

CONNECTMAINE

Infrastructure Grants Application Guidance

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This application guidance explains the process of proposing broadband projects for infrastructure grants. The current application window is January 12 through March 20, and complete applications must be submitted by 11:59 P.M. EST.

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I. Instruction and Overview

This document identifies required information that must be included for a completed application to be evaluated by ConnectMaine. Please contact ConnectMaine staff at Connect.ME@maine.gov for any assistance needed. ConnectMaine intends to host a workshop for potential applicants, and any announcements or additional guidance will be posted on the ConnectMaine website:

www.maine.gov/connectme/grants/infrastructure-grants/process

Refinements to the infrastructure grants program were based on recent rulemaking and include:

- A single track for all applications, including community and provider applicants, including community-driven and provider expansion projects
- New designation of broadband service, and performance criteria for awarded projects
- New designations of unserved and underserved areas, and eligibility criteria for project areas
- New application evaluation process that uses preference criteria and a weighting system
- For preparing and submitting applications, systems and tools include an online Grants Portal, a web-based FiberMap, an Application Data Form, and other separate files

II. Eligibility Criteria

ConnectMaine must determine that the responsible entity is capable of installing, using and managing broadband infrastructure.

A. Eligible Entities

Applications may involve a single or multiple entity(ies) from the private and/or public sectors; however, a single entity must be identified as the legal applicant. The following types of entities are eligible to apply for infrastructure grants:

- Communications Service Providers (ISPs) that meet eligibility criteria;
- Any unit of local government, including town, city, county or regional council of governments; or
- Any broadband utility district or corporation, wholly or partially owned by a unit of local government.

B. Pre-Application Requirements

Any ISP that is the applicant or involved, and any entity awarded grants previously must be in good standing with ConnectMaine.

1. Required Filing of Data

The ConnectMaine rule lists the data that must be filed by ISPs annually, and the most recent period for filing of data was from June 23 to September 21. An ISP that doesn't submit the required data filing within three months of the request is ineligible for infrastructure grants.

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2. Provider Outreach

Within 30 days of the application window being opened, the applicant must have sent an email, which must have been copied to Connect.ME@maine.gov, to existing ISPs to confirm whether or not installation of broadband infrastructure and service of at least 100mpbs download and 100mpbs upload, equivalent to the proposed project, would occur within the same period as the proposed project. Separately, any responses received from ISPs within 14 days of provider outreach will be copied to Connect.ME@maine.gov by the applicant. The current window for provider outreach is January 12 through February 11, with the response window effectively being January 26 through February 27.

C. Eligible Project Areas

Proposed projects must address potential subscriber locations in unserved or underserved areas. A “subscriber location” means any location at which there could be one or more subscribers of communications service, including but not limited to a house, apartment, apartment complex, condo complex, other dwelling unit, a business, business complex, medical facility, community building, government facility, or other facility. Unserved areas are those areas of the state that do not have service of at least 50mbps download and 10mbps upload, and underserved areas of the state are areas that have broadband service available at greater than 50mbps download and 10mbps upload, but less than 100mbps download and 100mbps upload from two providers.

ConnectMaine publishes a publicly available web-based map that identifies geographic areas as unserved or underserved: www.maine.gov/connectme/communities-resources/Broadbandmapping. ConnectMaine announces the opportunity to review areas, allowing data to be submitted from any ISP, potential applicant or other credible data sources, utilized by ConnectMaine to confirm the availability, or lack thereof, of broadband service. The latest opportunity to review areas was December 8 through January 9, with areas confirmed on January 12.

Based on the data behind that map, ConnectMaine identifies and proposes unserved and underserved areas eligible for grants. Applicants must select one or more eligible area to propose serving.

D. Performance Criteria

Performance criteria for projects funded by awarded grants include the level and price of internet service to be offered.

1. Subscriber Locations

Proposed projects must serve all potential subscriber locations in unserved areas, and may serve some or all subscriber locations in underserved or served areas, of the selected project areas. A potential subscriber location is considered to have been served once the grant recipient has constructed facilities to a point sufficiently close to the subscriber location that it is able to provide service upon request to that location within a normal service interval and without additional cost to the subscriber for construction of new facilities.

