

CASF Infrastructure Project Summary (Distributed Publicly)

Surfnet Communications, Inc.

CPCN Number U7265C

Contact person: Ken Nye, COO

Project Title: Three County Fiber

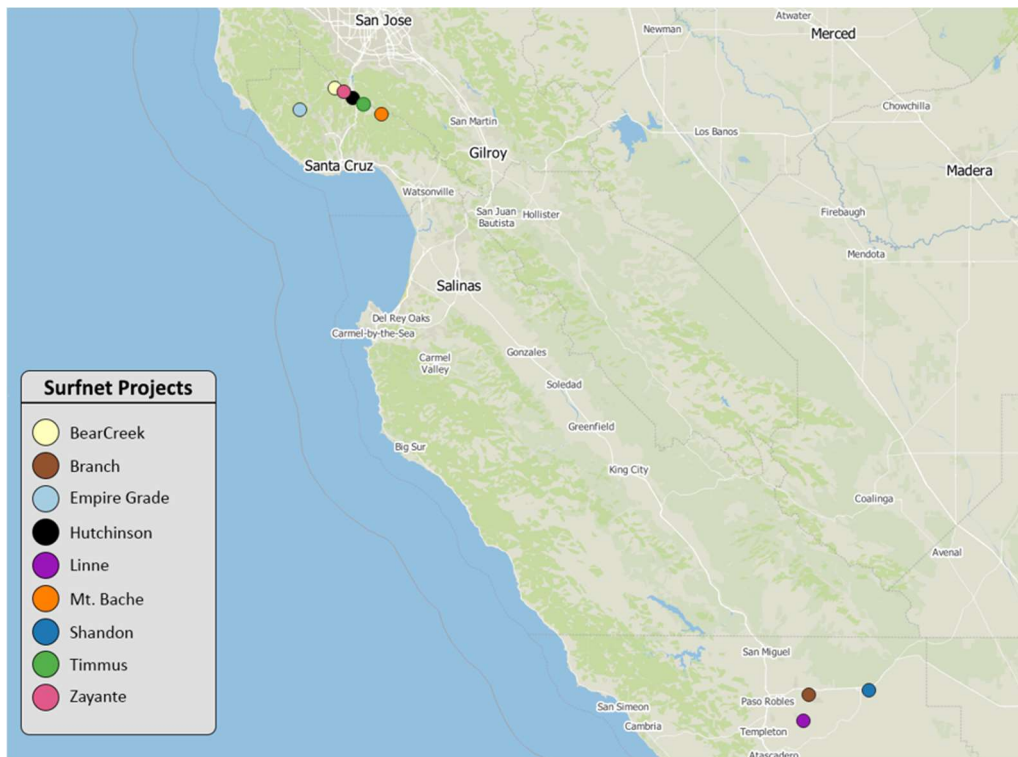
Project Type: Last-Mile Fiber Infrastructure

Unserved Locations: 179

Underserved Location: 286

Project request for the CASF Infrastructure Fund: \$10,083,005.00

Total Project Cost: \$10,083,005.00



Project Overview:

This project plan includes providing highspeed, low-cost, and reliable broadband to 465 eligible locations. Every location selected has been chosen for this project based on proximity to Surfnet Communications, Inc.'s existing infrastructure, and scheduled expansions to reduce the cost, timelines, and environmental impact.

Surfnet Communications footprint currently spans 3 counties, each to be touched within the project plan.

Priority Eligible addresses that will be served by this project.

**Santa Cruz County:** Empire Grade 7, Bear Creek 7, Zayante 16

**San Luis Obispo County:** Branch 198, Linne 55, Shandon 95

**Santa Clara County:** Hutchinson 64, Mt Bache 16, Timmus 7

Census Block Group Code	Median Household Income	Census Block Group Code	Median Household Income
060790103011	\$106,333.00	060855118002	\$215,089.00
060790103012	\$61,526.00	060855118003	\$113,770.00
060790103013	\$77,734.00	060871012001	\$102,788.00
060790103031	\$114,313.00	060871202002	\$109,375.00
060790103032	\$85,750.00	060871202003	\$137,222.00
060790127061	No Data	060871203011	\$113,092.00
060790127062	\$112,364.00	060871204003	\$110,268.00
060790127063	\$148,056.00	060871205003	\$136,667.00
060855118001	\$211,719.00	060871205002	\$160,655.00
060790103021	\$190,491.00	060871210002	\$107,857.00

Surfnet Communications Inc. is introducing the Three County Fiber project, a pioneering initiative that aims to extend high-speed, last-mile fiber broadband Internet services across three diverse counties in the central California Coastal region – Santa Clara, Santa Cruz, and San Luis Obispo. Inherently challenging due to the mountainous terrain, sparse population, and extreme fire hazard conditions, these regions have previously been underserved in terms of internet connectivity.

The project is dedicated to establishing robust last-mile infrastructure for 465 priority eligible or eligible locations, including Economically Socially Justice (ESJ) communities. These include low-income, rural, BIPOC, recently released from incarceration, and those with limited English-speaking ESL communities. The new service aims to significantly enhance the existing connectivity, replacing current speeds under 25/3 Mbps in priority locations and under 10/3 Mbps in eligible locations, with a minimum proposed speed of 100/100 Mbps.

## Funding and Execution:

For the effective execution of this ambitious project, Surfnet Communications is seeking a grant funding at 100% funding of \$10,111,227.00 from the California Advanced Services Fund (CASF).

