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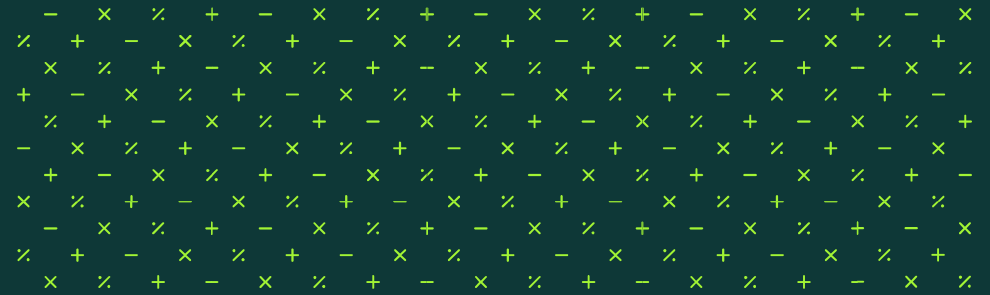
Broadband Funding Opportunities

OTA Accounting Conference

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Today's Presenter:

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Broadband Funding Opportunities

- Government Funded Programs
 - Administered by the FCC
 - High Cost Program (inc. CAF, RDOF, 5G Fund)
 - Affordable Connectivity Program
 - Lifeline Program
 - Connected Care Pilot Program
 - E-rate Program
 - Emergency Connectivity Fund Program
 - Rural Healthcare Program



Broadband Funding Opportunities

- Government Funded Programs
 - Administered by NTIA
 - Broadband Equity, Access and Deployment Program (BEAD)*
 - Broadband Infrastructure Program (BIP)
 - Enabling Middle Mile Infrastructure Grant Program
 - Tribal Broadband Connectivity Program
 - Administered by Department of the Treasury
 - Capital Projects Fund



Broadband Funding Opportunities

- Government Funded Programs
 - Administered by the Rural Utilities Service
 - Community Connect Grant Program
 - Distance Learning and Telemedicine Program
 - Rural Broadband Loans and Loan Guarantees
 - Telecommunications Infrastructure Program
 - ReConnect Loan and Grant Program*



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- Funding available for loans and grants for costs of construction, improvement, or acquisition of facilities/equipment needed to provide broadband service to rural areas without sufficient access
 - Rural area defined as not located in city, town or incorporated area with a population greater than 20,000
 - Sufficient access is defined as 100 Mbps down/20 Mbps up
- ReConnect Round 4 application deadline was 11/02/2022
- ReConnect Round 5 application window TBA



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 5 funding categories (\$ from Round 4):
 - 100% loan: up to \$150 million available
 - 50% loan/50% grant: up to \$300 million available
 - 100% grant: up to \$150 million available
 - 100% grant for Alaska Native Corporations, Tribal Governments, Colonias, Persistent Poverty Areas and Socially Vulnerable Communities: up to \$350 million available
 - Projects where 90% of households lack sufficient access to broadband: up to \$250 million available
- Applicants can submit only **one** application; choose **one** funding category



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- Service Area Eligibility and Buildout Requirements
 - At least 50% of households in proposed funded service area (PFSA) must lack access to 100/20 Mbps fixed terrestrial service
 - PFSA must be *rural* - cannot be located in a city, town, or incorporated area with a population greater than 20,000 inhabitants
 - Proposed network must be capable of providing 100/100 Mbps broadband speeds to *every* premise in PFSA *at the same time*
 - Must demonstrate that project can be completely built out within 5 years from date funds are first made available



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 100% Loan

- Maximum Request: \$50 million
- Minimum Request: \$100,000
- Interest rate: Fixed 2%
 - Principal and interest payments deferred for 3 years
- Amortization period: Based on composite economic life of assets funded plus 3 years
- Application review: Applications processed and awarded on a rolling basis; *not evaluated competitively*



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 50% Loan/50% Grant
 - Maximum request: \$25 million for loan/\$25 million for grant
 - Minimum request: \$100,000
 - Interest rate: Set at Treasury rate for remaining amortization period at time of each advance of funds; principal and interest payments deferred for 3 years
 - Amortization period: Based on composite economic life of assets funded plus 3 years
 - May propose substituting cash for loan component
 - All cash provided in lieu of loan funds must be expended first, followed by loan funds, then by grant funds (except for approved application expenses)
 - Application review: *Competitive scoring* – scored/ranked against 10 evaluation criteria; applications with highest scores awarded funding



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 100% Grant

- Maximum request: \$25 million

- \$35 million if PFSA comprised 100% of areas classified by USDA as Frontier and Remote Area (FAR) Level 4

- Minimum request: \$100,000

- Applicant must provide matching contribution of $\geq 25\%$ of cost of overall project

- Matching contributions must be expended first, followed by grant funds (except for approved application expenses)