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2. Broadband Service

Proposed projects must result in offering broadband service of at least 100mpbs/100mpbs without usage limits. Other service levels may be offered, but at least one service level meeting or exceeding this designation of broadband service must be offered.

3. Service Prices

Of all the service levels to be offered, the retail price per subscriber location to receive service must be equal or less than the price per subscriber location offered by the ISP elsewhere in the state.

E. Grant Necessity

ConnectMaine will consider whether or not the project would occur without an infrastructure grant; ConnectMaine will consider whether or not broadband infrastructure and broadband service would otherwise occur within the same period as the proposed project, and whether or not infrastructure and service equivalent to the proposed project would otherwise occur within the same period as the proposed project.

F. Eligible Expenses

Eligible uses of grant funds include provision of public infrastructure, services, facilities and improvements needed to implement broadband services and enhance existing internet services.

1. Project Costs

Grant recipients may use grant funds for actual capital costs up to the awarded amount, on a one-time capital improvement basis. Costs must be directly related to the provision of public infrastructure, services, facilities and improvements needed to implement broadband services and enhance existing internet services, as well as any other activities that are integral and necessary for expanding broadband infrastructure and broadband service.

Eligible project costs include:

- Professional Services, including engineering; permitting, easements and encroachment acquisition; project and construction management;
- Outside Plant, including fiber optic and coaxial cable, pole placement and pole make-ready, aerial and underground materials, and aerial and underground construction labor;
- Drops and CPE, i.e., service drops and other costs of connection up to network interface points, including subscriber connection materials, subscriber connection equipment, subscriber connection labor, subscriber management equipment;
- Network and Access Equipment, including headend/central office/remote cabinet equipment and installation;
- Land and Buildings, including equipment shelters, land, site preparation and site restoration costs;
- Wireless Equipment and Facilities, including towers, and tower improvements and installations, backhaul and access radios, and powering equipment; and
- Long-term Leases, i.e., term of not less than one year, including land required for the network, a building or space in a shelter to house network equipment, and network elements such as dark fiber strands.

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Ineligible costs include but aren't limited to:

- Expenses incurred prior to the date of awarded grants being announced;
- Administrative and fundraising activities, computers and other office equipment, and vehicles and other operating expenses;
- Equipment owned or leased by the subscriber, including routers, modems and any other costs beyond the network interface points; and
- Operating expenses.

2. Reasonable Project Cost

While ConnectMaine will consider relevant factors that may increase the cost or difficulty in expanding broadband service, applicants must propose costs that are reasonable and proportional to the project scope, including density and geography of the project area.

3. Minimum Financial Commitment

A minimum financial commitment of \$700 per subscriber location in the project area must be made for the proposed project. The total financial commitment is equal to the total project cost minus the grant amount requested and then divided by the number of potential subscriber locations to be served. Ineligible costs are excluded from the total project cost. The number of potential subscriber locations must include all of the following counts as they occur within the project area(s) selected by the applicant:

- Subscriber locations within unserved areas,
- Subscriber locations within underserved areas that will be served by the project, and
- Subscriber locations within served areas that will be served by the project.

G. Financial Capacity

Applicants must demonstrate financial capacity. The total financial commitment in addition to the grant amount requested must be adequate to complete the proposed project. Applicants proposing projects that are large relative to existing operations of the ISP involved in the project must demonstrate financial sustainability of the proposed project. The proposed project is considered large if it includes more potential subscriber locations than 10% of all existing subscribed locations of the ISP involved in the proposed project.

III. Application Process

The applicant will enter information and upload files to the online Grants Portal:

<https://stateofmaine.force.com/DECDMAINE>

Applicants that already use FiberMap will contact VETRO to obtain access to data layers needed for this application process. Other applicants will contact VETRO to obtain access to FiberMap. In the Grants Portal, the applicant will be given instructions on how to contact VETRO.

