

**DOC-NTIA-OTIA (US)  
Infrastructure Transcript**

**Moderator: Susannah Spellman  
June 10<sup>th</sup>, 2021**

**Susannah Spellman:**

Hello, everyone. We're just going to wait 1 or 2 more minutes before we get started. But we just want to make you aware that there are some issues with the landline dial in, or even the mobile dial in to this program. So, if possible, if you're having audio issues, or if you're not connected to your computer or directly through the mobile device app, please click on the join webinar from your e-mail confirmation on your mobile phone. Download the app as directed, and the webinar will launch automatically and once the app is downloaded and open. So, if the webinar does not launch though, click join webinar again from your e-mail confirmation. But just be aware, folks have reported some difficulties using the telephone numbers to dial into this webinar. If you are unable to actually get to the app to be able to listen to the audio portion, note that this presentation along with a transcript and a recording will be available on the BroadbandUSA website under events and past events on or before June 16.

2:41

Hello, and thank you for joining us today for BroadbandUSA's webinar. My name is Susannah Spellman with NTIA's Broadband USA Program. As a reminder, this webinar is being recorded and will be posted to NTIA's BroadbandUSA website.

2:56

Today's webinar focuses on NTIA's broadband infrastructure program and is the second of a four-part series.

3:03

Before we begin, I would like to review the logistics for today's webinar. First, we will open up the webinar for questions after the completion of the presentations. As you hear from each presenter, please use the question box on the right-hand side of the screen to submit your questions or comments.

3:19

Second, the presentation along with a transcript and audio recording of today's session will be available on the Broadband USA website within seven days of this webinar under the Events-Past Events tab.

3:31

Finally, please visit our Broadband USA website for more information about our technical assistance programs, including useful guides, products, publications, and other tools that can assist you with planning, funding and

implementing your broadband project. We provide updated information regularly, including a monthly newsletter and other broadband news.

3:52

Our presenters today are Doug Kinkoph, the Associate Administrator of the Office of Telecommunications and Information Applications, and Jennifer Duane, Director for Grants of the Office of Telecommunications and Information Applications.

4:06

Now we will turn to our first speaker, Doug Kinkoph. Doug, as I mentioned earlier, is the Associate Administrator of the Office of Telecommunications and Information Applications. Doug joined the Department of Commerce in 2010 and has served in a number of roles working on issues, including spectrum management, broadband, and public safety communications.

4:25

While serving as the head of the Office of Telecommunications and Information Applications, Doug created the agency's Broadband USA program, which works to promote broadband deployment and adoption across communities nationwide. He also oversaw a \$4 billion grant program that funded the deployment of broadband infrastructure, public computing centers, sustainable adoption of broadband services, and statewide broadband planning.

4:51

Before joining the Department of Commerce, Doug held multiple executive roles in the communications industry as well as in the public and private sectors as a telecommunications policy expert. He served as the vice president of operations at Sound Path Conferencing, where he was responsible for all sales, marketing, and customer service operations.

5:10

His private sector experience also includes serving as senior regulatory and policy roles at XO Communications, Nextlink, and LCI. Doug earned his MA and administration from Central Michigan University and as the Telecommunications Management from Ohio University.

5:29

Our second speaker is Jennifer Duane. Jennifer is a Senior Broadband Specialist from the National Telecommunications and Information Administration Broadband USA Program, where she manages the offices grant programs and facilitates inter-agency coordination to support efforts to streamline the federal permitting processes.

5:46

Jennifer joined NTIA in 2009 to develop policy for the Broadband Technology Opportunities Program, otherwise known as BTOP. She then served two years as a senior attorney adviser in the Office of Chief Counsel for NTIA, providing legal Advice to NTIA offices on a variety of

telecommunications, information, technology, and commercial data privacy matters.

6:10

In 2012 to 2017, she served as the Senior Advisor to the Assistant Secretary on matters related to Broadband and Public Safety. Before joining NTIA, Jennifer served as a state regulatory attorney and then as a director of Federal Regulatory Affairs for Sprint Corporation. She earned an undergraduate degree in economics from the Pennsylvania State University, and a Juris Doctorate degree from George Washington University Law School.

6:38

Please welcome Doug, and he'll open up the remarks.

6:47

**Douglas Kinkoph:** Thank you, Susannah.

6:48

On behalf of NTIA, I'd like to welcome you to today's webinar on our Notice of Funding Opportunity for our Broadband Infrastructure Program. I would also like to mention that last Thursday, NTIA published its Notice of Funding Opportunity for its Tribal Broadband Grant program, and we will have more on that program later today.

7:11

I think this quote is important. The Vice President's quote underscores the fundamental nature of broadband plays in American society today. It's critical to ensure that all Americans, that's 100% of Americans, have access to fast, affordable broadband to allow them to educate their families, have access to remote health care, and employment opportunities.

7:34

These next two slides have maps that I believe, highlight two distinct broadband problems that America is facing: infrastructure and digital inclusion. This map, the red areas reflect the areas of the country where broadband service is unavailable, at the basic FCC benchmark speed of 25/3.

7:55

This map highlights households and counties that lack a computer, smartphone, or tablet. The dark brown areas are counties where 30% or more of households do not have a computer or smartphone or tablet in their home. The broadband divide in this country is significant, and it's one that the administration is now addressing.

8:17

Next, we're going to dive into the details of the Broadband Infrastructure Grant Program, which is a competitive grant program that opened its

application window on May 19 will award up to \$285 million to Covered Partnerships.

8:31

Now, I would like to thank you again for joining us today, and I look forward to your questions at the end of the program. Let me turn it over to Jennifer Duane, NTIA's Director of Grants. Jennifer?

**Jennifer Duane:**

8:47

Well, thanks, Doug. We at NTIA are really excited to be able to announce the opening of the Broadband Infrastructure Program. Now, this program is for \$288 million, the eligible applicants are Covered Partnerships, and those are a state, or one or more political subdivisions of the state, working in collaboration with a fixed broadband service provider. They are deploying covered broadband projects, and these are defined in the Act as a competitively and technologically neutral project for the deployment of a fixed broadband service that provides qualifying broadband service in an eligible service area.

9:32

NTIA announced the opening of the program on May 19, and we will be accepting applications through August 17th, 2021.