- Application review: *Competitive scoring* – applications scored/ranked against 10 evaluation criteria; applications with highest scores awarded funding



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 100% Grant: Alaska Native Corporations, etc.
 - Maximum request: \$25 million
 - \$35 million if PFSA comprised 100% of areas classified by USDA as FAR Level 4
 - Minimum request: \$100,000
 - No matching fund requirement if applicant meets at least one of several qualifying criteria
 - Application review: *Competitive scoring* – applications scored and ranked against 10 evaluation criteria; applications with highest scores awarded funding



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- 100% Grant: *90% Households Lack Access to 100/20 Mbps*
 - Maximum request: \$25 million
 - \$35 million if PFSA comprised 100% of areas classified by USDA as FAR Level 4
 - Minimum request: \$100,000
 - No matching fund requirement
 - *Must demonstrate that at least 90% of the households in the PFSA do not have access to 100/20 Mbps*
 - Application review: *Competitive scoring* – applications scored and ranked against 10 evaluation criteria; applications with highest scores awarded funding



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- Evaluation Criteria
 - Rurality of PFSA (25 pts)
 - Population density of ≤ 6 **OR** located ≥ 100 mi. from city or town w/pop. of $> 50,000$
 - Level of existing service (25 pts)
 - 25/3 Mbps service is currently unavailable to at least 50% of households in PFSA
 - Economic need of the community (20 pts)
 - 75% of PFSA serves communities with a Small Area Income and Poverty Estimates (SAIPE) score of $\geq 20\%$



Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- Evaluation Criteria (cont'd)

- Affordability (20 pts)

- Offer at least one low-cost internet service option with speeds sufficient for a household with multiple users to simultaneously telework and engage in remote learning

- Labor standards (20 pts)

- Applicant must demonstrate: (1) strong labor standards, (2) compliance with labor and employment laws, and (3) plan to recruit and support an appropriately skilled, trained and credentialed workforce

- Tribal lands (15 pts)

- If applicant is Tribal Government and at least 75% of PFSA is Tribal Lands = 15 points
- If applicant is non-Tribal entity and at least 50% of PFSA is Tribal Lands = 10 points



Broadband Funding Opportunities

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Broadband Funding Opportunities

- **RUS ReConnect Loan and Grant Program**

- Evaluation Criteria (cont'd)

- Local governments, non-profits and cooperatives (15 pts)
- Socially Vulnerable Communities (15 pts)
 - At least 75% of PFSA is in Socially Vulnerable Communities
- Net neutrality commitment (10 pts)
 - Must commit to net neutrality principles
- Commit to offering wholesale broadband services (10 pts)
 - Propose to buy market access, bandwidth, functionality and servicing on a wholesale basis with intent of reselling purchased capacity on the retail market to businesses and consumers on reasonable and nondiscriminatory terms



Broadband Funding Opportunities

- **Broadband Equity, Access and Deployment (BEAD) Program**
 - BEAD Program will make available up to \$41.6 billion in grant funding primarily for last-mile broadband deployment projects
 - “Eligible Entities” authorized to apply for grants are U.S. states and territories
 - Allocation of funding for each state/territory largely based on its percentage of the nation’s “unserved” locations
 - Maps from Broadband Data Collection will determine # of unserved locations in every state and territory
 - FCC to release “draft” version of the map 11/18/2022
 - NTIA to communicate allocation levels to eligible entities by 6/30/2023



Broadband Funding Opportunities

- **Broadband Equity, Access and Deployment (BEAD) Program**
 - Primary project types for which states/territories may allocate grant funds:
 - Unserved Service Project: $\geq 80\%$ of locations served by project are “unserved” (<25/3 Mbps fixed terrestrial service)
 - Underserved Service Project: $\geq 80\%$ of locations served by project are unserved or “underserved” (<100/20 Mbps fixed terrestrial service)
 - Deploying/upgrading broadband to an “eligible community anchor institution” (CAI) (lacks access to Gigabit-level service)



Broadband Funding Opportunities

- **Broadband Equity, Access and Deployment (BEAD) Program**
 - Broadband deployment projects will have matching funds requirement of at least 25% of project costs
 - Exceptions in certain circumstances, inc. projects in designated “high-cost areas”
 - Matching funds may be provided by the subgrantee, Eligible Entity, and/or other non-federal entity (e.g. local gov’t, nonprofit org., etc.)
 - Eligible Entities encouraged to require match from subgrantee, rather than other sources, where it deems subgrantee is capable of providing matching funds
 - Funds from other federal programs (e.g. USF) generally may not be used for match
 - Exception for funds provided under: (1) Families First Coronavirus Response Act, (2) CARES Act, (3) 2021 Consolidated Appropriations Act, (4) American Rescue Plan Act
 - Matching funds may be cash or in-kind contributions



