

Enabling Middle Mile Broadband Infrastructure (MM)

Frequently Asked Questions (FAQs)

The Enabling Middle Mile Broadband Infrastructure Program (MM), authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title IV (November 15, 2021) (Act) also known as the Bipartisan Infrastructure Law, provides federal funding for grants on a technology-neutral, competitive basis to eligible entities for the construction, improvement, or acquisition of middle mile infrastructure. The following document is the first in a series of FAQ documents intended to clarify and provide guidance on information set forth in the Notice of Funding Opportunity (NOFO) on May 13, 2022. Following the release of this document, further questions may be submitted to middlemile@ntia.gov for consideration to include in future FAQ documents.

The below FAQs are for informational purposes only and are intended solely to assist potential applicants in better understanding the National Telecommunications and Information Administration (NTIA) Enabling Middle Mile Broadband Infrastructure Program and the application requirements set forth in the Notice of Funding Opportunity (NOFO) for this program. The FAQs do not and are not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFO, shall prevail over any inconsistencies contained in the below FAQs.

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1 Overview

1.1 What is middle mile infrastructure?

As defined in Section I.B.9 of the NOFO, middle mile infrastructure means any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution; and includes— (i) leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services; and (ii) wired or private wireless broadband infrastructure, including microwave capacity, radio tower access, and other services or infrastructure for a private wireless broadband network, such as towers, fiber, and microwave links.

1.2 Why is middle mile infrastructure important, and how does middle mile infrastructure impact broadband services?

As described in Section I.A of the NOFO, middle mile infrastructure does not reach the end user's location, but typically aggregates large quantities of traffic for carriage between points that can be relatively close together or far apart. Middle mile infrastructure might carry traffic via undersea cable to remote locations such as Hawaii or American territories and possessions elsewhere in the Pacific, may "backhaul" wireless traffic from an antenna mounted on a tower to the provider's wired network, may bring the internet to previously unserved Tribal or Native lands, or may simply connect neighboring towns. Middle mile connections are crucial to broadband connectivity.

1.3 What types of entities offer middle mile services?

As described in Section I.A of the NOFO, middle mile services might be offered by a wide range of entities, from traditional Internet Service Providers, large technology companies that do not offer retail broadband at all, or electric utilities that increasingly recognize their capability to transform the communications market.

1.4 What is the Enabling Middle Mile Broadband Infrastructure Program?

As described in Section I of the NOFO, the Enabling Middle Mile Broadband Infrastructure Program (Middle Mile Grants Program) provides federal funding for grants on a technology-neutral, competitive basis to eligible entities for the construction, improvement, or acquisition of middle mile infrastructure.

1.5 Why is the federal government funding middle mile infrastructure?

As described in Section I.A of the NOFO, too many Americans are cut off from the opportunities that high-speed internet makes possible. Funded by the Bipartisan Infrastructure Law and administered by the Department of Commerce's National Telecommunications and Information Administration (NTIA), the Middle Mile Grants Program is a program to expand middle mile infrastructure and to reduce the cost of connecting unserved and underserved areas. Middle mile infrastructure broadly refers to the mid-section of Internet infrastructure that carries large amounts of data at high speeds over long distances. This program will also increase the resilience of Internet infrastructure.

2 Eligibility and Program Details

2.1 Who can apply for funding under the Middle Mile Grants Program?

As defined in Section I.B.9 of the NOFO, a State, political subdivision of a State, Tribal government, technology company, electric utility, utility cooperative, public utility district, telecommunications company, telecommunications cooperative, nonprofit foundation, nonprofit corporation, nonprofit institution, nonprofit association, regional planning council, Native entity, or economic development authority; or a partnership of two or more entities described above can apply for funding under the Middle Mile Grants Program as an eligible entity.

2.2 What is the cost sharing or matching requirement for eligible entities, and what type of matching funds count towards the cost sharing or matching requirement?