9:43

I want to highlight a couple of key definitions under the program. First, is the definition of qualifying broadband service. That means a download speed of not less than 25 Megabits per second, and an upload speed of not less than three Megabits per second with a latency sufficient to support real-time, interactive applications.

10:06

Now, we added a little bit more context in the NOFO, the Notice of Funding Opportunity, with regard to the speed; that is the ability to deliver 25/3 simultaneously to every household in the eligible service area. And that's consistent with how USDA Reconnect program, for example, describes the speed threshold for their grant programs. The latency, we added a bit more context as defined as 95% or more of all peak period measurements of network round trip latency. That is between the customer premises and the closest internet core peering interconnection point are at or below 100 milliseconds. And this is consistent with the FCC's definition of latency that they use in their universal service support programs. So, we wanted it to be consistent with our federal agency partners in how we defined these terms or this term.

11:09

The other key definition I want to talk about is the definition of unserved. Now, this means the households lacking access to qualifying broadband service, and no broadband service provider has been selected to receive, or is otherwise receiving federal or state funding, subject to enforceable

buildout commitments to deploy a qualifying broadband service in the specific area where the household is located.

11:37

An eligible service area has been defined in the Act to mean a census block in which a broadband service, in which broadband service is not available, at one or more households or businesses in the census block.

11:51

And NTIA will be looking at leveraging the FCC's Form 477 data and our National Broadband Availability Map, the NBAM, and the FCC Form 477 data is a layer, a data layer in that map, and we will be looking at those tools to determine if the area that an applicant submits for funding meets the definition of eligible service area.

12:21

So, under this program, to be eligible for a grant, the Covered Partnership must submit an application. And we'll be looking at the following elements, we'll be looking at a description of the Covered Partnership. So, we'll want to know whether it's the state or one or more political subdivisions of the state and the fixed broadband service provider. We want to know what the current broadband project will be, like what speeds will be offered, the cost of the project. The proposed service area that the project is proposing to deploy broadband infrastructure in. And then we'll want to know about any other federal and state support that the broadband service provider that is part of the Covered Partnership might be receiving under another federal or state support program for broadband investments.

13:11

Now, under the Statute, the Covered Partnership may only submit one application for this grant program. We're looking at the state or the political subdivision of the state as lead applicant and that would be the entity that will determine whether the Covered Partnership can submit an application.

13:36

So, the Covered Partnership may include one or more provider of fixed broadband services in its application, and a fixed broadband service provider may participate in more than one Covered Partnership. But the state or governmental entity can only submit one application as part of the Covered Partnership.

13:59

The Act defined several funding priorities in decreasing order of importance. So, the first priority is for projects designed to provide broadband service to the greatest number of households in an eligible service area.

14:15

Now, we will be looking, interpreting this priority as providing broadband service to the greatest number of unserved households in the eligible service area.

14:24

The second priority is focused on providing broadband service in an eligible service area that is outside of a county, city, town, or urbanized area that's contiguous or adjacent to a city or town with more than 50,000 inhabitants. So essentially, we will be prioritizing broadband service in more rural areas.

14:48

We'll also be looking at projects that are the most cost effective, prioritizing projects that are the most rural. And then finally, the fourth criteria is looking at projects designed to provide broadband service with the download speed of at least 100 Megabits per second and an upload speed of at least 20 Megabits per second.

15:08

So, the Act has given us a very aggressive timeline for deploying broadband infrastructure under this program. It requires that the Covered Partnership must expend the grant funds within one year of their receipt of the grant funds. Now, we know that the projects under this program will be for broadband construction and there may be some projects that are capable of deploying broadband within one year. But for the most part, applicants will require more than one year to complete their broadband construction projects. And in that case, the Act provides that the Assistant Secretary may grant extensions of the award period. So, to qualify for the extension, the Covered Partnership just must certify that had that it has a plan for the use of the funds, the construction project is underway, or extenuating circumstances require an extension to ensure project completion.

16:12

So, we are allowing applicants to submit that request for extension with their application because we realize that most projects will need more than one year to complete.

16:22

So, we're giving applicants the option to just go ahead and submit their extension request along with their application. The petition for extension should cover the elements that I just noted about the factors that the Assistant Secretary will be looking at in terms of whether to grant the extension.

16:43

So, under this program, we have \$288 million available in grant funds. We expect to make awards ranging from \$5 million to \$30 million. Applicants may submit project proposals that are outside of the amounts, but we'll

want to see at a reasonable explanation for why the project cost exceeds these funding ranges.

17:10

Now, the act does not require a matching fund. So, that is not a statutory requirement, as it often is in grant programs. But we will be offering a preference for applicants that do propose to provide a cost share amount to fund a portion of the eligible cost of the project, and looking at, at least a project that provides a 10% cost match.

17:39

So, to submit an application under this program, an applicant will need a few things. They'll need a DUN's number, the Dun and Bradstreet number. They'll need to be registered with SAM, the System for Award Management. And they'll need to have a grants.gov account, we will be using grants.gov for the submission of applications under this program.

18:05

And the NOFO really goes into detail on all three of these items. How to request a DUN's number, how to register for SAM, and to keep that registration active, and how to register for a grants.gov account.

18:20

So, I would direct you to look at the NOFO for those description of those requirements and what is needed to fulfill these three elements to apply for grant under this program.

18:34

So, the NOFO outlines in Section D the application package for the Broadband Infrastructure Program. We'll be using the standard 424 family of forms, the application for Federal assistance, the budget, or construction programs in the 424 C. There are a couple of other assurances and certifications regarding lobbying activities that will be required to submit with applications. The project narrative is a Word document where, and this is where the applicant really describes the project and the Covered Partnership and what they're proposing to deploy, and where the proposed service area, how they're meeting the funding priorities of the act. This is where the applicant really should devote most of its time, in terms of preparing an application so they can look at the funding priorities that we'll be focused on, and really explain to us how their applications are satisfying their priorities of the program, looking at identifying exactly what they're doing, measurable milestones, performance outcomes. So, this is really the meat of the application that NTIA will be looking at.

