

Public Engagement

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Broadband Infrastructure Grants Program

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Background

The ConnectMaine Authority continually refines its grantmaking approach and criteria for broadband projects to ensure accountability in achieving state broadband goals. ConnectMaine actively solicits input on its programs. This document contains answers to questions and relevant comments, beyond the content of the application guidance and other materials for applicants. ConnectMaine will continue adding to this document and updating its website, in addition to the hosting a workshop for potential applicants.

Stakeholder engagement aims to align the grants program with the ConnectMaine mission, state's goals and action plan, by capturing the perspectives of broadband users, communities who could benefit from these grants, our partners in industry, partner organizations and other stakeholders. ConnectMaine hosts workshops to solicit input on its programs before application windows are opened, and for potential applicants soon after an application window is opened. After the first workshop recently, ConnectMaine has also been accepting questions about the program.

Refinements

Based on extensive stakeholder engagement since fall 2020, ConnectMaine set the following objectives for the infrastructure grants program:

- **Leverage Investments:** Maximize investment in broadband infrastructure and maximize opportunities to leverage resources and funding from other sources to support deployment of broadband infrastructure; aim to correct market failures due to low premise density
- **Seek Regional Equity:** Balance awards in consideration of investment incentives and regional equity; create a geographically equitable distribution of projects around the State
- **Recognize Community Visions:** Align with community visions and goals for economic development, education, civic engagement and healthcare
- **Favor Future-Proof Networks:** Fund forward-looking, scalable infrastructure that provides ubiquitous, universally available broadband service, with sufficient capacity for future growth for the greatest number of years, giving preference to projects providing symmetrical service
- **Advance Digital Equity and Inclusion:** Consider projects that propose the lowest price for the highest quality of service of the lowest service level offering; no grant will be awarded for proposed projects that allow data caps on service provided; all projects funded must result in providing standardized tiers of service, including one for income-eligible individuals

Based on continued engagement, learning from the last application process and rulemaking since, ConnectMaine incorporated recommendations for the next application window for infrastructure grants:

- 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

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Questions

Q: How does a potential applicant find out if the ISP and any grant recipient involved in the proposed project are in good standing with ConnectMaine for pre-application requirements?

A: Potential applicants are welcome to contact ConnectMaine staff anytime to check up on compliance. Once applications are submitted, ConnectMaine will confirm pre-application requirements have been met.

Topic: "...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."

Q: What if a potential applicant doesn't know the existing ISPs or doesn't have contact information?

A: Potential applicants can contact ConnectMaine staff to get the contact information for their proposed project areas. ISPs are welcome to communicate preferred points of contact to ConnectMaine staff.

Q: The timeline for any planned project is more open-ended than in the past, what's guidance on this?

A: The details of provider outreach changed as a direct reflection of the rulemaking that occurred during last year. Most proposed projects would be completed within a year, so that would be the timeline an existing ISP would have to also be planning in order to potentially prevent the proposed project from receiving grant funds; if the proposed project would be completed sooner, then the planned projects of existing ISPs would have to also be completed sooner; if the proposed project has a scope large enough that allows a timeline longer than 12 months according to ConnectMaine rule, then again the existing ISP would have to be planning to complete their project within that timeline.

Q: What if the ISP doesn't respond?

A: Any response from providers doesn't affect an applicant's ability to submit a completed application at any time during the application window. Providers that aren't planning installation of broadband infrastructure and don't already provide broadband service shouldn't be obligated to take the time to confirm lack of broadband availability. Required provider outreach offers another opportunity to submit broadband data showing that service is or will be provided, but providers may choose whether or not to respond. The initial outreach by the applicant is a pre-application requirement that must be completed to submit the application.

Q: Which entities are evaluated for eligibility criteria? Whose service is subject to the performance criteria on broadband service and subscription price? Whose subscriber base is considered in demonstrating financial capacity and sustainability of the project?

A: Section II Eligibility Criteria apply to the applicant and any other entities involved in the project, such as the ISP involved in the project, whether the ISP is the applicant or not:

- To help ensure digital equity and inclusion, and encourage project value factors, the performance criteria for projects funded by awarded grants include the level and price of internet service to be offered. The application will include information to demonstrate that the ISP involved in the project, whether or not the ISP is the applicant, will offer at least one service level meeting or exceeding the designation of broadband service, and that the retail price for each service level offered isn't more than the respective prices elsewhere in the state. Only the service levels and prices that result from the project, due to the ISP involved in the project, are evaluated during the application process.
- To help maximize investment in broadband infrastructure, the eligibility criteria include financial capacity and sustainability. The Application Data Form captures information about the size of the proposed project relative to the existing subscribed locations of the ISP involved in the proposed project, signaling whether or not the applicant must enter additional information to demonstrate financial sustainability of the project.

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Topic: “ConnectMaine identifies and proposes unserved and underserved areas eligible for grants. Applicants must select one or more eligible area to propose serving.”

A: State funds are awarded to help achieve universal broadband service statewide, and to help achieve one of the program objectives of recognizing community visions, applicants are encouraged to proposed projects that serve whole communities.

