

**Frontier CASF Broadband Infrastructure Grant Application – Cuyama, Maricopa, Santa Maria and Orcutt
Item #1 - Project Summary**

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

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Project Title: Cuyama, Maricopa, Santa Maria and Orcutt FTTP Project

Location: Cuyama, Maricopa, Santa Maria and Orcutt within Santa Barbara and Kern Counties

Type: Middle-Mile / Last Mile

Grant Request: \$12,462,755 (100% Funding Requested)

PROJECT SUMMARY

Frontier California Inc. (U-1002-C) (Frontier) is applying for a \$12,462,755 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 HSI (HSI) to 131 unserved CASF-eligible households in the regions of Cuyama, Maricopa, Santa Maria and Orcutt in Santa Barbara and Kern Counties. Frontier refers to the collective areas of this proposal as the Cuyama, Maricopa, Santa Maria and Orcutt middle-mile and FTTP Project (Project). Frontier requests that the California Public Utilities Commission (Commission) grant full funding for this Project in the amount of \$12,462,755.

The Project would provide for essential middle-mile and last mile infrastructure deployment to provide service to customers with minimum symmetrical speeds of 50 Mbps and symmetrical speeds of up to 1 Gbps using fiber optic technology. The Project would place 82 miles of middle-mile fiber optic cable (26 miles from Maricopa to Cuyama and 56 miles from Cuyama to Santa Maria) and 34 miles of last mile fiber optic cable for FTTP in the Cuyama Wire Center to cover the households covered by the Project in the Cuyama area. A fiber distribution cabinet and packet optical transport platform nodes will be deployed in each of the three (Cuyama, Maricopa, and Santa Maria) central office locations. Major Project costs are for fiber construction costs and deployment of packet switching network equipment that supports the Fiber to the Premises infrastructure. There is currently no broadband infrastructure in the Cuyama Wire Center. Currently a Fixed Wireless broadband carrier (ATGINTERNET) provides 25M/10M within some areas of the Cuyama area.

The Project would offer these services to 10 community anchor institutions, which include the New Cuyama Airport, SBC Santa Barbara Fire Station, Community Health Center (New Cuyama), Cuyama Library, Cuyama Elementary, Uplift California Santa Barbara Public School, Olive Grove Charter School, Sierra Madre High (Continuation) School, Cuyama Valley High and Cuyamaca Peak COM Fire Station 16 businesses. Service will also be made available through Frontier’s low-income broadband programs described later.

The Project covers approximately 34 square miles and upgrades existing facilities capable of providing fiber optic HSI and OTT services. Specifically, this will construct middle-mile infrastructure connecting the Taft market area to the Santa Barbara market area, and ultimately Internet peering points to provide world-wide access. Frontier will leverage its existing middle-mile network in Santa Maria to provide existing connectivity to Internet peering points. It is estimated that this Project will be approximately 8% aerial and 92% buried 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 new CASF rules adopted in D.18-12-018 (issued December 20, 2018) (Decision), Frontier believes that the proposed Project qualifies for 100% funding – \$12,462,755 – which represents the full Projected costs to provide service to 131 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 131 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 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;**
 - ✓ **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 Eastern Sierra Connect Broadband Consortium, a region which is served at 90.3% and falls below the 98% goal set forth in AB 1665.

- **Low-Income Service:** Most of proposed Project area qualifies as low-income community with 124 households in the Project area in the median household incomes range of \$34,438 to \$50,208, which fall of fall below the CARE standard of \$52,400 as required by this Decision. Seven of the households are in the proposed Project area are in a census block with a median income of \$55,573, slightly above the low-income threshold.
 - ✓ *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 Eastern Sierra Connect Regional Broadband Consortium. Based on latest CPUC broadband availability data (as of December 31, 2018), this consortium is served at 90.3%, with Kern County served at 96.1%. 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 region.

The Project will serve two area fire stations near elevated fire areas and provides fiber middle-mile facilities through Tier 2 and 3 High Fire Threat zones. 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.

In addition to the goal of providing broadband to 131 unserved households, the Project's 82 miles of middle-mile infrastructure will provide much needed route diversity for 11,000 households and provide scalable infrastructure to support future broadband services in the region.

The Project will expand and upgrade Internet service in Santa Barbara and Kern Counties 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.

This Project 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 Santa Barbara and Kern Counties.

The Project will provide high-speed access to the world, opening employment opportunities and economic growth in this rural area. This area, with lower population density, 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.

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 application of Frontier for the Cuyama, Maricopa, Santa Maria and Orcutt middle-mile and FTTP Project is a modest funding request for a region of the state that is severely unserved, underserved and needs route diversity to the region, 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

060790127021

060830018001

061110001001

ZIP Codes Covered

93225

93453

93254

Area Map