19:54

We'll be also focused on the budget and looking at what costs are proposed for funding under this grant program, and how those costs are aligning against cost objectives that you'll see in those standard forms. And then, if the applicant is proposing to recover indirect cost, we'll want

to see the indirect cost rate agreement. And this is all described in detail in the NOFO.

20:22

We're also asking for letters of commitment from each of the covered members of the Covered Partnership to indicate their commitment to complete the project, looking at maps of the eligible service area, and financial pro forma documents, and network design documents, and those items are all covered in detail in the NOFO as to exactly what we're looking for.

20:49

So, as I mentioned at the beginning, since we opened the program on May 19th, we have a 90-day statutory deadline for when applications must be received. So, our deadline under this program is August 17th, 2021. And since it's a statutory definition, we cannot grant any extensions of that, of that timeline. And, like, like applicants, NTIA also has a statutory deadline to complete its review and selection of successful applicants, either completed, review, and approve or deny the applications, and determine what awards it will make.

21:29

Our deadline is November 15th, 2021, when we need to make some internal decisions on the applications that we received under this program.

21:42

So, I want to touch on a couple of the eligible uses for the program. Grant funds may only be expended on allowable costs. And those are outlined in the uniform administrative requirements and the cross principles. The Act also identifies several eligible uses of the grant funds. And since this is a broadband construction grant program, we are, of course, allowing the cost of construction, the improvement or acquisition of facilities and equipment required to provide qualifying broadband service.

22:18

And this can include infrastructure for backhaul, middle and last mile networks. We're allowing the cost of long-term leases, the cost to engineer the network for permitting, work that's related to environmental and historical culture reviews, personnel costs, salaries, fringe benefits, and then the act also allows for reasonable pre-application expenses or grant preparation costs to be recovered, but that amount may not exceed \$50,000.

22:51

The act also identifies a couple of ineligible costs, and these are costs where grant funds may not be expended on them. So, just to touch on a couple of items here, they're described in detail within the NOFO. So, a covered partnership may not use grant funds to purchase or support any communications equipment or service as defined in section nine of the Secure and Trusted Communications Network Acts 2019.



23:19

And this is designed to prohibit the purchase of equipment that may pose national security risks. So, you will be looking to make sure that grant funds are not used for these purchases. And this applies to both members of the Covered Partnership, so both the state or political subdivision and the fixed broadband service provider.

23:42

There are a couple of items that are specific to the provider of broadband service, that is part of the Covered Partnership, and that is that grant funds may not use to repay a loan by public or private lender. It may not be used for collateral for a loan. Same thing with the grant amount, preparation costs are allowable, but they may not exceed \$50,000.

24:11

We also are going to be looking at to not duplicate funding for any funds that have been used to fund service to a location that the FCC Universal Service program is also funding. So, since these are broadband infrastructure projects, there will be environmental and historic preservation requirements that applicants must adhere to.

24:41

So, when you submit your application, we will be asking for environmental documentation to be submitted. It's not required that you have all this in place when you submit your application, but we need to understand what environmental, what construction, and ground disturbing activities that the project will undertake and how the environmental and historic preservation requirements will be met. So, we want to see what your plan is for obtaining any of the required federal, Tribal, state, local government permits and approvals.

25:16

So, we need sufficient information within the application in order to undertake the analysis that is required by the National Environmental Policy Act-NEPA. And once we make an award, just, we may withhold some of the funds under a specific award condition until these environmental and historic preservation requirements are satisfied.

25:46

So, this slide lists the evaluation criteria that NTIA will be looking at when we receive an application for grant under this program. So, the first criteria is we'll be looking at the project purpose and benefits, and that's worth 30 points. So, we're going to be looking at the level of impact in the proposed service area. We'll be looking at the number of uncertain households that the project is proposing to serve, at what speeds that the service may be offered. We'll be looking at the affordability of the services that will be offered.

26:19

The second category is project viability, and that's 40 points, we'll be looking at the technical approach, and the related network capacity and performance. And that basically means we are going to be looking at the type of network, and in broadband infrastructure, the applicants proposing to deploy and at what speeds. And we will also be awarding certain points based on the network capacity requirements that the applicant will propose.

26:52

We'll be looking at the applicant's organizational capability, as well. Looking at the capability, the experience of the applicant, which basically includes the members of the Covered Partnership, to carry out the project and complete the activities that it proposes to deploy under this grant program.

27:11

And then finally, we'll be looking at project budget and sustainability. Looking at the reasonableness of the budget and the costs associated with that budget and to make sure that costs are properly allocated to perform the tasks that are needed to complete the project.

27:26

We'll be looking at sustainability of the project, whether there's a plan that the project will be sustainable beyond the award period, looking at whether it's designed to support evolving and advanced communication capabilities, such as 5G or fiber.

27:46

Then, finally, we'll be looking at whether the applicant is proposing a non-cost share, and so a non-federal cost share of up to 10%. And an applicant may receive some additional points in consideration if they provide a non-federal cost share of at least 10% of the total eligible project costs.

28:11

So, this outlines the review process that NTIA will use for this Broadband Infrastructure Program.

28:18

When we receive applications, the first thing we'll do is conduct an administrative and eligibility review of the complete application package. And that's to make sure that the application is complete, that the Covered Partnership has the entities that are needed to make it eligible to submit an application under this program. And we will be looking at what it's proposing to do because we are going to be doing a priority sequencing.

28:45

When I discussed the priorities a couple of slides ago, the number-one priority under the Act is to deliver qualifying broadband service to the greatest number of households in a proposed service area. So, we're going to be looking at focusing initially on applicants that come in with that type of proposal to deliver broadband service to unserved households. We'll

continue that priority sequencing, the remaining priorities, to the extent that funding remains available under the program.

29:16

The second stage is merit review, and that's where the applicants are evaluated by at least two objective reviewers who have demonstrated expertise in the programmatic elements of the grant program. Now, we're using a scoring scale of 0 to 100 and applications that score on our threshold of at least 70 points and up to 100 points through merit review will advance to our programmatic review.

29:48

And this is where NTIA will focus on its review of the applications, looking at how the priorities, how the application, project advances the funding prioritized priorities outlined in the NOFO. And to do this, for instance, in verifying the eligible surface area, as I mentioned earlier, we'll be using data from the FCC Form 477, for validation of proposed service areas, as eligible. We'll be looking at leveraging other the other data sets that are available in NBAM to target funding to unserved areas. And we'll also have a process for existing broadband service providers, to let us know if any proposed service area that has been proposed for funding, whether they currently provide qualifying broadband service to that area.

