

IIJA BROADBAND PROGRAMS UPDATE

1. Broadband Equity, Access & Deployment (BEAD) Program
2. Digital Equity Programs
3. Tribal Connectivity Technical Amendments
4. Enabling Middle Mile Broadband Infrastructure

Infrastructure Investment and Jobs Act Update (H.R. 3684)



Timeline Update

Enabling Legislation

BEAD Program

Digital Equity

Tribal Connectivity

Middle Mile



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INFRASTRUCTURE ACT* CREATES ~\$65B IN BROADBAND FUNDING

NTIA will administer ~\$48B of this new funding

FCC to administer ~\$14B

BEAD

DIGITAL EQUITY

\$42.45B

\$2.75B

Title I - Broadband Equity, Access & Deployment Program

Title III - Digital Equity Act

MIDDLE MILE

TRIBAL

\$1.00B

\$2.00B

Title IV - Enabling Middle Mile Broadband Infrastructure

Title II - Tribal Connectivity Technical Amendments

FCC to administer ~\$14B

\$14.2B

Affordable Connectivity Program

USDA to administer \$2B

\$2.0B

Via the Rural Utilities Service

Private Activity Bonds

\$600M

\$600M

Authorizes State/local gov'ts to use private activity bonds for rural broadband

* Infrastructure Investment and Jobs Act, Division F, Pub. L. 117-58 (Nov. 15, 2021)
 Note: funding amounts inclusive of all administrative set-asides



IIJA Timeline Update (H.R. 3684)



Estimated Timeline

- May 2022
- NTIA Notice of Funding Opportunity for BEAD Program
 - Montana provides Letter of Intent
 - NTIA approves \$5 million for predeployment
 - State prepares 5 year action plan for BEAD Program
- Early 2023
- FCC issues national Broadband DATA Map
(Montana Legislative Session)
- Early 2023
- NTIA issues invitation for Initial Proposal including 5 year action plan
 - State submits Initial Proposal
 - NTIA releases 20% of total funding
 - State opens application window
 - State prepares awards for NTIA funding in MT
 - State submits Final Proposal with selected awards for NTIA review, timeline, and oversight procedures
 - NTIA approves Final Proposal and releases remaining 80% of funding
 - State awards funding and begins monitoring and reporting.



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BEAD (I/II) | THE "BEAD" PROGRAM WILL PROVIDE ~\$42B FOR INFRASTRUCTURE PLANNING AND IMPLEMENTATION

OVERVIEW

Official name: Broadband Equity, Access and Deployment Program

Funding pool: \$42.45B

Type of program: State and Territory formula program

Program objective: to close the availability gap, as Congress finds that "access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States."

PROGRAM PRIORITIES

- 1 Unserved locations
No access to 25/3 Mbps
- 2 Underserved locations
No access to 100/20 Mbps
- 3 Community anchor institutions
Without gigabit connections

Eligible entity must also prioritize

- Persistent poverty / high-poverty areas
- Speed of proposed network
- Build time
- Demonstrated record on compliance with federal labor & employment laws

OTHER KEY FEATURES

Quality requirements

Specific network requirements are included e.g., speeds of at least 100/20 Mbps

Matching requirement

Eligible entities must ensure that they or a subgrantee provide at least 25% match (*unless waiver granted*)

Low-cost plan requirement

Required to offer a low-cost plan to eligible subscribers (*to be determined by NTIA*)

Note: funding amounts inclusive of all administrative set-asides



DIGITAL EQUITY (I/IV) | THE DIGITAL EQUITY ACT CREATES 3 SEQUENCED PROGRAMS TO PROMOTE DIGITAL INCLUSION

OVERVIEW

Official name: Title III – The Digital Equity Act

Funding pool: \$2.75B

Programs' objective: support the closure of the digital divide & promote equity and digital inclusion, so that "individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States."