Some information is needed in multiple places, or it's generated in one place but needed in another: the FiberMap, separate documents such as the Application Data Form and Application Narrative, and the Grants Portal. Please ensure information entered into the Grants Portal is consistent with information included elsewhere.

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A. Grants Portal

The Grants Portal of the Department of Community and Economic Development captures the application date and summary information from each applicant. Required forms and additional files can be downloaded from and uploaded to the Grants Portal:

<https://stateofmaine.force.com/DECDMAINE>

1. Legal Applicant

Applicants must register in the Grants Portal and enter the entity name of the legal applicant. The Grants Portal will capture the legal applicant contact's mailing address, any fax number or EIN; and the legal applicant entity's name, phone number, email, mailing address and county.

2. Affected Communities

Applicants must enter each affected municipality, local government or local government authority, or a local nonprofit providing economic development programs, as applicable to the proposed project, including points of contact for each, into the grants portal.

3. Communications Service Provider

Applicants must enter the ISP company name and contact information into the Grants Portal, whether or not the ISP is the legal applicant. The ISP is the entity responsible for providing broadband service that results from the proposed project. The ISP may or may not also be the entity responsible for building, managing and owning the broadband infrastructure.

4. Executive Summary

A space of 800 characters in the Grants Portal is for the proposed project summary that should describe the how the project is unique with regard to ruralness and the unique economic opportunity will result.

5. Project Information

Applicants must enter information about the project size and cost into the Grants Portal, which must be consistent with the information that is calculated in the FiberMap; please refer to that user guide for more detailed instructions on obtaining this information.

B. Interactive FiberMap

Applicants must use the interactive, web-based FiberMap to select project area(s) from unserved and underserved areas that ConnectMaine identified and proposed as eligible for grants, to propose network routes and broadband infrastructure locations, and to identify other subscriber locations as relevant. The FiberMap will contain eligible project areas and a layer of potential subscriber locations, classified by their location in unserved, underserved or served areas. A FiberMap user guide for potential applicants will be provided when the applicant has contacted VETRO. Please refer to that user guide for more detailed instructions on how to submit the information requested in the following subsections.

1. Project Area

Applicants must use the FiberMap to select one or more project area(s) that will be the basis of the application.

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2. Proposed Design

Applicants must generate or import a high-level network design into the FiberMap. At a minimum, the design must include any fiber routes and the interconnection with existing networks, but applicants are encouraged to include additional information, especially for new networks or significant expansions of existing networks. The design must clearly identify the fiber routes and must include fiber strand count as an attribute.

3. Project Focus

Applicants must identify the potential subscriber locations in the selected project area that will be served by the proposed project. Applicants may include additional potential subscriber locations from outside selected project areas, if those locations are within areas that are adjacent to the selected project areas. The potential subscriber locations must include attributes identifying each point as being in unserved, underserved or served areas.

Proposed projects must serve all potential subscriber locations in unserved areas, of the selected project areas, as identified in the FiberMap, regardless of whether or not those locations have been identified accurately by the application, and regardless of whether or not the routes to those locations have been included in the application. A limited exception may exist where subscriber locations in an unserved area are disconnected from any utility lines serving other subscriber locations in the project area requiring the route to go outside the project area. Such potential subscriber locations to be excluded must be deselected or identified as such in FiberMap.

Potential subscriber locations in underserved or served areas, of the selected project areas, included as locations to be served by the proposed projects, must be served.

C. Application Data Form

Applicants must fill out the Application Data Form that can be downloaded from the Grants Portal. Information to be included is supplemental to the information entered directly into the Grants Portal, providing more details and making the application evaluation process possible. The Application Data Form must remain in the Excel file format when uploaded to the Grants Portal.