30:40

So, there's a process outlined in the NOFO where we will announce those proposed service areas and allow existing broadband service providers to provide us with information that essentially may challenge the proposed service areas that an applicant has submitted for funding under this grant program.

31:03

So, this outlines the selection factors and the selection process that NTIA will use in determining what applications to award grant funding. So, we'll be looking at the scores and the technical comments from the objective expert reviewers during merit review. We'll be looking at the analysis of NTIA staff during the programmatic review. We'll be looking how the application satisfies the broadband infrastructure program priorities that I described in earlier slides, those four funding priorities, then the extent to which the applicant proposes to contribute a non-federal cost share.

31:44

Then we'll also be looking at an equitable geographic distribution of the proposed grant award. So, we want to try to not only fund projects in only one state, but we want to try to make sure that there is an equitable geographic distribution across the country.

32:03

It doesn't actually mean that every state will get an award, but we do want to make sure that we're distributing the awards in an equitable manner geographically.

32:13

And then, we'll be looking at the extent to which this investment would not have been made in the proposed service area without the government investment. So, that is unlikely to be made using private sources of funds and needs government investment in order to be funded.

32:32

Then, we'll be looking at whether the applicant proposes some strong labor protections, including paying prevailing wages. And then finally, we'll be looking to avoid duplicating the funding of other federal agencies, including the Department of Agriculture loan and grant programs, and the applicable Universal Service programs that the FCC manages.

32:56

And then, finally, the availability of funds will be determining how many awards we are able to make for this program. With 288 million, that's not a lot to fund broadband infrastructure deployment so that will be a key determinant of the amount and the number of awards that we're able to award here.

33:18

And this just highlights a couple of award administration information that will be applicable to awardees. So, applicants that we do fund under this program will receive a Federal Award Notice from our National Institute of Standards and Technology-NIST, which is our grants office under this program.

33:43

We will, of course, notify applicants that are not successful in receiving an award. But, if you do receive an award, there will be certain administrative and national policy requirements that you have to adhere to. The Uniform Administrative Requirements and Cost Principles. The Department of Commerce has some standard financial assistance terms and conditions that will apply.

34:09

Of course, the Environmental and National Historical Preservation Requirements I touched on earlier will come into play here. Looking at, there will be some requirements that any grant funded assets under this program, that we'll have a federal interest in, and we'll have a property and trust relationship with any assets that are funded under this program.

34:35

There will be a requirement for open network requirements to, you know, keep the infrastructure that is funded under this program to be open for interconnection by other broadband service providers and looking at domestic preference for procurements, Buy American.

34:53

And then looking at some and contracting with the small minority business, women's business enterprises, and labor surplus area firms looking for preferences in contracting with those entities.

35:05

Then finally, reporting: There'll be reporting requirements that are outlined in the NOFO. Both financial reporting and performance reporting on a semi-annual basis. And then there will also be an annual reporting requirement.

35:19

We will be looking at awardees to tell us what they expanded their grant funds on, what outcomes and services they delivered as a result of using grant funds under this program.

35:32

So, as I described on a couple of slides, we do have a merit review process where we are using objective reviewers to look at the applications that receive. So, we are actively looking for merit reviewers to submit to volunteer to serve as a reviewer for this program. So, we'll start merit reviews in August and into October, and we really just want to make this announcement and ask for your help to volunteer to serve as a reviewer for this program.

36:04

You can submit a resume at the information at the e-mail noted here, [grantreviewer@NTIA.gov](mailto:grantreviewer@NTIA.gov), and provide the information that's indicated in the bullet points on this slide. Name, residence, e-mail, employer, position, years of experience, and in fields related to broadband activity. So, I hope you'll consider volunteering to serve as a merit reviewer for this program, we would definitely welcome your help.

So, now, I'm going to turn things over to my colleague, Susannah Spellman. We will now entertain questions on the Broadband Infrastructure Program. Thank you.

36:34

**Susannah Spellman:**

All right, well thank you very much, Jennifer and Doug. I also wanted to make you all aware of our special guest, Dean Iwasaki. He is from the NIST's grants office who will be working with us to administer the grants from the financial and grant administrative side of things.

36:52

We've got a lot of great questions. I'm going to try to get to as many as possible. But I also want to put a plug that, literally 15 minutes before we got on this webinar, we were able to post on the Broadband USA website a second round or second set of frequently asked questions. So, a lot of the questions that you may have circling in your brain are in that FAQ hopefully. And if they're not in there and if we don't address it today, we

will try to take that and address that into future sets of FAQs that we'll release. And we're hoping to release pretty regularly as we get questions and as we're able to answer them. So, sit tight for that.

37:36

Let's get started. Here's one question that popped up and it was one of the most recent questions, so it's close to mind. Jennifer, are both last mile and middle mile networks funded under this grant program subject to the interconnection requirements outlined in the NOFO.

**Jennifer Duane:**

37:55

Thanks, Susannah for that question. So, as we mentioned in the NOFO that the awards under this program are subject to open network requirements. It's only middle mile networks that are subject to this requirement, last mile networks are not. And if there is a project that contains both middle mile and last mile components, only the middle mile portion would be subject to the open network requirements that are outlined in the NOFO.

**Susannah Spellman:**

38:27

Another question about Covered Partnerships. Specifically, which member of the Covered Partnership would or could retain the ownership of the infrastructure or associated assets funded by the program?

**Jennifer Duane:**

38:41

So, that's a great question. Covered Partnership is not a technical grant term. It is a term that is very specific to this particular statute.

38:54

So, the applicant is a Covered Partnership, but when you make an award, the recipient or sub-recipient they essentially become either one of those categories. Since the governmental entity under this program is the lead applicant, so that's either the state or one or more political subdivisions of the state, that is the lead applicant, they become the recipient. And a fixed broadband provider that is part of their partnership can be the sub-recipient. Either one of those entities, a sub-recipient or recipient, may hold title to property that is funded under this program with federal funds.

**Susannah Spellman:**

39:36

Alright, one more for Jennifer, and that I have a few for Doug.

