

**Frontier CASF Broadband Infrastructure Grant Application – Garberville/Alderpoint
Item #1 - Project Summary**

Applicant: Frontier California Inc. (U-1002-C)

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Project Title: Garberville/Alderpoint FTTP Project

Location: Garberville & Alderpoint within Humboldt County

Type: Middle-Mile / Last Mile

Grant Request: \$3,776,254 (100% Funding Requested)

PROJECT SUMMARY

Frontier California Inc. (U-1002-C) (Frontier) is applying for a \$3,776,254 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 106 unserved CASF-eligible households in the regions of Garberville and Alderpoint within Humboldt County. Frontier refers to the collective areas of this proposal as the Garberville/Alderpoint FTTP Project (Project). Frontier is requesting that the California Public Utilities Commission (Commission) grant full funding for this project in the amount of \$3,776,254.

There is currently no broadband infrastructure capable of providing broadband services to the proposed Garberville and Alderpoint areas. The Project would allow service to last mile customers with minimum symmetrical speeds of 50 Mbps and maximum symmetrical speeds of up to 1 Gbps using fiber optic technology. This Project would offer these services to nine community anchor institutions, which includes Garberville Airport, Pratt Mountain COM/LO, Garberville CAL Fire Station, Alderpoint CAL Fire Station, Jerold Phelps Community Hospital, Jerold Phelps Community Hospital D/P SNF, Redwoods Rural Health Center, Inc., Alderpoint, Southern Humboldt Community Clinic, Garberville Library and the Southern Humboldt Public Schools. Additionally, the Project would make broadband service available to area businesses. As a result of the infrastructure upgrade, 21 non-CASF Frontier households will benefit from this Project and will enjoy the same speeds. Service will also be made available through Frontier’s low-income broadband programs described later.

The Project would place approximately 32 miles of fiber and covers approximately 4.4 square miles. It upgrades existing facilities, including deployment of three fiber distribution hubs and optical line terminals in the Garberville and Alderpoint Wire Centers. The upgrade will be capable of providing fiber optic-based HSI and OTT services at symmetrical broadband speeds up to 1 Gbps. The Project will leverage existing conduit or poles, where applicable. Where conduit or poles do not exist, fiber will be placed in existing easements and/or right-of-way, following the existing copper facility path. It is estimated that this project will be approximately 49% aerial and 51% underground installation with major equipment expenses including, but not limited to, fiber, fiber terminals and distribution hubs, optical line terminals, and Packet Optical Networking. 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 CASF rules adopted in D.18-12-018 (issued December 20, 2018) (Decision), Frontier believes that the proposed project qualifies for 100% funding-- \$3,776,254 – which represents the full projected costs to provide service to 106 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 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:** 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 106 unserved CASF-eligible households; the proximity of this infrastructure upgrade will also enhance services to an additional 21 non-CASF Frontier 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 five 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 (Garberville is within ten miles but Alderpoint is more than ten miles);**
 - ✓ **The proposed project area is 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 Redwood Coast California Connect Consortium (RCCC), a region which is served at 90.3% and falls below the 98% goal set forth in AB 1665.
- **Low-Income Service:** The proposed Project area qualifies as low-income community with median household incomes ranging from \$27,368 to \$38,967, all of which fall of fall below 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 Fundamentals and Frontier Affordable Broadband. The Frontier Affordable Broadband product requires customers to be enrolled in Lifeline telephone service. Alternatively, the Frontier Fundamentals 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 RCCC. Based on latest CPUC broadband availability data (as of 12/31/2018), this consortium is served at 90.3% with 92.6% in Humboldt County. Frontier is one of the primary service providers in the Redwood Coast region, making this this project vital in the larger goal of providing service to those on the wrong side of the Digital Divide.

While the foremost goal of the Project is to expand broadband availability to households, it has other significant benefits well beyond the primary purpose. Frontier has designated this Project as a very high priority as it would provide transport infrastructure necessary to facilitate additional projects in the area, including Piercy/Leggett/Laytonville CASF grant project, and will allow Frontier more options as it continues to assess opportunities to connect some of the most remote areas of the Redwood Coast, North Bay and North Coast Consortium areas. The new fiber-based inter-office transport from Garberville to Alderpoint will provide route diversity for 2,000 households. An additional benefit of the Project is that it will support the provision of Metro-E (Frontier's commercial Ethernet service) available to 275 area businesses.

The City of Arcata, Humboldt County Economic Development Board, the Humboldt County Workforce Development Board, the California Center for Rural Policy at Humboldt State University, the Arcata Economic Development Corporation, the North Coast Clinics Network, the North Coast Small Business Development Center, the Northern California Small Business Development Center at Humboldt State University, Assemblymember Jim Wood and Congressman Huffman support this project as expanding and upgrading internet service in Humboldt County that will benefit residents and community anchor institutions in areas such as education, 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. Additionally, 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 provide HSI access, which 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, particularly during periods of disaster, when course work and completing assignments requires 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 Humboldt County.

The Humboldt County Workforce Development Board supports the Project as broadband availability is positively related to employment growth, especially in areas with lower population density consistent with the theory that rural remote areas may benefit more from HSI by giving businesses access to regional markets. Businesses also 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 increase their workforce.

The Project will serve Tier 2 High Fire Threat sites, per the Commission's fire map, expanding availability of faster and more reliable broadband capability to be available to three area fire stations.

The businesses in the hospitality and tourism industry in this gateway to the Avenue of the Giants, which have particularly been impacted by the COVID-19 crisis, will benefit from HSI service by supporting reservation systems, on-line ordering systems and Wi-Fi for customers and guests.

Rural healthcare facilities and rural 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 support of these organizations is highly important to ensure internet service adoption as demand aggregation from residential, business and local government customers will ensure viability of broadband service expansion in Humboldt County.

The application of Frontier for the Garberville/Alderpoint FTTP Project is 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 higher-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

| | |
|----------------|----------------|
| 60230115003127 | 60230116001231 |
| 60230115003131 | 60230116001236 |
| 60230116001214 | 60230116001248 |
| 60230116001216 | 60230116001249 |
| 60230116001217 | 60230116001257 |
| 60230116001218 | 60230116001301 |
| 60230116001222 | 60230116002070 |
| 60230116001224 | 60230116002071 |
| 60230116001229 | |

ZIP Codes Covered

95514
95542

Area Map

