

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video, and Market Branch**

**RESOLUTION T-17699
June 25, 2020**

RESOLUTION

Resolution T-17699: Approving the Categorical Exemption prepared in compliance with the California Environmental Quality Act for the Lytle Creek Project; and authorizing the release of California Advanced Services Fund grant monies to Frontier California, Inc. (U-1002-C), to Construct the Lytle Creek Project for unserved areas San Bernardino County.

I. SUMMARY

This Resolution approves a categorical exemption prepared in compliance with the California Environmental Quality Act (CEQA)¹ for the Lytle Creek Project for unserved areas in San Bernardino County (Lytle Creek Project). This Resolution also authorizes the release of California Advanced Services Fund (CASF) grant funding to Frontier California, Inc. (Frontier) to construct the Lytle Creek Project. The Lytle Creek Project will consist of approximately eight miles of middle-mile fiber optic infrastructure and 10.5 miles of last-mile fiber optic infrastructure and enable Internet speeds of up to 1 Gbps download and 1 Gbps upload to an estimated 339 eligible households in San Bernardino County. The area is considered “unserved”; no fixed facility-based broadband provider offers broadband service at speeds of at least 6 Mbps downstream and 1 Mbps upstream.²

II. BACKGROUND

On July 12, 2018, the Commission adopted Resolution T- 17613, conditionally authorizing a CASF grant of \$1,458,886 to Frontier to construct the Lytle Creek Project, subject to the Commission’s completion of CEQA review. Frontier requested \$1,823,607, which was 100% of the projected total cost. The Commission determined this project did not merit funding at the 100 percent level requested by Frontier, and approved funding of \$1,458,886

¹ California Public Resources Code Sections 21000 *et seq.*

² Pub. Util. code section 281(b)(1)(B).

or 80 percent of the projected costs.

Frontier is a publicly traded corporation and the fourth largest incumbent local exchange carrier (ILEC) in the United States and the second largest in California. As the carrier of last resort in Lytle Creek, Frontier currently provides voice service in the proposed project area via facilities acquired from Verizon in 2016 but does not provide broadband internet service at served speeds.

Lytle Creek is located in a canyon in the San Gabriel Mountains in San Bernardino County, approximately 16 miles northwest of downtown San Bernardino and entirely within the boundaries of the San Bernardino National Forest.

Frontier plans to install fiber-to-the-home (FTTH) connections capable of providing service at speeds of 1 Gbps download and 1 Gbps upload in the Lytle Creek Project area of San Bernardino County. The deployment will consist of approximately eight miles of middle-mile fiber optic infrastructure that will provide backhaul to Frontier's core network and 10.5 miles of last-mile fiber optic infrastructure for the FTTH facilities in Lytle Creek. The Project will also provide access to broadband service for the U.S. Forest Service (USFS) Lytle Creek Ranger Station, the Lytle Creek Community Center, the Lytle Creek Post Office, and several small businesses.

Frontier estimates that when completed, the project will reach 339 eligible households at maximum advertised speeds of 1 Gbps download and 1 Gbps upload, which is well above the served threshold of 6 Mbps download/1 Mbps upload. Frontier estimates that the Lytle Creek Project will have a take rate of 271 subscriptions of the 339 eligible households in the project area (80%).

III. ENVIRONMENTAL COMPLIANCE DISCUSSION

As noted in Resolution T-17613, the Commission could not release funds for construction activities before completing the environmental review pursuant to CEQA. On April 20, 2020, Frontier provided the Commission's Energy Division (Infrastructure Permitting and CEQA Section) with the following information: a USFS Categorical Exclusion Checklist and Temporary Special-Use Permit Authority, and a Project Description and CEQA Impact Summary prepared by Panorama Environmental Inc.

On April 20, 2020, after reviewing the information contained in the documents provided by Frontier, Energy Division confirmed that the project meets the criteria for the CEQA categorical exemptions under 14 C.C.R. § 15301 (Existing Facilities), 14 C.C.R. § 15303

(New Construction or Conversion of Small Structures), and 14 C.C.R. § 15304 (Minor Alterations to Land). Thus, the Lytle Creek Project, as detailed below, is categorically exempt from CEQA review.

The project also crosses United States Forest Service (USFS) land and is subject to the National Environmental Policy Act (NEPA). The USFS has approved the project through a Categorical Exclusion and issued a renewal of Frontier's Temporary Special-Use Permit, (Authorization ID: FCD102815, Contact ID: 828102010602, Use Code: 821, 823) which had expired on April 1, 2020. The renewed USFS permit is valid from April 1, 2020 through April 1, 2021 and shall not be extended.