39:40

What entities qualify as political subdivisions of a state? For example, a few folks have asked, if a public utility district or a school district would be qualified.

**Jennifer Duane:**

39:52

That's another great question. So, the Act did not define what a political subdivision is and we didn't define it either in the NOFO because we didn't want to be too prescriptive. And we know that, you know, state statutes

may define. Essentially, political subdivisions are creations of the state and are created to fulfill certain governmental functions.

40:16

They're usually defined in state statutes, so we wanted to not be too restrictive in this regard and just leave it up to a political subdivision or in the specific state to let us know if they qualify as a political subdivision under their state law. So, it's possible that a school district or a public utility district could be defined as a political subdivision in the particular state law where those entities are located. So, what we'll suggest that these entities do is to, if they file an application under the program and are partnering with a fixed broadband service provider that in their project narrative when it calls for them to describe and define the Covered Partnership entities that they provide us with a cite to the specific state statute that defines what a political subdivision is and how they fit within that definition to qualify to submit an application as part of the Covered Partnership.

41:27

**Susannah Spellman:**

So, along that same vein; Doug, are municipally owned networks are public utility owned networks by themselves considered a Covered Partnership? So, are they both a broadband provider and part of a government entity?

41:41

**Douglas Kinkoph:**

Yeah, the short answer is no. The way the statute is written in the NOFO is that it envisions a political or a state or political subdivision and a provider.

41:55

So, the municipal network, even if it meets the definition of being a political subdivision, they would have to choose to either be political, let's say state of political subdivision or the provider. They cannot step in the shoes of both of them and file a single application acting as both the political subdivision or state and the provider.

42:17

**Susannah Spellman:**

All right, another question in regard to previous federal funding, would any location that has received prior FCC Universal Service Funding be ineligible for funding under this program?

42:32

**Douglas Kinkoph:**

No, they would not be prohibited from filing an application with us. The NOFO is clear that any eligible area, any area is eligible if it does not have 25/3 service. There are areas of which I'm sure that the FCC, for example, RDOF funding, will service various census tracts, but maybe not every home or part of that census tract will be served. And those areas will still be eligible to apply for federal funding under our program.

43:07

**Susannah Spellman:**

So just to follow on and to zone a little bit more on the RDOF funding. So, are service areas that were preliminarily awarded in the FCC RDOF program, are they excluded as eligible service areas, even though a final award has not been made?

43:22

**Douglas Kinkoph:**

No, they are not excluded at this time. The FCC has made preliminary decisions that have not awarded funding, and at this time, I would view those who are still eligible and given that they have not gone through the long form with the FCC, and I guess finalized or actually awarded. Jennifer, I don't know if you want to add to that?

43:49

**Jennifer Duane:**

Yeah, that's right, Doug. I think we're closely coordinating with the FCC and USDA given that one of the requirements of this program is not to fund eligible service areas that are already receiving funding from another federal program or source. So, we're going to be coordinating with them when we receive applications for specific proposed service areas to make sure we understand what has already been previously funded and what is still to come. But the threshold for us is looking at the unserved, whether it lacks qualifying broadband service and also whether the Federal or State support is subject to enforceable build out commitments. You know, with date certain. At this point, some of the RDOF funding, especially that's, still preliminarily decided and not formally decided would not meet that definition of the subject to an enforceable the buildout commitment.

44:47

So, at that point, it would still be eligible for funding under our program, but it's something that we're going to need to closely coordinate with the FCC to make sure that we're not funding two locations or the same locations with two sources of federal funding.

45:05

**Susannah Spellman:**

So, a lot of people are asking about the Form 477 data in particular, if it shows that their intended service areas as served. They're wondering if they have field work or other data elements that can show evidence that contradict the Federal Broadband Maps, will NTIA, consider the applicant's argument and datasets to address that whether or not the eligible service areas should be considered unserved?

45:38

**Jennifer Duane:**

Yes, absolutely. So, when they come in and submit their application, they need to define what their proposed service area is, and they should provide any documentation they have that supports their finding that this area lacks qualifying broadband service. So, we'll accept any information from an applicant to substantiate that position through maps. If they're disputing the FCC Form 477 data, we're definitely open to looking at that.

46:11



**Douglas Kinkoph:**

We also have our National Broadband Availability Map that we're going to leverage to look at service areas to determine what meets to definition of unserved. We have data from the FCC Form 477 as a data layer within the map. You also have data from Census. We have speed data from Ookla and Broadband now. I forget exactly how many data layers we have in there. Doug, you may know. But we have a lot of data there we're going to leverage for this purpose.

46:42

Yeah. We will be leveraging the NBAM map, which incorporates the FCC data, 477, CAF II, et cetera. It also includes state, individual state layers. We have 36 states that are currently participating in the National Broadband Availability Map or NBAM. So, there is Ookla, MLabs, Microsoft download data, the FCC data, state layers. So, we're already using alternative layers. I think we have 236 data layers in the map to help get a clearer picture on what is served or unserved, but any additional information that you have would be welcomed at the time of filing your application.

**Susannah Spellman:**

47:26

There was a question about what programs does NTIA consider to be part of USF, the CAF, the ACAM programs, traditional rate of return, any others?

**Douglas Kinkoph:**

47:42

Top of my head, I can't remember, but I know there's a bunch. I mean, they would all be, I think, whatever that, depending on the context of the question. I think the legislation in the NOFO state that any federal funding, including those under the Universal Service funds like RDOF, et cetera, would be included. As Jennifer said, we meet literally weekly with the FCC, USDA, starting to try to bring Treasury into that, on data sharing, not just for our program, but for their programs. So, all of that information is being shared. So, I just don't want to name two, and miss a third one. Yeah, all the USF funding mechanisms would be part of that decision making.

**Susannah Spellman:**

48:33

Here's another question; Can a state submit an application and a town from that state also submit an application?

**Jennifer Duane:**

48:42

So, a state can submit an application, assuming it needs to partner with a fixed broadband service provider. A town within the state, assuming it meets the state's definition of political subdivision and partners with a fixed broadband service provider could also submit an application. The Act limits a Covered Partnership to a single application. So, for purposes of this definition, we're looking at the governmental entity as determining the Covered Partnership single application requirements, so a state can only submit a single application. A town or political subdivision of that

state can only submit a single application, but both need to be paired with fixed broadband service providers to meet the definition of Covered Partnership to be able to submit an application under program.