1. Summary Information

Applicants must enter key data into the Application Data Form, which must be consistent with any information that is also entered into the Grants Portal:

- Name of the legal applicant and name(s) of the entity(ies) responsible for building, owning and operating the broadband infrastructure
- Date of required data filing
- Date that provider outreach occurred

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2. Project Design Details

Applicants must enter key data about the project detail into the Application Data Form, which must be consistent with any information that is also entered into the Grants Portal. Some of this key data information will be calculated in the FiberMap; please refer to that user guide for more detailed instructions on obtaining this information:

- Miles: Number of route miles of the proposed project
- Subscriber Locations: Number of potential subscriber locations within the project area(s)
- Subscriber Locations in Least Served Areas: Number of potential subscriber locations in areas lacking availability of internet service of at least 25mbps/3mbps
- Subscriber Locations in Unserved Areas: Number of potential subscriber locations in unserved areas of the project area(s) that will be served
- Subscriber Locations in Underserved Areas: Number of potential subscriber locations in underserved areas of the project area(s) that will be served

3. Infrastructure Grant Tracking

Applicants must list all the dates of grants awarded in the last five years, whether received or declined, and the most recent dates of the associated grant tracking reports. The ConnectMaine rule requires grant tracking data to be submitted annually.

4. Proposed Service

Applicants must list all proposed service offerings that will result from the project, and the associated service prices. Details listed must indicate the following, as applicable: non-recurring charges for service activation, charges for common equipment, applicable fees and surcharges, and data overages. Bundled and promotional prices may be listed, but in addition to, not instead of, non-promotional prices for stand-alone internet service.

Applicants must indicate whether or not affordability offerings are proposed for the broadband service levels listed. Affordability offerings are recognized if the ISP involved in the proposed project agrees to participate in the Emergency Broadband Benefit, Lifeline, or successor programs for at least five years following project completion.

5. Financial Information

Applicants must enter project costs into the Application Data Form, which must be consistent with any information that is also entered into the Grants Portal. Applicants must detail all costs of the proposed project in the Application Data Form, which will calculate the total estimated project cost. The Application Data Form includes standardized cost categories. Applicants must list all sources of financial commitments, including whether committed dollars are secured or the sources are contingent on this grant being awarded or some other reason. Sources may include cash or debt from the applicant, ISP or affected community. Sources may include previously awarded grants. Details listed must indicate the following, as applicable: the grant name, date awarded, and any other grant information that would be useful; the name of the borrowing entity, whether or not the loan is backed, and the terms of the loan; and the full nature of any contingencies.

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If the proposed project includes more potential subscriber locations than 10% of all existing subscribed locations of the entities involved in the proposed project, then the applicant must include additional information to demonstrate financial capacity and sustainability:

- Anticipated timing of project costs
- Additional costs required over time, that are ineligible for grant funds
- Anticipated timing of other sources of funds
- Estimated operating costs over time
- Timing of broadband service availability to subscriber locations, estimated subscription rates over time and estimated revenue over time
- Debt and capital lease payments
- Ongoing operating subsidies and the associated sources

D. Application Narrative

Applicants must fill out the Application Narrative document that can be downloaded from the Grants Portal. The Application Narrative may be uploaded to the Grants Portal as the Word document file format, or as an Adobe pdf format if the text can be selected, i.e., not a photo pdf. Applicants must insert information in the order requested in the Application Narrative, rather than including addendums or references. The information included in the Application Narrative must be consistent with Grants Portal:

- Name of the legal applicant
- Eligible entities, with regard to technical, managerial and financial capacity, and experience in operating the network

1. Applicant Eligibility

The applicant must demonstrate technical, managerial and financial capacity, and experience in operating the network. The applicant must indicate which entity(ies) will build, own and operate the network.

2. Proposed Network

The applicant must specify the network technology proposed to support the proposed levels of broadband service listed in the Application Data Form, and must indicate how the technology is upgradeable. The applicant must explain the estimated project cost, any relevant factors that increase the cost or difficulty in expanding broadband service, and how proposed costs are reasonable and proportional to the project scope, including density and geography of the project area.

3. Technical Details

The applicant must specify the standard or standards to be used in the proposed network, e.g., DOCSIS 3.x, GPON, EPON, NG-PON2, XGSPON, Active Ethernet, etc. The applicant must describe how any existing infrastructure is being leveraged, and how the proposed network will be interconnected with existing networks. The applicant must identify any technical equipment vendors to the extent known at the time of application.

