

**Frontier CASF Broadband Infrastructure Grant Application – Crescent City FTTP
Item #1 - Project Summary – REVISED 9/23/2020**

Applicant: Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U-1024-C)

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Project Title: Crescent City FTTP Project

Location: Crescent City within Del Norte County

Type: Middle-Mile / Last Mile

Grant Request: \$1,413,293 (100% Funding Requested)

PROJECT SUMMARY

Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U-1024-C) (Frontier) is applying for a \$1,413,293 grant from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account to deploy middle-mile and last mile fiber to the premises (FTTP) facilities that will provide high-speed Internet (HSI) to 105 unserved CASF-eligible households in the region of Crescent City within Del Norte County. Frontier refers to this proposal as the Crescent City FTTP Project (Project). Frontier requests that the California Public Utilities Commission (Commission) grant full funding for the Project in the amount of \$1,413,293.

This Project would allow service to customers with minimum symmetrical speeds of 50 Mbps and maximum symmetrical speeds of up to 1 Gbps using fiber optic technology. The Project would offer these services to 30 community anchor institutions, including Jack McNamara Field Airport, Del Norte County Fair, Red Mountain COM/LO, Crescent City Fire Station, Crescent City Skilled Nursing, Del Norte Community Health Clinic, Del Norte Physical Therapy, Pelican Bay State Prison C.T.C., Sutter Coast Community Clinic, Sutter Coast Health Care Center, Sutter Coast Home Care, Sutter Coast Hospital, Sutter Coast Hospital PPS Rehabilitation Unit, United Indian Health Services, Inc., Del Norte County Sheriff Department, Crescent City Police Department, Del Norte County Library District, Bess Maxwell Elementary, Joe Hamilton Elementary, Pine Grove Elementary, Redwood Elementary, Mary Peacock Elementary, Castle Rock Public School, Uncharted Shores Academy, Elk Creek Public School, Del Norte Community Public School, Del Norte High School, Sunset High School, Del Norte County ROP Public School and Crescent Elk Middle School and 909 businesses. Service will also be made available through Frontier’s low-income broadband programs described later.

The Project covers approximately .11 square miles (not a typo due to unique shape of polygon) and upgrades existing facilities capable of providing fiber optic HSI and OTT services. Specifically, Frontier will leverage its existing middle-mile network and deploy approximately 6 miles of middle-mile and last mile FTTP. It is estimated that this Project will be approximately 78% aerial and 22% buried installation with major equipment expenses including, but not limited to, fiber, one fiber distribution cabinet, and upgrades at the Crescent City Central Office. The estimated construction timeline, after all permits are secured, is within the two-year window as required by D.18-12-018. Due to the rugged terrain, remote location and need to underground, Frontier does not anticipate this Project would be exempt from CEQA, and therefore, would not qualify for ministerial review.

FUNDING RATIONALE

Under the new CASF rules adopted in D.18-12-018 (issued December 20, 2018) (Decision), Frontier believes that the proposed Project qualifies for 100% funding – \$1,413,293 – which represents the full Projected costs to provide service

to 105 unserved CASF-eligible households.

The Decision provides a table which summarizes criteria for funding level determinations. According to this table, only Projects in low-income areas or without any service from an existing facilities-based provider (a “dial-up only” area) are eligible to receive up to 100% funding. According to the California Interactive Broadband Map, all census blocks are unserved and eligible for CASF funding. The proposed Crescent City Middle-mile/FTTP Project qualifies for 100% funding as it meets the following criteria:

Criteria	Reimbursement
Baseline for Eligible Project	60%
Presence of dial-up only (all households)	40%
TOTAL	100%

- **Areas with only dial-up or no Internet connectivity:** Frontier has existing DSLAM infrastructure providing 115/12M broadband services to downtown Crescent City. Charter currently provides terrestrial broadband to census blocks surrounding the eligible Project area but not within the specific Project area. Current mobile wireless service provides less than 10/1M service. The proposed build resides within an area that is currently not served by any form of wireline or wireless facilities-based broadband and proposes a cost-effective expansion of broadband access to 105 unserved CASF-eligible households.
- **Location and accessibility of the area:** The Commission interprets this category to mean that the Legislature directed the Commission to award higher funding levels in remote areas, as specified. The Decision directs Staff to award more funding if an applicant proves a proposed Project area meets two of the five characteristics outlined below; this Project meets one of the five, as shown below in bold:
 - The proposed Project area contains rugged or difficult terrain (e.g., mountains, desert, national or state forest);
 - The proposed Project area is an unincorporated community;
 - The proposed Project area is more than 10 miles from the nearest hospital
 - The proposed Project area is more than 10 miles from the nearest state or federal highway; and/or;
 - ✓ **The proposed Project area is partially located in a rural census block, as defined by the U.S. Census Bureau.**
- **Existence of communication facilities that may be upgraded to deploy broadband:** The Commission interprets this category mean that the proposed Project relies primarily on existing infrastructure. This Project plans to leverage Frontier’s existing infrastructure, and thus will be less expensive to build.
- **Significant contribution to achieving the program goal:** The proposed Project would make a significant contribution to the CASF program as the area within the Northeastern California Connect Consortium, a region which is served at 89.0% and falls below the 98% goal set forth in AB 1665.
- **Low-Income Service:** The proposed Project area partially serves a partially low-income community with median household incomes ranging from \$25,909 to \$54,405, all of which fall of fall below or only slightly above the CARE standard of \$52,400 as required by this Decision.
 - ✓ *Low-Income Plan:* Frontier features a choice of two low-income programs for customers: Frontier Fundamental and Frontier Affordable Broadband. The Frontier Affordable Broadband product requires customers to be enrolled in Lifeline telephone service. Alternatively, the Frontier Fundamental product is a stand-alone low-income broadband program that does not require a customer to purchase telephone