49:35

**Susannah Spellman:**

OK, this is another tricky question here. I think we do address this in the FAQs. But we've got to get a few questions about this. If a census block is partially served at the qualifying broadband speed of 25 down 3 up, does it qualify? If according to the FCC's National Broadband Map, a census block has fixed broadband service, however that service for that census block, part of that census block is less than the qualifying broadband speed, is that service area eligible?

50:11

**Jennifer Duane:**

Yes, because we're going to be looking at the areas of a census block that are not served with qualifying broadband service. So, to that extent that, there is a portion of the census block or a political subdivision that lacks access to qualifying broadband service, then yes, that portion of the census block would be eligible to propose for funding under this grant program.

50:38

**Susannah Spellman:**

Here's an easy question. I'm going to answer it. Do you include fixed wireless as a part of the fixed broadband service provider? Yes. Fixed wireless is an eligible broadband service of the purposes of this program.

50:52

So, here's another question that has to do with sizes of communities, and a little bit of eligibility but also, priorities. Can a community that exceeds the population threshold of more than 50,000 residents, but otherwise qualifies under the other priorities, apply to the grant program?

51:14

**Jennifer Duane:**

Yes. We've gotten that question a couple of times because I think there is some confusion there. So, we're not defining rural as part of this program. That definition goes to prioritization factor not an eligibility factor. So, it doesn't mean that an area that exceeds those population limits can't apply to the program. But it's this program, by its, you know, the prioritization factors that were outlined in the Act have prioritized serving rural areas. So, that just needs to be a consideration for the area that they can still come in. It's not that they're not eligible but in terms of the prioritization factor we're going to be needing to focus or prioritizing areas that are more rural in nature.

52:08

**Susannah Spellman:**

So, this is a kind of a follow-on question that has to do with prioritization. So, given as you discuss the scoring priority and criteria. Is NTIA prioritizing large-scale projects that propose to serve the largest number of

unserved locations? Is that prioritized over smaller projects serving a single political subdivision with a service provider?

**Jennifer Duane:**

52:32

No, I mean, we're looking at the first prioritization factor in the statute, which is to serve the greatest number of unserved households in a proposed service area.

52:42

So that's what we're going to be starting at in terms of looking at it when we begin to look at applications to fund, that's the first prioritization factor that will look at, but we're not excluding other prioritization factors identified in the statute like serving rural areas. Projects that exceed the 100 Megabits per second or upload in 20 Megabits per second download, they're all part of our funding priorities and we can use that as a selection factor. So, applications that are proposing more than one of our priorities and that would be something we would factor in during the selection process.

**Susannah Spellman:**

53:28

So, I've got an interesting question, and I think there's kind of two questions in it. They're asking if this program is available for state or only for federally recognized Tribes. So, I think that's a question about this program, the Broadband Infrastructure Program, but then also opens the door for us to let folks know about the other program that was announced last week.

**Jennifer Duane:**

53:51

Yeah. So, for this program, it's for states or one or more political subdivisions of a state and the fixed broadband service provider. So those are the entities that are eligible to apply for this program. So, it has to be a state that's part of it, or one or more political subdivisions or a fixed broadband service provider. We did announce last Thursday, June third, the opening of our Tribal Broadband Connectivity Program, and that has \$980 million available for award, and that is specifically targeted toward federally recognized Tribes and Tribal governments.

54:28

There are also eligible entities can also include Tribal colleges and universities, the Alaskan Native Corporations, Department of Hawaiian Homelands and Tribal organizations. So, there's five eligible entities that are that can apply for that program. So, it seems like any Tribal entity would be better suited for the Tribal broadband program and that is both for broadband infrastructure deployment and for broadband use and adoption.

54:58

**Susannah Spellman:**

Here's a question about the challenge process that you talked about that I know is towards the end of the NOFO. Will an applicant know when their areas are challenged during the challenge process and is there a process for that applicant to provide additional data to show the areas unserved?

55:18

**Jennifer Duane:**

When we have an application in for merit review, we'll post the proposed service areas on our website and that will open up the opportunity for existing broadband service providers to submit data that is opposing that designation as an unserved area. So, we'll be pretty much looking at that during our programmatic review process and we'll be reaching back out to the applicant. If there is a challenge that looks compelling, we will want to give the applicant an opportunity to provide some additional information to substantiate its determination that this proposed service area is truly unserved and eligible for funding.

56:07

**Susannah Spellman:**

So, here's a really great question. If an applicant submits proposals, can any of their employees also serve as merit reviewers?

56:19

**Jennifer Duane:**

Well, it depends because they couldn't serve as a merit review on that proposal because that would be a conflict of interest. But it's possible that they can be assigned to other proposals that come in, but we have a conflict-of-interest form and that would have to be disclosed. And we have to make that determination whether or not they could serve as a merit reviewer. But it's possible that they could. We would just need to assign them to projects where their association with one proposal would not be a factor in their evaluation of other proposals.

57:00

**Susannah Spellman:**

So, could they also potentially be a merit reviewer for the Tribal Broadband Connectivity Program or the Connecting Minority Communities program too?

**Jennifer Duane:**

Yeah, I think so. That might be the way it is to siphon them out is to direct them to the other programs that we have because we have three grant programs that we're standing up almost simultaneously. We have this program, we have Tribal Broadband Connectivity Program, and another program, Connecting Minority Communities.

57:29

And so, we need merit reviewers for all three of those. We encourage folks to submit their information and qualifications to the merit reviewer inbox that I identified in the slide deck, and we will be considering those applications and reaching out and contacting interested people who want to serve as reviewers, because we are welcoming that participation.

57:59

**Susannah Spellman:**

Doug, can this grant be used to connect last mile community anchor institutions, such as schools, libraries, first responders, recreation areas, et cetera?

58:10

**Douglas Kinkoph:**

Yeah. I mean, it is an infrastructure project that's primary focus is unserved household but does not prohibit connection of community anchor institutions as part of their application.