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If wireless technology is involved in the proposed project, the applicant must describe the wireless network technology and spectrum. The applicant must describe the assumptions used to generate the predicted coverage, which shall include the prediction tool used; terrain and clutter resolution used to generate the plot; the signal strength, RSSI or RSRP for an LTE network, and threshold at which areas are considered covered or uncovered; and the assumed height above ground level of subscriber equipment.

4. Active Community

The applicant must describe how the project is unique with regard to any widespread community engagement, including any participation by the affected communities in broadband planning programs or technical assistance received, and briefly describe how the affected communities have been uniquely supportive of the proposed project.

E. Supplemental Files

Applicants must upload supplemental files to the Grants Portal, before submitting the application.

1. Network Diagram

Applicants must upload a network diagram that shows the proposed network and its interconnection with existing networks. While the diagram can take the form of any software chosen by the applicant or partner, the file type must be accessible by ConnectMaine, such as pdf, jpg or doc.

2. Wireless Design

If wireless technology is involved in the proposed project, applicants must upload SHP files of the projected propagation plot of coverage from the proposed access points, to the Grants Portal. Propagation plots may show multiple service levels, but must clearly identify signal strength at which subscribers could expect to receive service of at least 100mbps/100mbps.

Applicants must identify the sites used in the coverage projection, in a table that is uploaded to the Grants Portal as an Excel xls or csv file format; the table must list the following for all access points:

- The latitude and longitude of the site
- Base station antenna information including manufacturer, model, azimuth, down tilt, and center line
- Base station equipment information with manufacturer, model number, and EIRP
- Whether the support structure at the site is existing or planned, whether the applicant intends to lease or own the structure, and whether or not the applicant has already acquired rights to use the site

Information must be provided by sector for sectorized sites. If the proposed project includes point-to-point wireless links, then applicants must identify the points linked, the frequency to be used, data transmission rate supported and link budget.

Applicants must upload the manufacturer data sheets for key radio equipment and antennas that are consistent with the projected coverage or reach shown for the proposed project, including for point-to-point links, point-to-multipoint access points and end user equipment. These data sheets must be uploaded to the Grants Portal in Adobe pdf file format.

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Applicants must upload the same information for adjacent sites of the existing network of entities involved in the proposed project, sites which may provide overlapping coverage with the proposed sites. Applicants must upload site information before and after any proposed upgrade to existing sites.

If the use of licensed spectrum is proposed, then applicants must upload information demonstrating permitted use of the spectrum, in Adobe pdf file format.

3. Timeline and Milestones

Applicants must upload a project timeline that indicates the anticipated milestones of the proposed project, including those related to engineering, pole processes, permitting, construction, connections and any major contingencies. While the project timeline can take the form of any project management software chosen by the applicant or partner, the file type must be accessible by ConnectMaine, such as pdf, jpg, xls, or doc.

4. Application Window

The current application window is January 12 through March 20, and complete applications must be submitted by 11:59 P.M. EST through the Grants Portal of the Department of Community and Economic Development.

IV. Application Evaluation

After the application window closes, ConnectMaine reviews completed applications submitted for eligibility and then prioritizes proposed projects for grants. In accordance with the ConnectMaine rule, the evaluation process involves grouping applications based on preference criteria; then within each preference group, the cost-benefit of the proposed project is calculated, and weights from project scope and project value criteria are applied.

A. Additional Information

The ConnectMaine Authority reserves the right to determine whether or not to request additional information necessary to evaluate applications for infrastructure grants. ConnectMaine may request that the applicant modify the proposed project in any, but not necessarily only, the following ways:

- The project areas proposed, especially if multiple applicants select the same project areas
- The proposed project focus or boundaries of the project areas, especially if additional potential subscriber locations are within areas that are adjacent to the selected project areas
- The potential subscriber locations to be served by the proposed project
- The grant amount requested to be proportional to per-mile or per-location modifications
- The financial information based on modifications requested

In order to award grants totaling the available bond funds, ConnectMaine reserves the right to request modifications to the grant amounts requested, financial information and other relevant elements in competitive applications, before the ConnectMaine Authority awards grants.

