

Frontier CASF Broadband Infrastructure Grant Application – Herlong/Janesville 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: Herlong/Janesville FTTP

Location: Herlong and Janesville within Lassen County

Type: Middle-Mile / Last Mile

Grant Request: \$7,668,801 (100% Funding)

PROJECT SUMMARY

Citizens Telecommunications Company of California Inc. d/b/a Frontier Communications of California (U-1024-C) (Frontier) is applying for a \$7,668,801 grant from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account to deploy middle and last mile fiber to the premise (FTTP) facilities that will provide High Speed Internet (HSI) to 273 unserved CASF-eligible households in the regions of Herlong and Janesville within Lassen County. Frontier refers to the collective areas of this proposal as the Herlong/Janesville FTTP Project (Project). Frontier is requesting that the California Public Utilities Commission (Commission) grant full funding for this Project in the amount of \$7,668,801 to complete middle and last mile fiber deployment.

The Project would allow service to middle and last mile customers with minimum symmetrical speeds of 50 Mbps and maximum symmetrical speeds of up to 1 Gbps using fiber optic technology by upgrading the Herlong and Janesville Central Offices. The Project would offer these services to six community anchor institutions in Herlong and two in Janesville, including Herlong Airport, Janesville Fire Department, Janesville Elementary, Sierra Primary, Herlong High, Fort Sage High, Fort Sage Adult Education and Mt. Lassen Charter School. Service will also be made available through Frontier's low-income broadband programs described later.

The Herlong-Janesville Project covers approximately 15.29 square miles, with 10.69 square miles in Herlong and 4.6 square miles in Janesville. 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. The Project will place 79 miles of fiber (including 28 miles of inter-office transport between Herlong and Janesville) and add four fiber distribution cabinets and central office equipment upgrades to the Janesville and Herlong Central Office locations. It is estimated that Herlong build will be 33% aerial and 67% buried, and Janesville will be 76% aerial and 24% buried. Major equipment expenses include, 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 – \$7,668,801 – which represents the full Projected costs to provide service

to 273 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 Herlong-Janesville 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 273 unserved CASF-eligible households; the proximity of this infrastructure upgrade will also enhance services to an additional 49 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 four 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 90.4% 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 \$46,250 to \$47,927, both of which 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 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 CPUC broadband availability data (as of March 2019), this consortium is served at 90.4%, with Lassen County being served at 84.9%. Frontier is the primary service provider in the Northeast region, rendering this Project absolutely vital in the larger goal of providing service to those on the wrong side of the Digital Divide.

Middle and last mile facilities are indispensable to provide broadband speeds that will be scalable for the next 30 years to these rural remote cities. The addition of this technology to the region will lend itself to potential future Project builds and will allow Frontier more options as it continues to assess opportunities to connect some of the most remote areas of the state.

This enhanced Internet access will also allow the county 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. Both Herlong and Janesville are considered Tier 2 High Fire Threat districts and are at elevated risk of wildfires. Expanding availability of faster and more reliable broadband capabilities to the Janesville Fire Department is critical in continuing to support the safety of the surrounding communities. Frontier is committed to enhancing broadband capacity in rural and underserved communities that currently have limited emergency services communication capacity.

The Project will provide HSI access, which is integral in connecting teachers to students, parents and educational resources. Rural schoolteachers and administrators acknowledge connectivity limitations as a primary obstacle to effectively using technology in the classroom. This Project overwhelmingly supports public education in the area and would directly benefit the Fort Sage Adult Education Center, Janesville Elementary School, Sierra Primary, Mt. Lassen Charter, Fort Sage Middle School, and Herlong Highschool. 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.

Expanded access to broadband directly impacts a community's economic development potential, especially in areas with lower population density consistent with the theory that rural remote areas may benefit more from high-speed Internet by giving businesses access to regional markets. Additionally, 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 high-speed Internet access reduces those challenges. Improved broadband access, speed and capacity allows businesses to expand their markets, diversify their funding streams and increase their workforce.

This Project is supported by both Assembly member Megan Dahle and Senator Brian Dahle's offices. The support of local political leadership 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 Lassen County.

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 Consortiums 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.”

This grant application creates important potential opportunities for anchor institutions of the Herlong-Janesville Project to 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 helps to close the Digital Divide.

Census Blocks Covered

60350406003028
60350406003030
60350406003036
60350406003042
60350406003048

ZIP Codes Covered

96109

Area Map

