outreach plans the applicant will employ to attract households to sign up for the service.

#### **1.1.16. Deployment Schedule**

Delineated schedule for deployment with commitment to complete build-out within 24 months of the approval of the application. The schedule shall identify major prerequisite(s), construction, and any other milestones that can be verified by Commission staff. Milestones will be listed using the following format:

- Milestone Start and Ending Date
- Milestone Description
- Milestone Comments
- Milestone Risks

In developing the schedule, applicant(s) must include the timeline required for the California Environmental Quality Act (CEQA) review.

If the applicant(s) is unable to complete the proposed project within the 24-month timeframe, it must notify the CPUC as soon as it becomes aware of this prospect. The Commission may reduce payment for failure to satisfy this requirement.

### **1.1.17. Proposed Project Budget**

Proposed budget for the project including:

- a detailed breakdown of cost elements;
- amount of cost elements;
- availability of matching funds to be supplied by applicant;
- amount of available funds from each individual funding source; and
- the amount of CASF funds requested, broken down into grant and loan components, if applicable.

*Note: See resolution document T-17443*

*(<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=96961896>), Appendix 2, Section 2 for the amounts required from the applicants.*

### **1.1.18. Economic Life of all assets to be funded**

The applicant must identify all the equipment to be funded by the CASF by category (buildings, outside plant, towers and poles, network and access equipment, operating equipment, customer premise equipment), the type of equipment (new building, prefabricated building, rehab of existing building, new towers or poles, modification of existing towers and poles, broadband switching equipment, office furniture and fixture, etc.), and the estimated useful life (10, 15, 20, etc years).

### **1.1.19. Local Government and Community Support (optional)**

The applicant may submit endorsements or letters of support from the local government, community groups, and anchor institutions supporting the deployment of the broadband infrastructure.

### **1.1.20. Performance Bond Documentation**

#### CPCN/WIR Holders:

The applicant must send an executed bond, equal to the total amount payable under the CASF award<sup>3</sup>, to the Executive Director and to the Director of Communications Division within five business days after the completion of the CEQA review. An applicant is not required to post a performance bond if it certifies that the percentage of the total project costs it is providing comes from their capital budget and is not obtained from outside financing. The performance bond must be callable for failure to complete the CASF funded broadband project.

Applicants who will complete the project and front-end all the project costs before requesting for reimbursement may request exemption from the performance bond requirement.

#### Non-Telephone Corporations:

The applicant must send an executed bond, equal to the total amount payable under the CASF award, to the Executive Director and to the Director of Communications Division within five business days after the completion of the CEQA review. All non-telephone corporations are required to post a performance bond for the construction phase of the project in order to ensure completion of the CASF grant funded project. In order to ensure that non-telephone corporations comply with the other requirements of the CASF program, in both the construction and post-construction phase of the project, the Commission will rely on its ability to invoke the penalty provisions of Public Utilities Code §2111.

### **1.1.21. Proposed Pricing**

Proposed (two - years fixed) monthly subscription fee and waiver of installation and / or initial service connection fee for applicant's proposed broadband service(s). The monthly subscription fee should be the sum of all recurring rates and non-recurring charges (except the installation and/or initial service connection fees) the customer must pay to receive service during the initial two years of service, expressed as a monthly average. All services upon which the monthly subscription fee is based should be clearly itemized. The monthly subscription fee should not include discounts or any other promotional offerings. The monthly subscription fee should represent the maximum amount that customers will pay, on average, for the duration that this price is committed (according to Item 22).

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<sup>3</sup> A CASF award includes both a grant and loan amounts.

Also indicate, if any: service restrictions; option to bundle with other services; commitments; any requirements that customers must meet, or equipment that they must purchase or lease, in order to receive the service.

For each type and/or bundle of services that you propose to offer (or for each monthly subscription fee, if you propose to commit to more than one), provide the following:

- Proposed (two- years) monthly subscription fee for applicant's proposed broadband service(s).
- Other recurring charges;
- All services and equipment upon which the monthly subscription fee is based;
- Service restrictions; option to bundle with other services;
- Any commitments and/or requirements that customers must meet, or equipment they must purchase or lease, in order to receive service.

#### **1.1.22. Price Commitment Period**

The required Period of Commitment to which the initial price (listed in Item 21) is applicable for all households within the service area of the project. Minimum price guarantee period for each customer is two years.

If the applicant proposes to require customer commitments to more than one monthly subscription fee (i.e., one amount for six months and a different amount for the six month intervals, thereafter), list the duration and amount of each price guarantee separately (Note: you must make a separate showing for each amount in Item 21).