58:26

**Susannah Spellman:**

Alright, bear with me. I'm going through all the questions that have been coming in through chat right now. I had a lot queued up from you guys. But I think some of them were answering, which is good. And I know a lot of them are answered in the FAQs that we just posted so if we don't get to them here, please look at those.

58:48

Oh, here's a question for Dean. Do you have to have an annual audit report for each partnership as future reporting requirements?

58:58

**Dean Iwasaki:**

OK, so we're developing the reporting requirements, you know, right now, so just off the bat, as a recipient of Federal funding, as long as you receive the \$750,000 in Federal funding, you know, during the fiscal year, you'd be required to submit a single audit. So, regardless of what the program specific requirements, maybe for this program, just as a recipient of a federal grant, you know, if you meet that threshold of 750K, then you would be required to submit a single audit, if you are a state government or non-profit organization. For-profit entities are a different story.

59:44

**Susannah Spellman:**

So again, a few questions about getting access to the NTIA's National Broadband Availability Map, specifically how to get access to it and then if individual citizens have access to it.

59:58

**Douglas Kinkoph:**

So right now, we have arrangements with, as I stated, 36 states through joint program agreements. It is a closed map, as of now, meaning that it's available only to Federal entities and state entities, The states that have signed a joint program agreement can identify who has access to that and they'd be willing to work with a political subdivision to give them access.

1:00:25

They would have access to various commercial datasets as well as their own state data, But the provider would not have access to that data under our agreement we've arranged with both the contractual arrangement with the data providers and with the state JPAs.

1:00:48

**Susannah Spellman:** Are there any rules requiring a proposed funded service area to be contiguous or within a single county?

1:00:56

**Douglas Kinkoph:** No. It basically has to meet the qualifying broadband definition. They do not have to be needed to be contiguous, adjoining, et cetera.

1:01:06

So, you could have multiple locations in the state, that the state and political subdivision of the provider, are going to address in this application.

1:01:19

**Susannah Spellman:** Here's a question, Can a state or a political subdivision partner with more than one service provider?

1:01:27

**Douglas Kinkoph:** Yes, yes. I think it gets to your last question. You may have multiple locations in one application served by multiple service providers. They might both, 2 or 3 multiples be part of that application process.

1:01:42

**Susannah Spellman:** So, here's a twist on that. What if the applicant is the state, but then its partner as a different service provider in that area? So, is that two applications, or one application? So, the question, I'm just going to verbatim, right, and say it, can a state partner with two different fixed broadband providers on projects in the state in two separate applications?

1:02:10

**Jennifer Duane:** They wouldn't want to do it in two separate applications because the state can only submit one application.

1:02:17

So, they would want to have these other fixed service providers as their partners in one overall application that they would submit under the program, so they can combine different eligible service areas within their project proposal. They would want to combine it into one single application, because the state is just limited to submitting one, a single application for the program.

1:02:46

**Susannah Spellman:** So, we're getting a few questions about, I think, more explicit details about the open requirements for the middle mile network. Is there any other data or requirements besides what's in the NOFO that we could share with potential applicants?

1:03:07

**Jennifer Duane:** Yeah. That's just what we're outlining in the NOFO as a requirement. We'll handle it as a specific award condition after the award, and we'll be able to go into more detail, then. But right now, it's just more of a note, of putting applicants on notice that there will be open network

requirements associated with grants under this program. And I don't know that it's going to be much different than what we've outlined in the NOFO, but it just, you know, put applicants on notice that these are these open network requirements will apply to award under the program.

1:03:52

**Douglas Kinkoph:**

Yeah, I would just add that we use open access. We're talking about interconnection and reasonable points on the network at just reasonable rates. You know, so, I mean nothing that a carrier probably doesn't do today in their wholesale markets. The intent is right to be able to leverage those middle miles to expand to other unserved or underserved areas down the road.

1:04:19

**Susannah Spellman:**

There's another question. It's kind of a grant's performance question. Will NTIA require performance testing of the location served under this program?

1:04:34

**Jennifer Duane:**

One of the things, well, you know, we have some reporting requirements outlined in the NOFO and they're basically taken verbatim from the statute and that's what the statute requires. We're contemplating putting more definition on reporting requirements, but to do so, we would need to go through a Paperwork Reduction Act submission, so we're contemplating doing that, and so there'll be more detail about any specific reporting requirements that will apply to the program. We'll have more detail on that once we do that PRA submission. So, that could be it could be something that we consider but right now, it's not part of it. Doug, did you want to add anything on that?

1:05:22

**Douglas Kinkoph:**

No, as you said, it's a possibility to add it to the PRA and then, therefore, become part of our oversight and verification that we are getting delivered, what was in the application. I think you're right Jennifer, that's where we would put it.

1:05:46

**Susannah Spellman:**

Dean, we have a follow up audit question for you. If the parent company has an audit report that encompasses all subsidiaries, would this type of audit report suffice for the requirements, or would each individual subsidiary have to create its own audit report due to the \$750k threshold you just discussed?

1:06:09

**Dean Iwasaki:**

So, I'm talking about the federal single audit requirements. So, it's a little different than a standard audit. There are specific things that an auditor would look for, and, again, you would have to meet that threshold and you would have to be that type of entity. So, a for-profit entity, this requirement doesn't apply. So, in terms of subsidiaries, typically that's not

part of that required entities make up. So, I don't think the single audit requirement would apply to because, again, it's typically state entities or governmental entities, non-profit organizations, Tribes, and none of them have subsidiaries or what I would define as a subsidiary.

1:07:10

**Susannah Spellman:**

Here's another kind of audit question. Is the ISP required to have audited financial statements for prior years? I'm assuming this is a part of the application.

1:07:21

**Dean Iwasaki:**

Yes, typically we go for the lead applicant is the ones that we do the pre-award clearances on and not the sub-recipients or partners. So, you know, in terms of needing audits, generally, for our purposes no, we wouldn't need that.

1:07:50

**Jennifer Duane:**

I think within one of the documents that we ask for within the application packages for financial statements but more specific to the project and project specific, not necessarily historical financial information about Covered Partner. We're just mainly focused on some financial cash flow statements. The balance sheet information that's released more specific to the project than the entity that submitting the application. And that's described in the NOFO as part of the application submission package.