As described in Section III.C of the NOFO, the amount of a middle mile grant awarded to an eligible entity may not exceed 70% of the total project costs. This means that there is a 30% match requirement. This is one of the law's threshold eligibility criteria for the Middle Mile Grants Program. Exceptions to matching requirements will not be entertained except for grants made to Tribal Governments and Native entities.

Matching funds may be in the form of either cash or in-kind contributions. In-kind contributions are non-cash donations of property, goods, or services, which benefit a federally assisted project. In-kind contributions could include employee or volunteer services; equipment; supplies; indirect costs; computer hardware and software; and use of facilities.

2.3 What are the requirements for eligible entities related to fair labor practices?

As described in Section III.H of the NOFO, applicants must have a demonstrated record of and plans to be in compliance with federal labor and employment laws and must provide:

- Information on the record of compliance with federal labor and employment laws for applicant and any other participating entities;
- Certification from Officer / Director-level employee evidencing consistent past compliance with applicable federal labor and employment laws;
- Written disclosure of any instances in which the applicant has been found to have violated applicable laws; and
- Written plan for ensuring compliance with Federal labor and employment laws across applicant and its contractors and subcontracts.

2.4 What are the requirements for eligible entities related to objectives for a highly skilled workforce?

As described in Section III.I of the NOFO, applicants must make appropriate investments to develop a skilled and diverse workforce, including:

- Description of how applicant will use a highly trained workforce capable of carrying out Middle Mile Grants Program work in a manner that is safe and effective;
- Description of the applicant's participation in partnerships that provide skills-based training and wrap-around services to support workers;

- Description of how the applicant will ensure job opportunities created by broadband funding programs are available to a diverse pool of workers; and
- Description of other workforce development activities (e.g., Registered Apprenticeships, hiring of local workers, etc.).

2.5 What are the requirements for eligible entities related to climate resilience?

As described in Section III.K of the NOFO, applicants must demonstrate that they sufficiently account for current and future weather- and climate-related risks, including:

- Identifying geographic areas for an initial hazard screening and time scales for such screenings;
- Identifying the most important weather and climate hazards in these areas;
- Characterizing risks to new middle mile infrastructure for 20 years following deployment;
- Identifying how the proposed plan will avoid or mitigate the risks identified; and
- Detailing the applicant’s plans for periodically repeating this process over the life of the project.

3 Uses of Funding

3.1 How much funding is available under the Middle Mile Grants Program, and how much funding will be awarded per grant?

As described in Section II.A and II.C of the NOFO, NTIA will make up to \$980M available for federal assistance under the middle mile grants program. NTIA retains 2% of the appropriated funds to support the administration of the grant program, from pre-award, through application review, and post award.

NTIA expects to make awards under this program within \$5M to \$100M per grant. This range is not a required minimum or maximum, but eligible entities requesting amounts for projects outside of this range must provide a reasonable explanation for the variance in their project size.

3.2 What are the eligible uses of funding for Middle Mile grants?

As described in Section IV.I.1 of the NOFO, grants can be used for the construction, improvement, or acquisition of middle mile infrastructure. Examples of eligible uses of funds include the construction, improvement, and/or acquisition of facilities and telecommunications equipment, engineering design, permitting and work related to environmental, historical and cultural reviews, personnel costs, including salaries and fringe benefits for staff and consultants (e.g., project managers, subject matter experts, financial analysts, accountants, attorneys), select pre-application expenses <\$50,000 incurred after NOFO publication and before to grant award, and other costs necessary to programmatic activities, excluding ineligible costs. This list is not exhaustive.

3.3 What is the program's period of performance?

As described in Section II.B of the NOFO, the program's period of performance ends five years after funds are made available with a potential 1-year extension if the applicant certifies that:

- The eligible entity has a plan for use of the grant funds;
- The project to build out middle mile infrastructure is underway; or
- Extenuating circumstances require an extension of time to allow completion of the project to build out middle mile infrastructure.

Requests for extensions will be granted at the sole discretion of the Assistant Secretary.