The period of commitment is on a per customer basis, such that a customer who signs up within two years from the beginning date of service can expect the same price guarantee from the day they signed up for service, which may not be for the entire two years. To illustrate, a customer who signs up for service on day 730 will be entitled to the same price for one month as a subscriber who signs up for service on day 1. The difference between the two customers is that the former's price is valid for one month while the latter's price is valid for 24 months.

#### **1.1.23. Financials - Financial Qualifications to Meet Commitments**

**A.** CPA Audited / Attested Financial Statements for the last three years. The statements are to include:

- ✓ Balance Sheet
- ✓ Income Statement



- ✓ Statement of Cash Flows
- B.** Pro Forma Financial Forecast over the life term of the loan (i.e. 5 years) that includes a list of assumptions supporting the data. For projects applying for a grant only, the pro forma financial forecast will be over 5 years. Future projections must include the following financial statements:
  - ✓ Balance Sheet
  - ✓ Income Statement
  - ✓ Statement of Cash Flows
- C.** Annual EBIT (Earnings Before Income and Tax) projection over 5 years
- D.** Schedule of all outstanding and planned debt
- E.** Collateral Documentation Include
  - i. Depreciation Schedule of Assets (applicable to an applicant applying for a grant / loan combination only).
- F.** Non-Telephone Corporations that have been providing broadband service for less than 12 months – liquidity documentation
  - ii. Must show liquidity of 10% of the total project cost in cash or cash equivalents.

The applicant must submit an analysis of the viability (B. above) of the project and the assumptions used in the analysis such as the funding sources, the adoption rates, subscriber data and adoption rates.

CPA Audited or Attested Financial Statements will be accepted from parent companies in lieu of financial statements from subsidiaries that have no audited or attested financial statements. If applicant has been in existence for less than three years, financial statements for as long as applicant has been in existence, e.g. one or two years, will be accepted.

Cash or cash equivalents for liquidity documentation (F. above) are defined as follows: Cash or cash equivalents is defined as (a) Cash or cash equivalent, including cashier's check, sight draft, performance bond proceeds, or traveler's checks; (b) Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution; (c) Preferred stock proceeds or other corporate shareholder equity, provided that use is restricted to maintenance of working capital for a period of at least twelve (12) months beyond project approval by the Commission; (d) Letter of credit, issued by a reputable bank or other financial institution; (e) Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond project approval by the Commission; (f) Loan, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond project approval by the Commission, and payable on an interest-only basis for the same period; (g) Guarantee, issued by a

corporation, copartnership, or other person or association, irrevocable for a period of at least twelve (12) months beyond project approval of the applicant by the Commission, and payable on an interest-only basis for the same period; (h) Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond project approval by the Commission.

#### **1.1.24. Providing Voice Service:**

- Availability of voice service that meets FCC standards for E-911 service and battery back-up;
- Listing of types of voice services offered;
- Timeframe of voice offering(s).

#### **1.1.25. CEQA Compliance**

The applicants must provide the Proponent's Environmental Assessment (PEA) prior to the first 25% payment. The PEA submission should include information on any land crossing sites requiring discretionary or mandatory permits or environmental review pursuant to CEQA (include the type of permit required, the name of the permitting agency/agencies and the Lead Agency if an environmental review is required). Also agree to identify, prior to the first 25% payment, any other special permits required with a cross reference to the government agencies from which the permits will be required for the project.

Any application should state whether the project is statutorily or categorically exempt from CEQA requirements and cite the relevant authority, as applicable.

Applicants should include the CEQA review timeline in its construction timeline.

#### **1.1.26. Affidavit of Application's Accuracy**

Applicants must submit an affidavit, under penalty of perjury, that to the best of their knowledge all the statements and representations made in the application information submitted is true and correct (Attachment C).

**CASF APPLICATION CHECKLIST**  
(Required for EACH proposed project)

To assist the Commission in verifying the completeness of your proposal, mark the box to the left of each item submitted.