The Lytle Creek Project will consist of three project areas. Project One consists of the installation of approximately 11,182 feet (2.1 miles) of underground fiber cable along Applewhite Road. Approximately six miles of underground fiber cable will be pulled through existing conduit and overhead fiber cable will be placed on existing poles, from the Applewhite Road and Purcell Road intersection roughly parallel to Route 66 through to Kenwood Avenue. The cable route will then cross under Interstate-15 and continue to Frontier's remote terminal on Cajon Road in Devore.

Project Two consists of the installation of approximately 1,550 feet of underground fiber cable in new and existing conduit and approximately 8,404 feet (1.6 miles) of aerial fiber added to an existing pole line in northern Lytle Creek.

Project Three consists of the installation of approximately 3,704 feet (0.70 mile) of underground fiber cable within existing conduit and approximately 28,865 (5.5 miles) feet of aerial fiber cable on an existing pole line in the southern part of Lytle Creek, Scotland, and Hidden Acres, in addition to placement of four new poles along Lytle Creek Road.

IV. RELEASE OF CASF FUNDS

With the confirmation of CEQA categorical exemptions for the project by Energy Division, Frontier has satisfied the CEQA Compliance Requirements in Resolution T-17613. Therefore, the Commission shall authorize CASF grant funds to be released for the construction of the Lytle Creek Project, in accordance with the scope and budget specifications provided in Resolution T-17613. It is noted that Frontier's USFS Temporary Special-Use Permit is valid for one year, starting on April 1, 2020 and ending on April 1, 2021 and the CASF program rules require that CEQA-exempt projects must be completed within one year.³

³ Decision 18-12-018, Appendix 1, Sec. 6 (Performance Criteria).

V. SAFETY IMPACT

The construction of this project will likely provide considerable safety benefits. Lytle Creek is designated as a high fire danger area and has suffered from significant tree die-off; the area was greatly impacted by the 2016 Blue Cut fire. The project will aid in emergency response and recovery and provide the San Bernardino County Fire Department and USFS Lytle Creek Ranger Station with access to enhanced communications services.

VI. COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code, §311(g), a notice letter was emailed on May 18, 2020, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution, at the Commission's documents website at <http://www.cpuc.ca.gov/documents/>, and of the opportunity to comment. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website.

VI. FINDINGS

1. Resolution T-17613 (adopted July 12, 2018) conditionally authorized a CASF grant of \$1,458,886 to Frontier to construct the Lytle Creek Project, subject to the Commission's completion of CEQA review.
2. The Commission is the lead agency under CEQA for environmental review of the Lytle Creek Project.
3. Frontier provided environmental documentation to Energy Division on April 20, 2020, including: a USFS Categorical Exclusion Checklist and Temporary Special-Use Permit Authority, a Project Description and CEQA Impact Summary.
4. Frontier's USFS Temporary Special-Use Permit is valid for one year, starting on April 1, 2020 and ending on April 1, 2021.
5. Based on the information provided to Energy Division, the project is categorically exempt from CEQA review, under 14 C.C.R. § 15301 regarding existing facilities, 14 C.C.R. § 15303 regarding new construction or conversion of small structures, and 14 C.C.R. § 15304 regarding minor alterations to land.

6. With the adoption of this Resolution T-17699, Frontier has satisfied the conditions required to release funds for the construction of the Lytle Creek Project, as set forth in Resolution T-17613.
7. Frontier is required to comply with all provisions in Resolutions T-17613 and T-17699.
8. A notice letter was e-mailed on May 18, 2020, informing all parties on the CASF distribution list of the availability of the draft of this Resolution at the Commission's website <http://www.cpuc.ca.gov/documents/>, and of the opportunity for comment. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website.

THEREFORE, IT IS ORDERED THAT:

1. The Commission authorizes \$1,458,886 in CASF grant funds to be released for the construction of the Lytle Creek Project, in accordance with the scope, budget specifications, and payment guidelines provided in Resolution T-17613.
2. Frontier shall comply with all guidelines, requirements, and conditions associated with the CASF funds award as specified in D. 18-12-018, Resolutions T-17613 and T-17699
3. In the event that Frontier fails to complete the project in accordance with the terms of approval granted by the Commission in Resolutions T-17613 and T-17699, Frontier may be required to reimburse some or all of the CASF funds that it has received.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on _____. The following Commissioners approved it:

Alice Stebbins
Executive Director