



CPUC Federal Fund Account/Last Mile Program Applications Frequently Asked Questions

October 2023

On September 27, 2023, thirty-seven applications were submitted to the California Public Utilities Commission (CPUC) Federal Fund Account (FFA)/Last Mile Program by Golden State Connect Authority (GSCA). GSCA is a Joint Powers Authority (JPA), and an affiliate entity of the Rural County Representatives of California (RCRC), comprised of forty rural California counties formed for the purpose of increasing access to reliable, affordable high-speed internet for the residents and businesses of those counties. The CPUC FFA/Last Mile Program applications represent proposed project areas across thirty-seven jurisdictions (thirty member counties and seven cities therein) that, when awarded, will represent the foundational investment for GSCA's deployment of an open-access, last mile municipal fiber network in rural California.

What is the CPUC Federal Fund Account (FFA)/Last Mile Program?

The CPUC FFA/Last Mile Program was established under Senate Bill (SB) 156 in July 2021 and appropriated with \$2 billion. The focus of the program is to fund infrastructure improvements that result in quality, accessible broadband for all Californians. The application window for the program opened on June 30, 2023, and closed on September 29, 2023. Eligible applicants include Internet Service Providers (ISPs) and network administrators. GSCA applied for program funds as a network administrator.

How much money is available and how will award decisions be made under the CPUC FFA/Last Mile Program?

The \$2 billion appropriation was distributed by formula based upon the number of unserved addresses within each county (including cities/towns therein). The amount for projects within each county was made public in a CPUC FFA/Last Mile Program Decision in 2022. The allocation, while made on a county basis, does not flow through or to counties. The monies are available to ISPs and network administrators to fund proposed projects that deliver quality, affordable broadband to unserved areas of California.

The applications will be reviewed on a point basis with applications receiving points on the following criteria: financial match; fiber infrastructure; public, tribal, and co-op owned and operated systems; offers state or federal Lifeline Service; commits to not increasing prices for 5 or 10 years; offers a low-cost (\$40/month) 50/20 service; builds in an area of need and serves entire area – disadvantaged communities; applicant capacity and performance; proposed technology will meet current and future needs; and leverages State Middle Mile, open-access infrastructure.

How did GSCA determine proposed project areas in thirty-seven jurisdictions?

Using the technical and financial data from the CPUC Local Agency Technical Assistance (LATA) program (also an SB 156 program), GSCA, together with operational partner UTOPIA Fiber, network design engineer consultants Tilson Technology, and the external finance team (bond underwriter, financial advisor, and bond counsel) identified project areas emerging from the LATA High Level Network Design with the following characteristics:

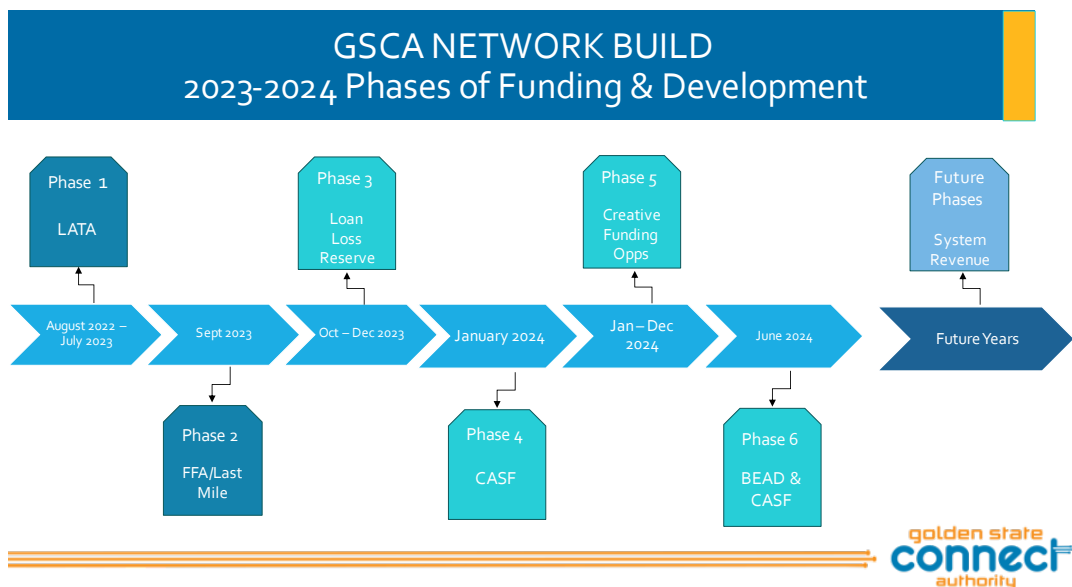
- Included unserved addresses as defined by CPUC FFA/Last Mile Program map.
- Total project areas per application included 70% low income/disadvantaged communities (where possible).
- Were adjacent to Phase 1 State Middle Mile
- Were financially feasible (via financial stack which includes the issuance of tax-exempt bonds and FFA/Last Mile grant dollars) could sustain operations and maintenance required.

In all cases, member counties and participating cities were consulted.

If a project area was not selected for inclusion in a CPUC FFA/Last Mile application, will there be future opportunities for funding and deployment of broadband to needed areas?

Yes! The CPUC FFA/Last Mile program is one of many opportunities for ISPs and network administrators to secure funding for expansion or establishment of networks that provide quality reliable broadband service.

In 2024, California will receive more than \$1.8 billion from the National Telecommunications and Information Agency (NTIA) for broadband deployment under the Broadband Equity Access and Deployment Program (BEAD). (The CPUC has opened a Proceeding to develop guidelines for program implementation.) As noted in the graphic below, there are many future funding opportunities that GSCA and other network administrators and ISPs will be pursuing in the coming years.



What information was included in each application?

Each application included nineteen sections of required information from financial proformas and project area Shapefiles to pricing commitments and marketing plans. In addition to narrative responses, each application included thirty-eight attachments, sixteen of which were unique to that application.

With considerable assistance from GSCA partners UTOPIA Fiber, LATA network design engineers from Tilson Technology, and GSCA's external finance team, GSCA was able to submit thirty-seven complete and comprehensive applications.

Applications have been submitted, what happens next in the CPUC review process?

The CPUC FFA/Last Mile Program allows for an Objection Process. This is the process by which ISPs have the ability to provide specific evidence of service to challenge proposed project areas submitted in competitor applications. There are very specific timelines and requirements for the Objection Process outlined in the program guidelines.

It is anticipated that all GSCA applications will go through the Commission Review process versus the more expeditious Ministerial Review process. As such, the CPUC has six months to review and approve, decline, or modify applications.

What is the next step for GSCA?

Now that applications have been submitted, GSCA, as the California Environmental Quality Act (CEQA) Lead Agency on all projects, is completing the required work to review, document, and submit required CEQA determinations on each of the project areas within the thirty-seven applications to the CPUC in the next 60-90 days.

At the same time, we will be re-engaging with GSCA-partner LATA awardees to proceed with the final phase of work under LATA grants, that of Low-Level Network Design. Each of the GSCA-partner LATA awardees have a little over 40 miles of Low-Level network design included in their grant.

What are Low-Level Designs and how do they differ from High-Level Designs already completed under the LATA grants?

High-level network design is done using software, i.e., desktop design. Low-Level network design involves engineers walking the proposed routes, examination of soil conditions and/or pole availability, and interaction with local governments to identify things like existing infrastructure paths and required permits.

Upon completion of Low-Level designs, construction-ready designs with identified permits will be available.