	1. Project Summary
	2. Type of Funds Requested (Check one only):
<input type="checkbox"/>	Grant
<input type="checkbox"/>	Grant Amount: _____
<input type="checkbox"/>	Grant/Loan Combination
<input type="checkbox"/>	Grant Amount: _____
<input type="checkbox"/>	Loan Amount: _____
	3. Area Applied for
<input type="checkbox"/>	Unserved
<input type="checkbox"/>	Underserved, with existing broadband service below advertised speed of 6 mbps download and 1.5 mbps upload, Broadband infrastructure whether existing or ongoing construction not CASF funded
<input type="checkbox"/>	Underserved, with existing broadband service below advertised speed of 6 mbps download and 1.5 mbps upload, Broadband infrastructure whether existing or ongoing construction CASF funded
	4. CPCN / U-Number / CPUC Registration Proof (As a single document)(if applicable)
<input type="checkbox"/>	Applicant's U-Number and/or Proof of applicant's Certificate of Public Convenience and Necessity (CPCN)
<input type="checkbox"/>	Proof of CPCN application pending approval, or CPCN Application Number (in the absence of a CPCN)
<input type="checkbox"/>	CPUC registration Number (wireless carriers)
	5. Information Sheet with a Certificate of Good Standing issued by the CA Secretary of State attached
	6. Organizational Chart, Company History and Readiness to Build, Manage and Operate Broadband
<input type="checkbox"/>	Organizational Chart
<input type="checkbox"/>	Company History
<input type="checkbox"/>	Readiness to Build, Manage and Operate Broadband
	7. CASF Key Contact Information
<input type="checkbox"/>	First Name
<input type="checkbox"/>	Last Name
<input type="checkbox"/>	Address Line1
<input type="checkbox"/>	Address Line2

	City
	State
	Zip
	Email
	Phone
<b>8. Key Company Officers (list up to 5)</b>	
	Title
	First Name
	Last Name
	Email
	Phone Number
	Resumes of key officers and management personnel
<b>9. Current Broadband Infrastructure Description</b>	
	Description of the provider's current broadband infrastructure within 5 miles of the proposed project, if applicable.
	List showing number of households per CBG and Zip Code
<b>10. Current Broadband Infrastructure</b>	
	Shapefile (.shp) of current service area.
<b>11. Proposed Broadband Project Description</b>	
	Description of proposed broadband project plan for which CASF funding is being requested, including the type of technology to be deployed. Whether the area is a priority according to Appendix 4 of Resolution T-17443 and by what organizations.
	Project size (in square miles)
	Download speed capabilities of proposed facilities
	Upload speed capabilities of proposed facilities
<b>12. Proposed Broadband Project Location</b>	
	Geographic locations by CBG(s) where broadband facilities will be deployed:
	List of CBG(s) and,
	ZIP Codes that intersect the proposed project.
<b>13. Proposed Broadband Project Location Shapefile</b>	
	Shapefile (.shp) showing boundaries of the specific area to be served by the project.
<b>14. Assertion that area being proposed is Unserved or Underserved Area. This includes figures, in mbps, of the current:</b>	
	(a) average download speed by CBG(s);
	(b) average download speed by ZIP Code(s);
	(c) average upload speed by CBG(s) and;
	(d) average upload speed by ZIP Code(s).

15. Estimated Potential Subscriber Size	
	Estimated number of potential broadband households in proposed project location.
	Estimated number of potential broadband subscribers in proposed project location.
	Documentation of assumptions and data sources used to compile estimates.
	Adoption Plan
16. Deployment Schedule	
	Milestone Start and Ending Date
	Milestone Description
	Milestone Comments
	Milestone Risks
17. Proposed Project Budget	
	a detailed breakdown of cost elements;
	the source of cost elements;
	amount of cost elements;
	availability of matching funds to be supplied by applicant; and
	the CASF funds requested.
18. Economic Life of Assets to be Funded	
19. Local Government and Community Support (optional)	
20. Performance Bond Documentation (to be submitted after project award)	
21. Proposed Pricing	
	Proposed recurring retail price per MBPS for applicant's proposed broadband service(s).
	Initial service connection charges, if any and any bundling of equipment in the proposed pricing.
	Other recurring costs
	Other non-recurring costs
22. Price Commitment Period	
23. Financials	
a) CPA Audited / Attested Financial Statements for the last three years (if applicant has been in existence for less than three years, provide financial statements for as long as applicant has been in existence, e.g. one or two years)	
	Balance Sheet
	Income Statement
	Statement of Cash Flows
b) Pro Forma Financial Forecast over 5 years	
	Balance Sheet
	Income Statement

	Statement of Cash Flows
	c) Annual EBIT (Earnings Before Income and Tax) projection over 5 years
	d) Schedule of all outstanding and planned debt
	e) Collateral Documentation (include depreciation schedule of assets)
	f) Equity Requirement of 20% of the loan amount (For Grant / Loan Combination only) Equity requirement of 20% should be sustained throughout the life of the loan: 5 years
	g) Minimum TIER Requirement of 1.5 (For Grant / Loan Combination only) The Minimum TIER Requirement of 1.5 should be sustained throughout the life term of the loan: 5 years
	h) Liquidity Documentation (Non-telephone corporation that have been providing broadband service for less than 12 months only)
	24. Proof of Voice Service
	Availability of basic voice service that meets FCC standards for E-911 service and battery, including:
	Listing of types of services offered;
	Timeframe of offering.
	25. CEQA Compliance
	Proponent's Environmental Assessment (PEA)
	26. Notarized Affidavit