3.4 How quickly does the project need to be completed, and what are the buildout milestones during implementation?

As described in Section III.D of the NOFO, the eligible entity must complete 40% of project miles by the end of the 2nd year after the award date, 60% of project miles by the end of the 3rd year after the award date, 80% of project miles by the end of the fourth year after the award date, and 100% of project miles by the end of the fifth year after the award date. If an extension for the period of performance is granted, the Assistant Secretary will modify any milestones as necessary.

3.5 What are the requirements for materials to be produced in the US?

As described in Section VI.D.6 of the NOFO, all funds made available through the Middle Mile Grants Program for broadband infrastructure must comply with the Build America, Buy America Act. The Build America, Buy America Act requires that all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States unless a waiver is granted.

3.6 What are the reporting requirements related to the use of funds?

As described in Section VI.E of the NOFO, an eligible entity that receives an award shall submit a biannual report that:

- Describes how the eligible entity expended the funds and includes all required financial reporting information;
- Certifies that the eligible entity complied with the requirements of the Infrastructure Act and the Middle Mile Grants Program;
- Describes whether the Project prioritizes local hires;
- Describes whether the Project has a Community Benefit Agreements and includes a description of such agreement if present;
- Identifies each subrecipient that received a subgrant or subcontract from the eligible entity and a description of the specific project for which grant funds were provided;
- Provides technical progress reporting information; and
- For projects over \$5 million in expected total cost, there are additional reporting requirements.

The above biannual report requirements are in addition to (1) reporting requirements found in 2 CFR part 200 and (2) requirements that an applicant that receives a middle mile grant award shall share the location of all middle mile broadband infrastructure constructed, improved, or acquired using such grant with the Assistant Secretary, the Commission, any Tribal government with jurisdiction over the area that will be served by the infrastructure, and the State broadband office for the State in which the area that will be served by the middle mile infrastructure is located, in accordance with and subject to the provisions of Section 60401(e)(3)(B)(ii) of the Infrastructure Act.

4 Review and Scoring Process

4.1 What are the steps in the Middle Mile Grants Program review process?

As described in Section V.A of the NOFO, the key steps in the Middle Mile Grants Program review process include:

- Administrative and Eligibility Review;
- Merit Review; and
- Programmatic Review.

4.2 What is the Administrative and Eligibility Review, and what eligibility criteria are assessed during this step?

As described in Section V.A.1 of the NOFO, during the Administrative and Eligibility Review, NTIA will ensure applicants are eligible by assessing (1) application completeness and (2) the Eligible Entity meets eligibility criteria.

The five eligibility criteria include:

- Demonstrate that it is capable of carrying out a proposed project in a competent manner, including by demonstrating that the eligible entity has the financial, technical and operational capability to carry out the proposed project and operate the resulting middle mile broadband network (detail below);
- Certify that the project will be capable of supporting retail broadband service;
- Commit to non-Federal cost share of no less than 30% of the total project cost; only Tribal governments and Native entities may request a partial or complete waiver;
- Make a binding commitment to prioritize at least one of the following: (1) Connect Middle Mile infrastructure to last mile networks in unserved areas, (2) connect non-contiguous trust lands; or (3) offer wholesale broadband service at reasonable rates on a carrier-neutral basis; and
- Offer interconnection in perpetuity, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms.

In order to demonstrate it can carry out the proposed project in a competent manner and has the capabilities to carry out the proposed project, each eligible entity must demonstrate they meet the following six program application qualifications:

- Financial capability: Certification attesting to financial qualification, a letter of credit, and financial statements for past 3 years;
- Managerial capability: Resumes for key personnel, org chart(s), and a narrative describing managerial readiness;
- Technical capability: Certification and other documentation attesting to and demonstrating technical qualification, a network design diagram, project costs, infrastructure build-out timeline and milestones for implementation, and a capital investment schedule;
- Compliance with laws: Certifications and other documentation attesting to and demonstrating compliance with all applicable federal, State, and local laws;
- Operational capability: Certification and other documentation attesting to and demonstrating operational qualification and additional certifications if applicant has operated select types of services in the past; and
- Ownership: Ownership information, including name address and citizenship of any party with >10% stock in applicant.