PROGRAMS CREATED

State program

State Planning Grant Program (\$60M)



State Capacity Grant Program (\$1.44B)

Programs' objective: To support the implementation of State Digital Equity Plans and digital inclusion activities

Comp. program

Competitive Grant Program (\$1.25B)

Created once state implementation grants begin being awarded

Programs' objective: Support efforts to promote digital inclusion, achieve digital equity & improve adoption of broadband

Note: funding amounts inclusive of all administrative set-asides



TRIBAL (I/II) | TECHNICAL AMENDMENTS AND NEW FUNDING WILL STRENGTHEN CURRENT TRIBAL CONNECTIVITY PROGRAM

OVERVIEW

Official name: Tribal Broadband Connectivity Technical Amendments

Funding pool: \$2.00B

Type of program: Grants to eligible entities with approved applications

Program objective: providing new funds and extending expenditure deadlines for the Tribal Broadband Connectivity Program (established by Consolidated Appropriations Act, 2021, Div. N, Tit. IX, Sec. 905(c))

KEY AMENDMENTS TO PRIOR PROGRAM

- 1 Adding \$2 billion for NTIA to distribute to eligible entities, including to fund previously-proposed programs
- 2 Relaxing time requirements of original program—after receipt of funding, eligible entities now have up to
 - 6 months to submit applications
 - 18 months to commit the funds to projects
 - 4 years to fully expend the grant funds
- 3 Allowing infrastructure grantees to expend up to 2.5% total project cost for related planning, feasibility and sustainability studies
- 4 Preserving unused allocated funds for other Tribal broadband projects instead of reverting back to the Treasury

Note: funding amounts inclusive of all administrative set-asides



MIDDLE MILE (I/II) | \$1 BILLION ALLOCATED TO MIDDLE MILE GRANT PROGRAM TO SUPPORT EXPANSION OF NETWORKS

OVERVIEW

Official name: Enabling Middle Mile Broadband Infrastructure

Funding pool: \$1.00B

Type of program: Direct competitive grant on technology-neutral basis

Program objective: "Encourage the expansion and extension of middle mile infrastructure to reduce the cost of connecting unserved and underserved areas ... and to promote broadband connection resiliency"

PROGRAM PRIORITIES

- 1 For eligible entities meeting **at least two of five conditions:**
 - Adopt "fiscally sustainable middle mile strategies"
 - Commit to offering non-discriminatory interconnect
 - Identify specific, documented and sustainable demand for middle mile interconnect
 - Identify conditions/resources to speed up project
 - Demonstrate benefits to national security interests
- 2 **Eligible entities must also:**
 - Agree to prioritize connecting to unserved areas, connecting to non-contiguous trust lands, or offering wholesale carrier-neutral service at reasonable rate
 - Offer interconnection "in perpetuity ... on reasonable rates and terms"

Note: funding amounts inclusive of all administrative set-asides



REQUEST FOR COMMENT (RFC)

NTIA is requesting public comment on a wide range of policy and program considerations associated with the new grant programs authorized and funded by the Infrastructure Investment and Jobs Act (IIJA). Commenters are encouraged to address any or all the questions enumerated in the RFC.

Comments Due: February 4, 2022 by 5:00pm ET

Please Submit Comments through [Regulations.gov](https://www.regulations.gov)



To ask questions about IIJA broadband programs or provide additional feedback:

BroadbandForAll@ntia.gov

Please join us for our upcoming broadband program public virtual listening sessions!

All Listening Sessions are from 2:30-4 pm ET

January 26, 2022

February 9, 2022

February 23, 2022

For more information about upcoming listening sessions:

<https://broadbandusa.ntia.doc.gov/events/latest-events>



ConnectMT Agenda



- Statewide Broadband Map Update
- Application Timeline Update
- Application Policy Decision
- ConnectMT Challenge Process Decision
- ConnectMT Penalties Policy Decision
- Project Maximum Award Decision
- Lookback Provision as Eligible Match Decision



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Statewide Broadband Map

Lightbox Parent, L.P.

State of Georgia Example

Locations at GIS Level Designation

Served

Unserved

Frontier

Underserved

Periodic Updates to Map



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LIGHTBOX

LIGHTBOXRE.COM

LightBox Service

Montana – Proposed Solution Snapshots

January 25, 2022



Location Snapshot Example

A screenshot of a map application interface. At the top, there is a search bar labeled "Find County" with a magnifying glass icon. Below the search bar are navigation controls: a home button, a search button, and left/right arrow buttons. The map shows a location marked with a yellow dot. A white information popup is centered over the map, containing the following details:

Address	923 Choteau Ave
City	Valier
State	MT
Zipcode	59486
County	Pondera
Federal program (RDOF)	Y
Serviceability	Served