service. Both products will provide minimum symmetrical speeds of 50 Mbps.

ADDITIONAL BENEFITS

This Project will support the goal of achieving 98% broadband service availability in the Northeastern California Connect Consortium. Based on latest Commission broadband availability data (as of December 2018), this consortium is served at 89.0%, with Del Norte County served at 90.3%. Frontier is one of the primary service providers in the region, rendering this Project vital in the larger goal of providing service to those on the wrong side of the Digital Divide. The Project lays the necessary groundwork that will enable additional Project build opportunities and will allow Frontier more options as we continue to assess opportunities to connect some of the most remote areas of the state.

The Project will serve medical and public safety agencies in the area, which is at high-risk for tsunamis. The Project will support faster and more reliable broadband capability to be available to area fire stations. Enhanced Internet service capabilities are critical for public safety communications allowing first responders to send and receive critical voice, video and data during emergencies and disasters.

The Project will expand and upgrade Internet service in Del Norte County benefiting residents and community anchor institutions in areas such as schools, libraries, healthcare, economic and workforce development, and resiliency, among others. This enhanced Internet access will also allow these counties to better reach and provide services and information to rural residents and businesses, and access tools and resources that can help to optimize internal processes to achieve cost efficiencies.

The California Center for Rural Policy at Humboldt State and the College of the Redwoods support this Project as it provides HSI access that is integral in connecting teachers to students, parents and educational resources. Rural school teachers and administrators acknowledge connectivity limitations as a primary obstacle to effectively using technology in the classroom. Additionally, students lacking Internet connectivity at home are at a disadvantage when completing assignments that require online access and interaction. As more bandwidth intensive material moves online – such as educational videos, interactive learning tools, and video conferencing tools for teachers – connection speed is quickly becoming a major issue for rural educators. This Project will be important to reduce these barriers through expanded Internet access in Del Norte County.

The Project will provide high-speed access to the world, opening employment opportunities and economic growth in this isolated area. This rather remote coastal area will be able to offer entrepreneurs, small businesses and individuals with work-at-home opportunities, the ability to live in more affordable rural areas, while contributing to the local economy. Businesses need broadband to access online training and classes to improve their employees' skills. Rural businesses do not have the budgets to send employees to professional development or are too small to send an employee away from operations. Bringing professional development in-house by enabling HSI access reduces those challenges. Additionally, improved broadband access, speed and capacity allows businesses to expand their markets, diversify their funding streams and attract their workforces.

Area farmers and ranchers will also benefit from HSI service as it provides innovative technological tools use to maintain greater control over crop and livestock production, processing, distribution, and storage resulting in greater efficiencies, lower prices, safer growing conditions, safer foods and reduced environmental and ecological impact.

This community has many healthcare facilities in a community isolated from larger cities. Residents seeking healthcare services will greatly benefit from this Project, as the healthcare sector is emerging as a heavy user of Internet services. The evidence is strong for technologies that lower costs, connect remote populations, and expand the reach of urban-centered medical expertise. Furthermore, telehealth can connect physicians with physicians and patients with physicians and provide access to specialists for treatment of multiple conditions.

The application of Frontier for the Crescent City Project a modest funding request for a region of the state that is severely unserved and underserved, and therefore is a prudent use of funds to help close the Digital Divide.

In addition to preparing this application for the CASF Infrastructure Grant Account pursuant to the existing rules and regulations, we have worked with the Regional Consortium to identify anchor institutions within proximity of the fiber middle-mile backhaul deployment that would benefit from connectivity to the new network. If the Legislature and Administration authorize additional support to expand the opportunity for critical broadband expansion beyond last mile deployment, Frontier stands ready to work with qualified anchor institutions to support High Speed Internet service.

This grant application creates important potential opportunities for anchor institutions help advance broadband in low-income, underserved communities along the path of deployment by supporting distance learning and telehealth-telemedicine, both in response to COVID-19 and to build for the future to secure “Broadband For All.”

Census Blocks Covered

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60150001041019

60150001051001

60150001051003

60150001053001

60150001055008

ZIP Code Covered

95531

Area Map

