

## **APPENDIX 1**

CASF Broadband Infrastructure Grant Account

Line Extension Program Pilot

Application Requirements and Guidelines

*CASF - The Broadband Infrastructure Grant Account  
Line Extension Program Pilot  
--- Application Requirements and Guidelines---*

*Date: April 2019*

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## **1. Background**

AB 1665 introduced the Line Extension Program (LEP) as part of the CASF Broadband Infrastructure Grant Account. Under the LEP, an individual household and/or property owner can apply for an infrastructure grant to offset the costs of connecting a household or property to an existing or proposed facility-based broadband provider. Any infrastructure built with funds provided by the LEP shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected. AB 1665 directs the Commission to consider limiting funds to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, to limit grants on a per-household basis and to require a percentage of the project to be paid by the household or owner of the property.

### **1.1. Amount Available for Grants**

Pursuant to AB 1665, the aggregate amount available for awards is \$5 million dollars.

## **2. Definitions for the LEP**

Facilities-based broadband provider: An entity is a facilities-based provider if any of the following conditions are met: (1) it owns the portion of the physical facility that terminates at the end-user premises or obtains the right to use dark fiber as part of its own network to complete such terminations; (2) it obtains unbundled network element (UNE) loops, special access lines, or other leased facilities that terminate at the end-user premises and provisions/equips them as broadband; or (3) it provisions/equips a broadband wireless channel to the end-user premises over licensed or unlicensed spectrum. This definition excludes satellite transponder capacity as well as terrestrial mobile wireless services.

Line Extensions: Line extensions consist of over-head, underground or wireless extensions of plant from existing distribution facilities to the customer premises network interface device at the demarcation point and exclude additions to plant along existing distribution facilities.

Service Connection: Wire or cable or wireless transmission equipment, and associated supporting structure, from the point of connection from the provider's distribution facilities to the customer premises network interface device. A service connection serves only the property on which it is located.

Telecommunications transmission media (specific to LEP): Twisted-pair (copper); coaxial cable (copper); fiber optics; wireless solutions such as millimeter wave spectrum may be included.

Non-connected Household: A household that does not have a service connection to any broadband service.

### **3. Eligible Applicants**

An “Eligible Applicant” is the customer residing at the location to be served. All recipients of the LEP grant must meet the income-based requirements. Applicants who qualify for the California LifeLine or CARE Programs automatically meet the qualifying income threshold. Applicants who are not enrolled in the CARE or LifeLine programs but have a household income equivalent to the CARE program’s income guidelines automatically meet the qualifying income threshold.

A representative, including a facilities-based broadband provider, may apply for service on behalf of an eligible applicant or a group of eligible applicants.

Additional instructions and application materials are provided on the CPUC website on the CASF Infrastructure webpages.

### **4. Subsidy Level**

The LEP will subsidize 100% percent of the cost of the proposed project for those applicants who meet the California LifeLine or CARE program income thresholds.

The maximum subsidy amount of the total line extension project/per household, in context of the transmission media/technology used will be:

- A maximum of \$500 for Fixed Wireless installations
- A maximum of \$9,300 for Wireline installations

In the event that a provider is building line extensions to non-eligible applicants, while also building an eligible project to eligible applicants, the subsidy will be calculated as a percentage of eligible applicants over total applicants with the subsidy amount not exceeding the maximum amounts listed above.

### **5. Eligible Projects**

An eligible project is a project at the property to be served, which meets the following:

- The line extension is to an Eligible Applicant.

- The property must not have previously received an LEP grant.
- The project will provide a service connection to a Non-connected Household.
- The completed project will allow the broadband Internet provider to offer service speeds of at least 10 Mbps download and 1 Mbps upload.
- The project is statutorily or categorically exempt from CEQA requirements.

## **6. Information Required from Applicants**

- The applicant must provide a proposed contract (“the contract”) or written estimate from the facilities-based broadband provider or its approved contractor for the purpose of the construction of the line extension. This contract or estimate must state details of this construction, such as the type of connection, expected service speeds, statement of work, and detailed cost estimate.
- If the applicant is qualifying for the LEP based on his/her enrollment in a qualifying public assistance program, the applicant must provide proof of this enrollment.
- If the applicant is qualifying for the LEP based on income, the applicant must provide proof-of-income.
  - The applicant needs to provide a copy of one or more of the documents below and any other relevant federal tax documents showing income (the applicant or applicant household needs to be listed as filer):
    - Federal Income Tax Form 1040, 1040NR, 1040A, 1040EZ, 1040PC, 1040X (for amended returns) w/original 1040 from previous year, 1040 with Schedule E. If self-employed, Federal Income Tax form 1040 w/ Schedule C or Schedule C-EZ, 1040X (amended returns) with original 1040 & Schedule C.
  - Pay stub:
    - Name of person must be on stub or other identifying information to link to the person (i.e., SSN).
    - Pay stub must be issued within the last 45 days showing the gross amount (including tips, overtime, commission and bonus).
    - A pay stub or check indicating only net amount is not acceptable.
- If the applicant is not the property owner, the applicant must provide a written statement from the property owner stating the property owner’s consent for work to be done, as described in the contract.