Q: Can an applicant change the boundary of an eligible project area selected, to exclude or include certain potential subscriber locations?

A: Rather than changing the boundary or polygon, there are some cases where potential subscriber locations can be excluded or included, by selection of those points, for proposed projects, and other ways that the applicant can augment data submitted, as described in the rest of Section III.B and in Section IV.A of the Application Guide.

Q: Can multiple projects areas within a municipality be selected for different applications, recognizing that areas differ in number of potential subscriber locations in least served areas and in the density, affecting the competitiveness of applications?

A: It depends on whether or not there are multiple Eligible Project Areas within the municipality. Each application must include at least one Eligible Project Area from which least served and density are determined in FiberMap. Some municipalities have so few potential subscriber locations in served areas that the entire municipality is a single Eligible Project Area. Other municipalities were broken out into multiple Eligible Project Areas based on percentage of potential subscriber locations in unserved and underserved areas, using census block boundaries. While the boundary of an Eligible Project Area can't be changed itself, the applicant has the opportunity to exclude certain potential subscriber locations or include additional potential subscriber locations, as described in Section III.B.3.

Topic: “Proposed projects must serve all potential subscriber locations in unserved areas. . .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.”

Q: How should applicants account for costs beyond the ISP's business model?

A: Include in the project budget all eligible costs of service drops and customer service equipment for all potential subscriber locations in unserved areas, and for any locations in underserved and served areas that are selected to be served by the project, even if these costs go beyond the ISP's business model. The item details can be used to explain any distinction within these costs, such as separating the costs of drops for locations within so many feet of the network from other drops, or separating the costs for locations with subscriptions within the project timeline from those subscribing later.

Q: When is it ok to reserve that cost, and how much, on the property owner?

A: All eligible costs of the project must be included in the project budget. The total financial commitment in addition to the grant amount requested must be adequate to complete the proposed project. Financial commitments can include pre-subscriptions for such locations, raising funds from property owners in addition to any other sources of the community financial commitment. Alternatively, ensure that the grant amount requested is sufficient to cover any costs beyond the chosen business model, such as drops and customer service equipment for locations beyond so many feet of the network or for subscriptions occurring so long after the project timeline.

Q: Is there a time period after which costs can be shifted onto the property owner?

A: State funds are awarded to help achieve universal broadband service statewide. Projects are evaluated based on the number of potential subscriber locations that will be served with broadband service, not only passed at some distance until the property owner can afford to cover these eligible costs. The cost to provide service upon request within a normal service interval and without additional cost to the subscriber for construction of new facilities must be included in the project budget, and the total financial commitment in addition to the grant amount requested must be adequate to complete the proposed project; how the grant funds awarded are applied to eligible costs and how financial commitments are applied to remaining project costs are decisions left to the grant recipient.

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Q: How will ConnectMaine determine Grant Necessity?

A: To achieve one of the program objectives, “maximize investment in broadband infrastructure,” this requirement from ConnectMaine statute and rule is demonstrated by the applicant with information submitted, including but not limited to Sections II, III.C, III.D.1. and IV.A.

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

Q: What “improvements” would be eligible expenses?

A: ConnectMaine statute authorizes investments in advanced communications technology infrastructure which includes improvements to expand broadband service. Eligible expenses listed in the Application Guidance may be associated with improvements necessary for proposed projects to result in meeting performance criteria, including broadband service. Categories and subcategories of eligible and ineligible expenses are listed in the Application Data Form, which includes space for the applicant to provide detail on identifying “other expenses” as eligible or ineligible.

Q: What is meant by “long-term leases,” what makes a lease long-term, what detail should be included?

A: A long-term lease has a term of not less than one year; leases that cover eligible costs typically would be longer than one year. Examples might include leasing land required for the network, a building or space in a shelter to house network equipment, or network elements such as dark fiber strands. Details in the Data Form should identify the items being leased, the cost and the length of use that the lease payment covers. Leases impact cashflows for the proposed project and ongoing operation differently than other capital costs. If the applicant must include additional information to demonstrate financial capacity and sustainability, then include expected future payments to renew a lease or replace items for which a lease isn’t renewed, even if these are ineligible costs after the project completion.

Q: What does an applicant do if they get stuck in the Grants Portal?

A: This is a new process, so there will be questions that come from the unfamiliarity of it all. There are videos linked on the ConnectMaine website for how to register and apply in the Grants Portal. The idea of an online application is trying to create a more fair environment for applying and a more efficient review process, but there is a learning curve so thanks for patience. ConnectMaine staff will answer questions or obstacles that applicants run into one-on-one. Email ConnectMaine staff for assistance:

Connect.ME@maine.gov

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Q: What are the differences between the minimum financial commitment, the community financial commitment and the ISP financial commitment? What sources of funds can count toward these commitments?