Alternatively or also, if the funds that would remain after awarding grants to the most competitive are insufficient to award the grant amount requested in the next most competitive application, then ConnectMaine may instead award the grant amount requested in one or more of the less competitive applications.

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B. Preference Criteria

ConnectMaine will give preference to projects in unserved and underserved areas that provide the greatest relative improvement to existing internet service. The three preference groups will be:

1. Least Served: Project areas where a majority of potential subscriber locations lack availability of service of at least 25mbps/3mbps.
2. Greatest Improvement: Projects proposing to offer at least 90% of subscriber locations broadband service of at least 1gbps/1gbps.
3. Remaining Applications: All other proposed projects.

Applications that meet the first preference criterion will be prioritized into the first preference group over the second, and the second over the third.

C. Cost-Benefit

Within each preference group, applications are judged based on the cost-benefit of the proposed project. An unweighted cost-benefit is calculated as the grant amount requested divided by the number of potential subscriber locations in unserved and underserved areas to be served by the project; for example:

- Grant Amount Requested: \$750,000
- Potential Subscriber Locations in Unserved and Underserved Areas: 500
- Unweighted Cost-Benefit: \$1,500

This unweighted cost-benefit is then weighted by Project Scope and Project Value factors. Each weight is expressed as a percentage. Receiving greater weight will improve the competitiveness of the application. Preliminary weights and the weighted cost-benefit of the proposed project will be calculated in Application Data Form based on the information included by the applicant.

The weight of project scope is based on relevant factors that may increase the cost or difficulty in expanding broadband service:

- Density of the project area
- Financial commitment from the community
- Financial commitment from the ISP

The weight of project value is based on relevant factors that may increase the value of the proposed project:

- Subscription price
- Affordability offering

The weight of each factor is expressed as a percentage and is subtracted from 100%, and then the results are multiplied in series by the unweighted cost-benefit, i.e.:

Unweighted Cost-Benefit x (100%-weight1) x (100%-weight2)... = Weighted Cost-Benefit

The preliminary calculation in the Application Data Form are subject to review by ConnectMaine and adjustments if appropriate. ConnectMaine will use the weighted cost-benefit to prioritize proposed projects for grants; while, the amount of the grant awarded will be based on the grant amount requested by the applicant.

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D. Project Scope

The weight of project scope is based on relevant factors that may increase the cost or difficulty in expanding broadband service.

1. Density of Project Area

Proposed project areas with low density, measured by the number of potential subscriber locations per mile, will receive greater weight. Up to a 30% maximum weight will be applied for the density of the project area. For every potential subscriber location per route mile less than 18 subscriber locations per mile, will result in 2%; for example:

- Density: 14 potential subscriber locations per mile
- Weight: 8%

2. Community Financial Commitment

Projects proposed with larger community financial commitments will receive greater weight. Up to a 40% maximum weight will be applied for a financial commitment from the affected community toward the project cost. The affected community may or may not be the applicant; however for this weight, the financial commitment must come from one or more of the following entities: a unit of local government, including town, city or county; a broadband utility district or corporation, wholly or partially owned by a unit of local government. The source(s) of the financial commitment may include the Local Fiscal Recovery Fund, pursuant to the American Rescue Plan Act. For the purposes of calculating this weight, other grant funds and any planned expenditures on ineligible costs are excluded.

The weight received will depend on the size of the municipal valuation, as reported by the Maine Revenue Service for the most recent published year at the time the application window opens. Should the community financial commitment be made by a county, the sum of the municipal valuation in the county will be used. If the community financial commitment is made by more than one entity, then the most favorable valuation of the local government from which, or in which, at least \$50,000 in financial commitment comes will be used; in the case that no financial commitment is at least \$50,000, then the most favorable valuation of the local government from which, or in which, the greatest financial commitment comes will be used.