- If a representative is filing the application on behalf of the Eligible Applicant, such authorization must be clear and may be included as a term within the contract.

In addition to the requirements stated above the applicant must provide a signed consent form that no facilities-based broadband provider, as defined in Section 2 above, offers service at this address.

Additional instructions and application materials are provided on the CPUC website on the CASF Infrastructure webpages.

## **7. Submission and Timelines**

Applicants are required to use the Commission provided application form to apply. Applicants shall electronically file their completed application, along with required documentation, using the Commission's email address at [CASFLineExtensionProgram@cpuc.ca.gov](mailto:CASFLineExtensionProgram@cpuc.ca.gov) and mail a separate hard copy to:

Communications Division  
Attn: California Advanced Services Fund, Line Extension Program  
505 Van Ness Avenue  
San Francisco, CA 94102

Applications may be submitted at any time. However, Communications Division will consider applications submitted on or before each deadline listed below as a batch, until the funding is exhausted.

- July 1, 2019
- September 1, 2019
- December 1, 2019
- March 1, 2020
- June 1, 2020
- September 1, 2020
- December 1, 2020
- March 1, 2021
- June 1, 2021
- September 1, 2021
- December 1, 2021
- March 1, 2022
- June 1, 2022
- September 1, 2022
- December 1, 2022

Any deadline falling on a holiday or a weekend will be extended to the following business day.

Public notice of applications received will be published on the Commission's website. Pursuant to PU Code § 281(f)(8), parties may challenge project applications. Challenges must be submitted to the Communications Division email: CASFLineExtensionProgram@cpuc.ca.gov and the CASF Distribution List within 14 days after the public notice posting on the Commission's website.

Challenges must be based solely on demonstrating actual levels of broadband service in the project area. Challengers have 10 business days to provide service to the households, otherwise, the challenge will be denied.

## **8. Ministerial Review**

The Commission delegates to Communications Division Staff the task of approving applications that meet all of the following criteria:

- The proposed project is an Eligible Project.
- The proposed project connects an Eligible Applicant.
- The proposed project cost does not exceed \$500 for Fixed Wireless installations, and a maximum of \$9,300 for Wireline installations per household.
- The application is not challenged or Communications Division Staff denies the challenge.
- There are no competing applications for the same project area in the same application period.
- All projects must be completed within 12 months.
- The facilities-based broadband provider shall inform the application of the availability of low-income plans.

## **9. Resolution Review**

When an application does not meet the ministerial review criteria, Staff may still recommend the Commission approve the grant, but the Commission must approve the application using the traditional Commission Resolution approval process.

## **10. Reporting**

Upon completion of the project and before payment, both the applicant and the facilities-based broadband provider or its approved contractor must provide a signed completion form stating that the work has been completed. The applicant must submit a signed completion form stating the line extension has been installed and that they are receiving internet at served speeds. The facilities-based broadband provider or its approved

contractor must submit a signed completion form stating that the work has been completed as described in the contract and that the service has been turned on.

Additional instructions and application materials are provided on the CPUC website on the CASF Infrastructure webpages.

## **11. Payment**

Payment will be made directly to the facilities-based broadband provider or the approved contractor who installed the line extension. Payment will be based upon receipt and approval of the invoice submitted by the provider showing the expenditures incurred for the project along with the forms detailed in the Section 10 "Reporting." The invoice must be supported by documentation of equipment and supplies purchased, cost of labor and any other expense that will be recovered by the subsidy.

The facilities-based broadband provider is responsible for keeping costs within the budget estimated in the contract. Payment from the Commission will not exceed the approved subsidy amount. Any additional costs above the estimate provided in the contract will be the responsibility of the facilities-based broadband provider.

## **12. Execution and Performance**

The facilities-based broadband provider must meet the minimum criteria below:

- Project Completion: All projects must be completed within 12 months.
- Speeds: All households must be offered a broadband Internet service plan with speeds of at least 10 Mbps download and 1 Mbps upload.
- Affordability: The facilities-based broadband provider shall inform the application of the availability of low-income plans.
- The facilities-based broadband provider, or its approved contractor must provide in writing a determination that the project is statutorily or categorically exempt from CEQA requirements<sup>1</sup> and cite the relevant authority, as applicable.

Facilities-based broadband providers will be responsible for all costs related to the line extension beyond the 100 percent that the Commission will fund. Additionally, the minimum performance criteria stated in this section can be revised to be consistent with changes to the minimum performance criteria defined in the CASF Infrastructure Grant rules in D.18-12-018.

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<sup>1</sup> CEQA Guidelines §15300.2.



The facilities-based broadband provider or its approved contractor has up to one year to complete the proposed line extension in accordance to the terms of its contract and the requirement of the LEP. If the proposed line extension has not been completed within the one-year period, the grant will be rescinded.

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction for work done under the LEP to ensure that CASF funds are spent in accordance with Commission approval.

Invoices from the facilities-based broadband provider or its approved contractor will be subject to financial audit by the Commission at any time within 3 years of completion of the work.

In the event that the facilities-based broadband provider fails to complete the work in accordance with the approval granted by the Commission, and as described in the contract the facilities based broadband provider must reimburse some or all of the CASF funds that it has received.

**(END OF APPENDIX 1)**