A: The application guidance covers each, in Sections II.F.3, III.C.10, and IV.D:

- The minimum financial commitment is an eligibility requirement, while the community financial commitment and the ISP financial commitment are used as weights on the cost-benefit in the application evaluation process. All eligible costs and all sources of financial commitments, including those contingent at the time of application, are entered into the Application Data Form, which calculates the minimum financial commitment; any financial commitments applied to ineligible costs are excluded from the calculation of this eligibility requirement. The Application Data Form also calculates the community financial commitment and the ISP financial commitment for weighting cost-benefit. “In-kind contribution” is an irrelevant classification; either, these cover eligible costs going forward and should be listed as financial commitments, or these cover expenses already incurred which are ineligible costs.
- The community financial commitment includes funds toward eligible costs, which comes 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. Most sources of funds from these community entities are counted, including funds from the Local Fiscal Recovery Fund, pursuant to the American Rescue Plan Act, and any debt financed by the entity such as municipal bonds. The community financial commitment is used as a weight on cost-benefit; while other grant funds may cover project costs, these other grant funds are excluded for the purposes of calculating the weight given. Details about the sources of financial commitment, and all contingencies if any, will be provided in the Application Data Form. Applicants may address the nature of the community financial commitment in the Application Narrative active community section, “how the affected communities have been uniquely supportive of the proposed project,” but letters of commitment, escrow accounts or other measures don’t need to be submitted to complete the application.
- The ISP financial commitment includes the funds and debts for eligible project costs, which come from the ISP involved in the project. The ISP financial commitment is used as a weight on cost-benefit; while contingent sources may cover project costs, these contingent sources are excluded for the purposes of calculating the weight given. Details about the sources of financial commitment, and all contingencies if any, will be provided in the Application Data Form.
- If the applicant is a community entity that will retain ownership of a majority of the proposed project assets, then the Application Data Form will automatically consider the community financial commitment toward the weight of community financial commitment &/or ISP financial commitment, to result in the most favorable weights. This is done automatically, so that the applicant doesn’t need, and shouldn’t try, to reclassify the financial commitments manually.

Q: Would the large number of retirees on fixed incomes or the large number of households with incomes in the bottom quintile of the state be considered in calculating the weight of community financial commitment?

A: Not at this time. The use of municipal valuation indicates the ability to tax, the ability to choose bonding as a financing option, rather than judging the purposes for which the municipality may already be taxing.

Q: Are the service level offerings, subscription prices, financial commitments, and other application information self-reported or third-party verified?

A: Part of the Broadband Infrastructure Grants Program includes Grants Verification and Validation, for which ConnectMaine has contracted consultant services to support verification needs during the application evaluation process. The ConnectMaine Authority reserves the right to determine whether or not to request additional information necessary to evaluate applications for infrastructure grants.

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Comments

Industry, GWI

The additional specificity of provider outreach is really important because even if another ISP says they are bringing in service to unserved, that service has to meet the designation of broadband service, be equivalent to the proposed project and occur within the same period as the proposed project.

- ConnectMaine rulemaking clarified this specificity from the ConnectMaine statute. Favoring future-proof networks is an objective of the grants program, and any installation of broadband infrastructure planned should be at least as impactful as a project proposed in a grant application.

Why are contacts required for affected communities?

- To help achieve the objectives of regional equity and recognition of community visions, the grants program encourages ISPs and communities to partner on proposed projects. One way of ensuring productive communication among the private and public sectors is requiring points of contact for both in the application.
- If the applicant is an ISP, outreach may be necessary to get contact information for the communities affected by the proposed project. While other eligible entities may be the applicant, an ISP must also be involved in the project as the responsible entity for providing broadband service that results from the proposed project; even though the ISP may or may not also be the entity responsible for building, managing and owning the broadband infrastructure.

Industry, multiple ISPs

Why is a fully engineered network design being required before knowing if any grant would be awarded?

How can a community-applicant generate such a design?

- To help ensure the grants program meets one of the objectives, “Fund forward-looking, scalable infrastructure that provides ubiquitous, universally available broadband service, with sufficient capacity for future growth for the greatest number of years, giving preference to projects providing symmetrical service,” applications must include, only a high-level, network design.
- The application process includes access to FiberMap to help applicants who want to generate the network design therein. “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... The design must clearly identify the fiber routes and must include fiber strand count as an attribute.” In this way the project can be evaluated for meeting performance standards of the grants program.

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Industry, Casco Bay Advisors

Section II.C. Eligible Project Areas may include underserved areas, even if there is CATV infrastructure present.

- ConnectMaine statute and rule allow proposed projects to serve both unserved and underserved areas. 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.

What if the data on potential subscriber locations in FiberMap are incorrect?

- While no datasets are perfectly accurate, the Eligible Project Areas layer allows applications to be compared consistently. There are some cases where potential subscriber locations can be excluded or included in proposed projects, and other ways that the applicant can augment data submitted, as described in the rest of Section III.B and in Section IV.A.

Section III.C. Application Data Form doesn't explain the required data filing, and is unclear about which dates should be listed for infrastructure grants tracking.

- The Application Data Form itself includes instructions for the date of required data filing, which is previously explained in Section II.B.1 Required Filing of Data.
- For infrastructure grant tracking, the dates should be when grants were awarded, because all awards should be listed whether accepted or declined. These instructions are in the Application Data Form. If the applicant only knows dates of when awards were accepted or declined, then those dates may be sufficient for the verification process for determining eligibility and grant necessity.