All reported valuations will be grouped by quartiles, and weighting will depend the quartile of the most favorable local government, i.e.:

- For local governments in the top half of valuations, a weight of 1% will result for every 2% of the project cost covered by the community financial commitment
- For local governments in the bottom quartile of valuations, a weight of 2% will result for every 1% of the project cost covered by the community financial commitment
- For all other local governments, a weight of 1% will result for every 1% of the project cost covered by the community financial commitment

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3. ISP Financial Commitment

Projects proposed with larger ISP financial commitments will receive greater weight. Up to a 20% maximum weight will be applied for the ISP financial commitment. The ISP may or may not be the applicant. For the purposes of calculating this weight, while debts for the proposed project may be included, financial commitments from contingent sources and any planned expenditures on ineligible costs are excluded.

The weight received will depend on the size of ISP financial commitment relative to the project scope: the amount of financial commitment from the ISP toward the project cost per potential subscriber location in the project area. A weight of 1% will result for every secured \$75 per subscriber location; for example:

- ISP financial commitment: \$150 per subscriber location
- Weight: 2%

If the applicant is a unit of local government, or any broadband utility district or corporation wholly or partially owned by a unit of local government, that will retain ownership of a majority of the proposed project assets, then community financial commitment will be considered as community or ISP financial commitments as is most favorable, up to the maximum weight of each, automatically in the Application Data Form.

E. Project Value

The weight of project value is based on relevant factors that may increase the value of the proposed project.

1. Subscription Price

Proposed service offerings with lower subscription prices will receive greater weight. Up to a 20% maximum weight will be applied for the subscription price. For the purposes of calculating this weight, the lowest retail, non-promotional price of a residential offering with at least 100mbps upload will be used. A weight of 1% will result for every dollar per month to receive service less than \$60 per month; for example:

- Subscription price: \$50 per month
- Weight: 10%

2. Affordability Offering

Proposed service levels with affordability offerings will receive greater weight. Whether or not the ISP is the applicant, if the ISP that will offer service as a result of the proposed project agrees to participate in the Emergency Broadband Benefit, Lifeline, or successor programs, then a 20% weight will result.

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V. Compliance Measures

In accordance with the ConnectMaine rule, grant recipients must ensure compliance with requirements for projects funded with infrastructure grants.

A. Award Acceptance

Applicants may accept or decline awarded grants. Applicants accepting awards must execute a contract agreement with ConnectMaine within 30 days of the awarded grants. ConnectMaine may extend this deadline at its sole discretion. These applicants will be notified of awarded grants and informed on how to sign and upload the required contract agreement and IRS W-9 Form to the Grants Portal, which will constitute acceptance of the awarded grants. The contract agreement contains additional terms and conditions that are standard in state of Maine contracts, and the contract agreement requires compliance with all provisions of the ConnectMaine rule.

ConnectMaine will consider awarded grants declined if applicants fail to execute the contract agreement within the deadline. Following this, the ConnectMaine Authority may reverse the decision to make the award. In order to award grants totaling the available bond funds, ConnectMaine may award grants to other applicants or to other grant recipients who expand their project scopes.

B. Project Dates

Grant recipients may start projects as soon as grants are awarded by the ConnectMaine Authority. A notice of commencement must be filled out and uploaded to the Grants Portal within 30 days of the award or start of the project, whichever occurs sooner. ConnectMaine may extend this deadline at its sole discretion. ConnectMaine will consider awarded grants declined if applicants fail to submit the notice of commencement within the deadline.

Projects of less than \$1.5 million must be completed within one year of initial funds being disbursed, or within 180 days of necessary licenses, permits and governmental approvals, whichever later occurs, unless an extension is approved by the ConnectMaine Authority due to unforeseen circumstances; projects that are over \$1.5 million will have a contractually agreed to completion date. A completion report must be filled out and uploaded to the Grants Portal. Part or all of awarded grants are subject to recapture if grant recipients fail to complete projects.

C. Reports and Disbursements

Following award acceptance and for five years following project completion, the grant recipient must ensure compliance with reporting requirements. Reports are submitted in order to request disbursements of the awarded grants. Forms for required reports can be downloaded from the Grants Portal once grants are awarded and are made publicly available on the ConnectMaine website: <https://www.maine.gov/connectme/grants/award-recipients>

1. Notice of Commencement

Before ConnectMaine disburses initial funds, the grant recipient must submit a notice of commencement, which confirms project dates and anticipated disbursement requests. The notice of commencement must be filled out and uploaded to the Grants Portal within 30 days of the award or start of the project, whichever occurs sooner.

