Frontier CASF Broadband Infrastructure Grant Application – Mad River FTTP Item #1 - Project Summary

Applicant: Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of

California (U-1024-C)

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Project Title: Mad River

Location: Mad River within Trinity County and Humboldt Counties

Type: Middle-Mile / Last mile

Grant Request: \$8,169,979

PROJECT SUMMARY

Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U-1024-C) (Frontier) is applying for a \$8,169,979 grant from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account to deploy fiber to the premise (FTTP) facilities that will provide High-Speed Internet (HSI) to 203 unserved, CASF eligible households in the regions of Weaverville, Hayfork and Mad River within Humboldt and Trinity Counties. Frontier refers to the collective areas of this proposal as the Mad River FTTP Project (Project). Frontier requests that the California Public Utilities Commission (Commission) grant full funding for this Project in the amount of \$8,169,979.

The Project would provide for middle-mile and last mile infrastructure deployment to provide service to 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 46 community anchor institutions and businesses, including the following:

Alps View High (Continuation) **Hayfork Community Health Trinity County Sheriff Dept Hayfork Airport** Hayfork Branch Library Trinity Hospital Nursing Facility **Hyampom Airport Junction City Elementary Trinity Hospital Ruth Airport** Southern Trinity Adult Education **Trinity Home Health Services** James E. Swett Airport Mt. Lassic High (Continuation) **Trinity Community Health** Lonnie Pool Field-Weaverville Redding Rancheria Health Center Southern Trinity Health Services Hayfork Christian Academy Southern Trinity High **Trinity Adult Hayfork Fire Station** Van Duzen Elementary **Trinity High Douglas City Elementary Trinity County Fairgrounds** Trinity Center Elementary Valley High **Trinity County Community** Weaverville Elementary Weaverville Fire Station Mountain Valley Adult Trinity County Juvenile Hall Hayfork High **Trinity County Special Education**

Trinity County Free Library

The Project will also pass key Fire Department locations, including:

Hayfork, CA Fire Departments

Hayfork Elementary

- CAL FIRE Shasta Trinity Unit- Station 62
- Hayfork Voluntary Fire Department

• Shasta Trinity National Forest Fire and Aviation- Hayfork Ranger Station

Junction City, CA Fire Departments

- Junction City Volunteer Fire Department
- Junction City Volunteer Fire Department- Station 2
- Junction City Volunteer Fire Department- Station 3

Weaverville, CA Fire Department

- CAL FIRE Shasta Trinity Unit- Station 60
- Shasta Trinity National Forest Fire and Aviation- Weaverville Ranger Station
- U.S. Forest Service- Trinity River Management Unit- Fire Department
- Weaverville Fire Department

In addition, seven non-CASF Frontier households will benefit from the equipment upgrade and will enjoy the same speeds. Service will also be made available through Frontier's low-income broadband programs described later.

The Project covers approximately 23 square miles and upgrades existing facilities capable of providing fiber optic HSI and OTT services. Specifically, Frontier fiber will be placed in existing conduit or poles where applicable. Where conduit or poles do not exist, fiber will be placed in existing easement and/or right-of-way following the existing copper facilities path. There is currently no broadband infrastructure in the Mad River and Hayfork Wire Centers. The Project will place approximately 124 miles of fiber, a fiber distribution cabinet and central office equipment upgrades in the Mad River, Hayfork and Weaverville Wire Centers. The Project build is estimated to be 60% aerial and 40% buried fiber, with an anticipated construction timeline, after all permits are secured, 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 – \$8,169,979 – which represents the full projected costs to provide service to 203 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 Mad River 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 203 unserved CASF-eligible households; the proximity of this infrastructure
 upgrade will also enhance services to an additional 7 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 (not applicable);
- ✓ 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 Northeastern California Connect Consortium, 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 \$19,896 \$44,643 all of which fall of fall below the CARE standard of \$52,400 as required by this Decision. In fact, in Mad River the poverty rate is over 30% of the total population as compared to the California average, which has a 19% poverty rate.
 - ✓ 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 Redwood Coast Connect Consortium. Based on latest CPUC broadband availability data (as of December 2018), this consortium is served at 90.3%, being Trinity is served at 69.90%.

Frontier is the primary service provider in the Northwest region, rendering this Project absolutely vital in the larger goal of providing service to those on the wrong side of the Digital Divide. Local governments, higher education, elected officials and economic development leaders support this Project as expanding, upgrading and increasing the reliability of Internet service in Trinity and Humboldt Counties that will benefit residents and community anchor institutions in areas such as education, healthcare, economic and workforce development, and emergency services. 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, which happen frequently in this region.

While the primary goal of this Project is to provide broadband service to unserved households, the Project provides the considerable benefit of network diversity to over 1,700 households through the proposed deployment of 30 miles of inter-office fiber between Weaverville and Hayfork with an additional 37 miles of inter-office fiber between Hayfork and Mad River.

Both College of the Redwoods and the California Center for Rural Policy at Humboldt State University support this Project based on the understanding that HSI access will improve educational opportunities for adults in the region and will also help with enrollment challenges. COVID-19 has shown the importance and need to increase broadband services

to allow communities to have distance learning educational opportunities. Young students, rural school teachers and administrators are also enthusiastic that this Project to be approved because connectivity limitations are exacerbating the Digital Divide and limiting student ability to experience as broad a range of learning opportunities and urban and suburban students in the classroom. Lower income young students lacking Internet connectivity at home are at a disadvantage when completing assignments that require online access and interaction.

Broadband availability in this region will increase the ability of locals to participate in a variety of jobs that will increase employment growth and open this remote area to participate in a variety of different regional industry sectors. Additionally, as the state and federal government increase the need for citizens to communicate by access online websites — such as taking the Census online and online portals for unemployment — creating an imperative for every to need reliable services.

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 and COVID-19 has accelerated telehealth in the region.

The application for this 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:

| 61050004001191 | 61050004002029 | 61050004001221 |
|----------------|----------------|----------------|
| 61050004001074 | 60230109021240 | 60230109021227 |
| 61050004001206 | 60230109021220 | 61050004001190 |
| 61050004001203 | 60230109021219 | 61050004001073 |
| 61050004001171 | 60230109021244 | 61050004001166 |
| 61050004001063 | 61050004001165 | 61050004001212 |
| 60230109021233 | 60230109021232 | 61050004001224 |
| 61050004001064 | 61050004001201 | 61050004001204 |
| 61050004001205 | 60230109021241 | 61050004001069 |
| 60230109021234 | 60230109021345 | 61050004001219 |
| 60230109021243 | 60230109021230 | |
| 61050004001198 | 61050004001067 | |

ZIP Codes Covered

95526 95595 95552

Mad River FTTP Area Map