Priority Eligible with no Internet connectivity (Pub. Util. Code § 281(b)(2)(B)(i)) are eligible for up to 100% funding.
Eligible project areas will be eligible for a baseline funding amount of 60% of construction costs plus additional 10% for each of the following listed below, totaling 100% funding
Location and accessibility of the area – Project areas meeting three of the following six characteristics are eligible for an additional 10 % funding: 1. The proposed project area contains rugged or difficult terrain (e.g., mountains, desert, national or state forest); 2. The proposed project area is an unincorporated community; 3. The proposed project area is more than 10 miles from the nearest hospital; 4. The proposed project area is located in a rural census block, as defined by the U.S. Census Bureau. 5. The proposed project area is within an extreme or elevated fire threat area as defined by the CPUC Fire-Threat Map.
Existence of communication facilities that may be upgraded to deploy broadband – project areas in which the applicant relies primarily on existing infrastructure, including poles and conduit, and thus may be less expensive to build, are eligible for an additional 10% of funding.
Whether the project makes a significant contribution to achieving the program goal – project areas within a Broadband Consortium region that have not yet reached the goal of deploying broadband Internet service at speeds of 25 Mbps download and 3 Mbps upload to 98 percent of households are eligible for an additional 10% funding.
Low-income service – project areas for which Staff determines that the latest U.S. Census Bureau American Community Survey (ACS) 5-year median household income is at or below 80 percent of the statewide median income or the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093 of the Health and Safety Code, shall be eligible for an additional 30 percent funding. <sup>2</sup> Projects with low-income households that (1) offer California LifeLine and/or federal Lifeline service to low-income customers, or (2) offer a low-income broadband plan for no more than \$15/month co-pay (i.e., out-of-pocket expense), or (3) participate in the Affordable Connectivity Plan (ACP) or otherwise provide access to a broad-based affordability program for low-income customers in the proposed service area of the broadband infrastructure, that provides benefits to households commensurate with those provided under the ACP, for a guaranteed minimum of five (5) years shall be eligible for an additional 10% funding. Should the ACP end, the Commission will identify a successor low-income subsidy program in its place.

Major expenses will include fiberoptic cable, routers, and hubs. We anticipate an 18-month construction timeline, starting from the date of the grant award.

We do not dispute the California Broadband Map, or locations considered priority unserved or underserved.

We will allow interconnection with other ISPs and interconnect with the State's Middle Mile whenever we are able.

#### Environmental and Regulatory Compliance:

The Three-County Fiber project is designed to upgrade existing infrastructure, thereby making it exempt from the California Environmental Quality Act (CEQA). Surfnet has prioritized environmental responsibility in the project design and execution, addressing the unique geographical and environmental challenges of these regions.

Specifically, the project is predominately the installation of aerial fiber of approximately 30 miles. Additionally, less than 2% of the fiber will be placed into underground locations. This is because we have areas where the existing facilities have already been relocated to underground locations in accordance with the CPUC's Rule 20A as it relates to municipal undergrounding.

When available we will lease existing conduits from the Local Exchange carrier to underground our facilities to conform. If none are available, we will either bore or trench across the streets and/or sidewalks as necessary to conform with the municipally designated 20A areas. Any concrete or paved surfaces will be replaced with materials that are similar in strength and appearance to the original.

All work will be done either on existing poles or following existing underground routes. When attaching to poles will enter into joint use agreements with either PG&E or the appropriate incumbent LEC for that area. As a licensed CLEC we have active agreements in place with those companies for joint occupancy. Additionally, we possess the engineering capabilities to do load calculations and make applications for joint occupancy according to CPUC requirements and guidelines.

We will do all required load calculations to determine the extent of the "make-ready" work needed to conform with current CPUC G.O. 95 requirements. If we encounter areas where we cannot conform to the CPUC regulations or installations become prohibitively expensive due to obstructions, we are prepared to deploy wireless bridges as needed.

#### Outcomes and Benefits:

The proposed project seeks to catalyze economic development in these counties through the provision of enhanced, reliable connectivity. Our mission is to advance internet access, promote digital inclusion, and stimulate economic growth across the counties we serve. With this initiative, Surfnet Communications affirms its commitment to providing a minimum of 100 Mbps download and 100 Mbps upload speeds to all serviced locations.

However, our vision goes beyond these immediate goals. We aim to future-proof our infrastructure, building an advanced network that can accommodate potential increases in demand without the need for replacing or upgrading equipment. By doing so, we ensure that the communities we serve will continue to enjoy high-speed, dependable internet services, even as their needs evolve over time.

Moreover, we understand that the areas we are targeting are prone to fires, posing a unique set of challenges to infrastructure development. As residents of these communities, we have firsthand experience of the difficulties posed by this harsh environment. In response, we've designed our project to not just withstand, but mitigate the foreseen and unforeseen fire hazards associated with this terrain. Our strategies are backed by extensive planning, incorporating resilient materials and practices, and a commitment to ensure the safety and reliability of the network under all conditions. This reflects our

dedication to the communities we serve, and our intent to provide a sustainable, long-term solution to their connectivity needs.

Surfnet Communications, Inc. is eager to embark on this transformative project to provide quality internet services to the communities within Santa Clara, Santa Cruz, and San Luis Obispo Counties. With the anticipated 100% financial support from the CASF Infrastructure Account, we hope to make significant strides in bridging the digital divide in these areas and contributing positively to their economic and social development in low-income and the rural areas of California that we work in today.

We are requesting ministerial review based on meeting the criteria laid out in the revision to the instructions provided November 2022.

We attest this project is going to allow open access for others to interconnect with and we added additional feet at 1000ft intervals for this purpose. The slack will be neatly looped to prevent damage or waste in the project.

In conclusion, the benefits of this project extend beyond immediate economic stimulus - it's a comprehensive effort to bridge the digital divide, future-proof our communities, and create a safer, more resilient infrastructure system that meets the unique needs and challenges of the rural and low-income areas we serve.

For additional information, please contact:

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