Broadband Funding Opportunities

- **Broadband Equity, Access and Deployment (BEAD) Program**
 - Unserved and underserved service projects can be as small as a single location
 - Projects may include middle mile infrastructure in or through an area required to reach interconnection points or ensure technical feasibility and financial sustainability
 - Eligible Entities may not treat as unserved or underserved any location already subject to an enforceable federal, state, or local commitment to deploy “qualifying broadband”
 - Qualifying broadband for non-CAI locations: Fixed terrestrial service with $\geq 100/20$ Mbps
 - Qualifying broadband for CAI locations: Fixed terrestrial service with ≥ 1 Gbps symmetrical



Broadband Funding Opportunities

- **Broadband Equity, Access and Deployment (BEAD) Program**

- As a general rule, if there are competing proposals for the same location(s), and only one project uses end-to-end fiber, that proposal is the default winner
 - Exception if fiber project exceeds Extremely High Cost Per Location Threshold
- In deciding among competing projects covering the same location(s), states must give the greatest weight to the following criteria:
 - Minimal BEAD Program outlay: Total funding required to complete project, accounting for projected cost per location and subgrantee's proposed match
 - Affordability: Subgrantee's commitment to provide most affordable price for service
 - Fair labor practices: Subgrantee's demonstrated record of, and plans to be in compliance with, federal labor and employment laws



Broadband Funding Opportunities

- **Obligations of BEAD Program Subgrantees**

- Fixed terrestrial service with speeds $\geq 100/20$ Mbps; roundtrip latency ≤ 100 ms
- Connections to eligible CAIs capable of 1 Gbps symmetrical
- Broadband performance testing consistent with FCC's rules
- Network outages not to exceed, on average, 48 hrs. over any 365-day period
 - Exception for natural disasters
- Network deployed and providing service to requesting customers within 4 years of receipt of subgrant
 - Extensions can be granted in limited circumstances and require NTIA approval
 - Interim buildout milestones to be established by Eligible Entity



Broadband Funding Opportunities

• **Obligations of BEAD Program Subgrantees**

- If laying fiber-optic cables or conduit underground, or along a roadway, must include access points at regular and short intervals for interconnection by unaffiliated entities
- Must offer at least one low-cost broadband service option to eligible subscribers that qualify for Affordable Connectivity Program
 - Eligible Entities will define the parameters for low-cost plans
 - Eligible Entities must also have a middle-class affordability plan
- Prohibition on data usage caps on any plans offered over a funded network



Broadband Funding Opportunities

- **Obligations of BEAD Program Subgrantees**

- Must conduct public awareness campaigns that highlight value and benefits of broadband service
- If receiving funds to deploy middle mile infrastructure (in connection with an unserved or underserved service project), must permit other broadband providers to interconnect with middle mile facilities on a reasonable and nondiscriminatory basis
- Must have cybersecurity and supply chain risk management plans that are consistent with certain government standards and practices
- Reporting to the Eligible Entity (state), at least semiannually, for duration of the subgrant



Broadband Funding Opportunities

- **FCC Broadband Maps**

- Initial draft of National Broadband Map to be released 11/18/2022
 - Generated using availability data as of 6/30/2022 submitted in BDC filings matched to location information in Broadband Serviceable Location Fabric
 - Map will display location-level information on broadband availability throughout the country
 - Individuals may search for their address, review and challenge service availability
 - Individuals may also request corrections to Fabric locations or request that missing locations be added



Broadband Funding Opportunities

- **FCC Broadband Maps**

- Service providers, state/local/Tribal governments and other stakeholders may view and download availability reported by providers
 - May submit “bulk challenges” to the reported availability data
- NTIA will use most up-to-date version of the Broadband Map to determine BEAD funding allocation
- Key dates for filing bulk availability challenges: **11/18/2022 – 01/13/2023**
 - Filing challenges within this date range provides the best chance of corrections being included in the version of the map that will be used to allocate BEAD funding



Broadband Funding Opportunities

- **FCC Broadband Maps Fixed Bulk Challenge Filing Resources**

- Video tutorial providing overview of the fixed bulk availability challenge process
 - https://www.youtube.com/watch?v=vKL_p8ieFDo
- Video tutorial walking the process of submitting bulk fixed availability challenge data in the BDC system
 - https://www.youtube.com/watch?v=XaOlwJN_1RY
- Specifications for Bulk Fixed Availability Challenge and Crowdsourcing Data:
 - <https://us-fcc.app.box.com/v/bdc-bulk-fixed-challenge-spec>
- Broadband Data Task Force Virtual Technical Assistance Workshop
 - 11/30/2022 at 4:00 pm ET - Registration link available in Public Notice
 - <https://www.fcc.gov/document/fcc-announces-bulk-fixed-challenge-workshop-and-tutorial>



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