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2. Progress Reports

The grant recipient must fill out and upload to the Grants Portal a progress report at least every quarter following the quarter in which the project started. Progress reports confirm project dates, actual financial information to-date and anticipated disbursement requests. If the project is being conducted differently than described in the contract agreement, the progress report may be used to explain those differences and how the project remains in compliance.

A progress report may also be used to request an extension to the required project completion date, in which case the grant recipient will explain unforeseen circumstances and proposed project dates. In order for the ConnectMaine Authority to decide on the request for an extension in time, the report must be received by ConnectMaine at least eight days before a regularly scheduled meeting that occurs before the original project completion date.

3. Completion Report

Before ConnectMaine disburses final funds, the grant recipient must submit a completion report, which confirms project dates, actual financial information and final disbursement request. The completion report includes required documentation for validation of the completed project to the proposed project. The completion report must be filled out and uploaded to the Grants Portal before the required project completion date. If the project was conducted or completed differently than described in the contract agreement, the completion report may be used to explain those differences and how the project remains in compliance.

4. Audit Form

In order to conduct the grants validation process, the grant recipient must fill out and upload to the Grants Portal an audit form and required documentation, by the required project completion date. The audit form includes lists of required documentation for project completeness and compliance. In addition to submitting the information requested for the purposes of the grants validation process, the grant recipient must allow access for inspection of the plant and equipment. The audit form and required documentation should demonstrate:

- consistency of the completed project with the location and number of subscriber locations identified in the grants process,
- consistency of the completed project with financial information reported,
- suitability of the completed project to result in the type of services and performance identified in the grants process, and
- conformance with generally-accepted industry standards.

D. Validation and Tracking

The ConnectMaine Authority contracts with third parties to support the grants validation process that helps ensure projects comply with the requirements of the ConnectMaine rule and contract agreements. Grants tracking allows ConnectMaine to report on the progress toward its statutory goals to the legislature and others in the state of Maine.

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1. Grants Validation

Desktop audits are performed for all projects; while field verifications are performed across randomly selected projects. The audit form describes the five audit segments:

- Area Audit, for validation of broadband service availability to subscriber locations proposed to be served by the project, including all subscriber locations in unserved and underserved areas of the project areas; required documentation includes SHP files of the network design, prepared under the review of a professional engineer or an engineer with substantial demonstrated experience designing cable or fiber networks whose credentials are also submitted
- Technical Audit, for validation of performance criteria, including confirmation of materials and network quality and conformance with generally-accepted industry standards, and confirmation of speeds and consistency of broadband service; required documentation includes OTDR traces with event logs, manufacturer's specification information, and engineering documentation and calculations
- Spending Analysis, for validation of each expenditure for appropriateness to the completed project, to industry-consistent pricing and to the results of the Technical Audit, and for validation of actual financial information reported for comparison to industry norms and the proposed financial information in the application; required documentation includes the spending report which is an Excel file of actual project costs and details, and supporting invoices or documentation for those project costs
- Field Verification, for validation of broadband infrastructure, including consistency with the proposed project, through an on-site visit to visually inspect and examine the outside plant, central office, hub and subscriber connections; documentation is only required if any deficiencies identified to verify required remediation
- Connection Validation, for validation of active internet connections to subscribed locations in previously unserved and underserved areas; required documentation includes images of OLT and ONT, or CMTS and Modems, or billing statements, as applicable to the type of technology deployed

Any irregularities or deficiencies that are identified will be communicated to the grant recipient for remediation. A final report will be posted for the grant recipient, detailing the findings and any remediation efforts.

2. Grants Tracking

The grant recipient must submit an annual report for 5 years after the project is completed. The tracking reports will include the number of subscriber locations in the project area that are subscribed to broadband service on June 30 of each year.