1:08:27

**Susannah Spellman:**

I think this is a favorite question for you. Can a proposed funded service area be smaller than a census block?

1:08:36

**Douglas Kinkoph:**

Yeah, we haven't defined the service areas. Again, eligible meets the eligibility threshold and it can be, as the legislation and the NOFO say, a single household or business in a census tract would make that an eligible area. So, it could be as small as I would say an individual business, or even household. Even though that may not be a good business case, it can be smaller than that.

1:09:07

**Susannah Spellman:**

So, we've got a few questions about using match funds from either the American Rescue Plan or the Cares Act funding. Are political subdivisions allowed to use that funding towards their match?

**Jennifer Duane:**

So, I think we got a question yesterday, and I think we'll probably put it into our third round of FAQs, because just we just need to confirm. In general, matching funds may not come from other federal sources. So, they need to be coming from non-federal sources, but there are a few federal statutes that I think, the Community Development Block Grant comes to mind that specifically allow funding under their program to be used as match in other federal programs. And I just don't know offhand what those statutes require. So, we'll just need to check that, and run it



through legal, and then we'll address it in our third round of frequently asked questions in which we are already working on Susannah.

1:10:12

**Susannah Spellman:**

Yep, alright. Someone asked when the reporting requirements will be completed. I think the NOFO does include high level reporting requirements that will be required.

**Jennifer Duane:**

Yeah, semi-annual reporting requirements after you receive an award, you know, you report semi-annually on your performance progress and also there's financial reporting to submit. The annual reporting would kick in a year after you receive funds. We'll be working on anything that's not specifically delineated in the statute that we want to collect, we will need to do a PRA submission, and so, we'll be working on that. But, the obligation to an annual reporting requirement doesn't kick in until a year after your receipt of the funds.

1:11:11

**Susannah Spellman:**

So, this is another question along the financials for the financial forecast that's required as a part of the application. Is it a five-year view, 10-year view, 15-year view?

1:11:39

**Jennifer Duane:**

Proposed projects under this grant are supposed to be completed within a year but we know that's not likely to be the case, so we didn't specify a particular timeframe. So, I think we're leaving it open to applicants to come in, I think, five-year period, or less is probably sufficient. Doug, do you have any thoughts on that?

1:12:01

**Douglas Kinkoph:**

No, I think five years would be the number I would be looking for at a minimum.

1:12:08

**Susannah Spellman:**

Here's another tricky question: Does the application need to demonstrate evidence of an unserved address in every single census block within the project area?

1:12:34

**Douglas Kinkoph:**

I think the answer is you need to demonstrate that the area or the houses or businesses you plan to serve meet the conditions of qualifying under this program. So, every single house or you can show a region. But yes, there has to be a demonstration of some part in your application that if you're doing 2 or 3 different census tracts, that the areas of your proposal, let's just say households are unserved in those tracts. If I'm understanding the question right.

1:13:08

So, you can't do the three tracks and ignore the third one and then just not make any demonstration that it's unserved.

1:13:19

**Susannah Spellman:**

Still going through some of the questions. And like I said, folks, if we're not answering your question, it's because we know it's answered in the FAQ that's upcoming. Or we know that it's a question that we need to talk about internally because it's a tougher question. We need to run a pass legal, talk to our partners about it, et cetera. And we will address it in future FAQs that come out.

1:13:45

All right, I think that is about it in terms of the question that I think we're able to address today. I have one that just came in. This is a good question. If multiple political subdivisions jointly apply for a grant, is it possible that NTIA might award the grant for a portion of the communities? But not all of them?

1:14:25

In other words, is it all or nothing for communities that jointly file an application, or can NTIA work with the applicant to adjust their service area based on any findings from other federal investments, et cetera?

1:14:42

**Jennifer Duane:**

I think we would work with the entire application and the proposed service area. And if there were some portions of it that didn't qualify for funding because it was already being funded through another source, I think we would work with the applicant to descope of the service area. But, you know, we wouldn't I thought we wouldn't necessarily outright reject it, but I think we would work to see what areas were truly unserved, meeting our definition of unserved, and see what we could fund.

1:15:17

**Susannah Spellman:**

So, I just got a question if a copy of the presentation is available. So, by I believe, next sometime, next week, mid to late next week, we will post this presentation, a transcript of the actual webinar as well as a video recording of this webinar. And yesterday's webinar as well, and there were a lot of questions there too, some that were the same as this last one, the same as this one. So, it might be worthwhile watching or reading the transcript of the Q and A portion for both these webinars. So, you might learn something new that we didn't get to address on today's call.

1:16:00

All right. I think that is about it in terms of what we can address.

1:16:17

Any other last statements? Dean, Doug, Jennifer?

**Douglas Kinkoph:**

No, we're excited to have the NOFO out there. You know, we're excited to work with the states and the providers to get this connected right from

the administration. This is a small step in the direction of getting the 100% of Americans connected.

1:16:35

And please feel free to reach out with your questions to us, because if you have it, others will have it and we will work those into our future FAQs. And we'll be doing, I believe, Susannah, the slide, or do we have a slide on the next webinars?

1:16:54

We will be doing more webinars, not just on this program, on July 14th and 15th but also on the Tribal coming up and on the Connecting Minority Communities Program. So, thank you for joining us today. Anybody else?

1:17:21

**Jennifer Duane:**

No, thanks. Yesterday, I mentioned we are working diligently to address other frequently asked questions that you're submitting to us and we're trying to establish a weekly cadence of releasing those FAQs that we released today, and our goal is really to third round next week, around this time. So, submit your questions.

1:17:42

As I've mentioned yesterday, we may not be able to address project specific questions or give, you, "Oh, this looks good". If you're wanting to share what you're thinking about in terms of your project proposal, we're not able to address those kind of specific project proposals in advance of the application submission, but we will try to respond to questions that we can that are more generic. So, we will work on responding to those questions as quickly as possible.

1:18:22

**Susannah Spellman:**

Thanks, everyone. Have a great rest of your day and please stay tuned and check the BroadbandUSA website regularly as we update with more information, more FAQs, and other announcements.

1:18:34

**Jennifer Duane, Douglas  
Kinkoph, Dean Iwasaki:**

Thank you, OK, Thank you.

**END TRANSCRIPT.**