4.3 What is the Merit Review, and what criteria is assessed during Merit Review?

As described in Section V.A.2 of the NOFO, during the Merit Review, objective reviewers will evaluate applications across two categories of criteria and calculate the resulting score:

Project purpose and benefits (60 points)

- Deploy to un- or underserved areas or improve affordability in existing markets (20 points)
- Offer non-discriminatory interconnection in perpetuity, where feasible (10 points)
- Offer open access to the funded infrastructure in perpetuity (10 points)
- Provide other benefits (e.g., redundancy, direct interconnect facilities) (10 points)
- Meet community's needs and complete project in two-year period (10 points)

Project sustainability (40 points)

- Organizational capability to complete the specific project proposed (5 points)
- Reasonableness of applicant's proposed budget (10 points)
- Project's fiscal sustainability beyond the award period (10 points)
- Contribute a non-federal cost share >30% based on a sliding scale with 5 points for 30-40%, 10 points for 41-50%, and 15 points for >50% (15 points)

These objective merit reviewers are federal employees or non-federal persons who have demonstrated expertise in the programmatic and technical aspects of the Middle Mile Grant Program.

4.4 What is the prioritization process for applications to proceed from Merit Review to Programmatic Review?

As described in Section V.A.3.a of the NOFO, applications will be prioritized for Programmatic Review as follows:

- Applications with score ≥ 80 during Merit Review and that meet at least two of the five statutory criteria, per Section 60401(d)(2);
- Other applications with score ≥ 80 during Merit Review; and then
- Applications with score < 80 during Merit Review but meet at least two of the five statutory criteria.

The five statutory criteria that impact prioritization of applications after merit review include:

- Fiscal sustainability;
- Non-discriminatory interconnect;
- Identification of last mile providers that have (i) expressed written interest in interconnection; and (ii) sustainable business plans or adequate funding for interconnection;
- Supplemental investments or in-kind support; and
- Benefits to national security interests of the US and the Department of Defense.

4.5 What is the Programmatic Review, and what criteria are assessed during Programmatic Review?

As described in Section V.A.3.b of the NOFO, the Programmatic Review includes NTIA asking applicants to submit additional information to confirm eligibility or Merit Review score, if applicable. Then, NTIA calculates weighted scores (i.e., multiply Merit Review by 1.0x to 1.8x) to reflect project's ability to:

- Reduce end-user prices;
- Reduce latency in remote or insular areas;
- Benefit priority areas groups;
- Benefit unserved areas or Tribal Lands;
- Connect unserved anchor institutions;
- Comply with select requirements;
- Demonstrate climate resilience; and
- Proposed community benefit agreements.

5 Application Components and Process

5.1 What are the components of the grant application, and how should eligible entities submit their applications and when are applications due?

As described in Section IV.B of the NOFO, NTIA is requesting from applicants key information in the following areas in submitted applications:

- An Executive Summary of the project;
- Project purpose, need, and beneficiaries;
- Proposed project technical details, including a description of planned offerings as well as network maps and diagrams;
- Project financials, e.g., project pro-forma, and organization financial capacity;
- Project implementation team and organizational capacity;
- Government and community involvement;
- A budget narrative and detailed budget justification; and
- Standard documentation such as the SF 424 and SF 424-C, and details on potential Environmental and Historic Preservation impacts.

For full details and other requirements, applicants are encouraged to consult the application packet which will be posted on the NTIA website at <https://grants.ntia.gov/>.

As described in Section IV.C of the NOFO, NTIA will only accept applications submitted electronically via its online application portal, NTIA Grants Portal, no later than 11:59 p.m. EDT on September 30, 2022. The NTIA Grants Portal (<https://grants.ntia.gov/>) will be open to accept Middle Mile applications beginning on June 21, 2022.

5.2 Who can I contact for more information?

Please send program questions to middlemile@ntia.gov. For any questions or technical support related to the NTIA Grants Portal (application portal), email ngphelpdesk@ntia.gov.