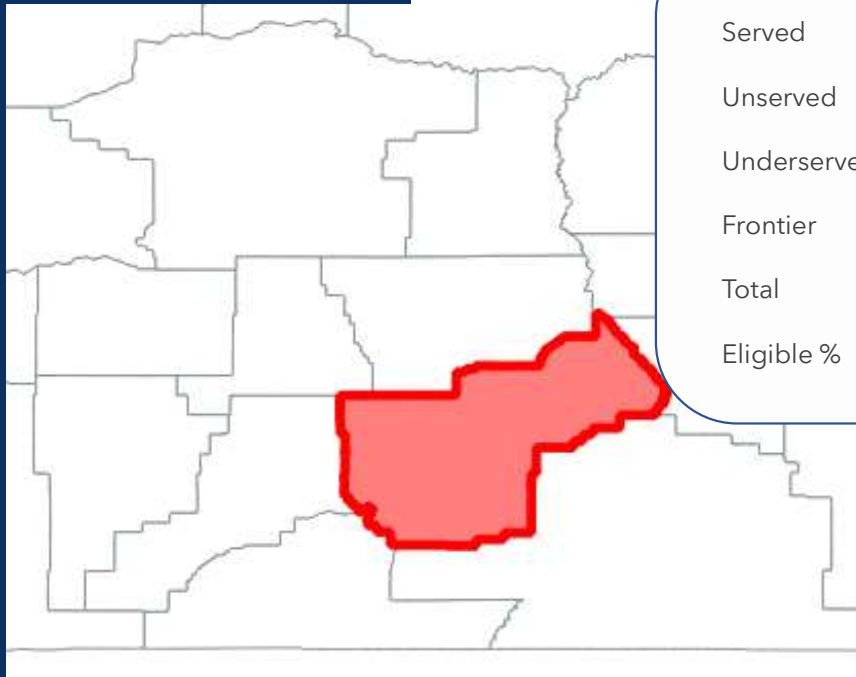
The map also shows street names: "KING OF KINGS RD" and "KRAMER RD".

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A legend box with a blue border containing four color-coded squares and their corresponding labels:

- Served
- Underserved
- Underserved
- Frontier

Boundary Snapshot Example



County	Yellowstone
Served	65,789
Unserved	4,279
Underserved	3,469
Frontier	347
Total	73,884
Eligible %	11%



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Application Timeline Update

2/7/22-4/8/22	Statewide Application window
2/8/22	Application Webinar
4/13/22	Applications available for public review
4/14/22-5/12/22	30 day Challenge period
5/27/22	DOA responses to challenges
5/30/2022-6/3/22	Applicants open to modify applications
June 2022	Receive ARPA funds from US Treasury
6/4/22 – 6/30/22	Review eligible applications & determine awards
6/30/22	Obligate and announce awards



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Application Policy Decision

Application was approved prior to scoring chart approval in last meeting.
Page 5 of the Application Guide changed:

“Middle Mile Open Network Requirements.

o Interconnection: Recipients **may** allow interconnection to grant-funded facilities at any technically feasible point along the network (without exceeding current or reasonably anticipated capacity limitations). This duty includes, at a minimum, the physical interconnection of the recipient’s facilities to a requesting party’s facilities for the exchange of traffic. In addition, recipients may connect to the public Internet directly or indirectly and provide requesting parties with an ability to connect to the Internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory.

o Negotiate in Good Faith: Recipients **may** negotiate in good faith with all requesting parties (i.e., public, private, nonprofit, or other parties) making a bona fide request for interconnection or wholesale services.

o Wholesale Broadband Services: The ConnectMT Program **encourages** recipients to offer wholesale broadband services at rates and terms that are reasonable and nondiscriminatory.”



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ConnectMT Challenge Process Background



Online Challenge Submission
Similar to Application

2 options to offer challenge

- A. Currently served locations at SB297 definition
- B. Approved State (Tribal) or Federal funding obligated to serve locations



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“The challenge must also include a new proposal that identifies improvements or increases in broadband speed, lower cost, area coverage, or completion date relative to the submitted proposals.”

ConnectMT Challenge Process Decision

ConnectMT Program is required to conduct an independent departmental review

Steps may include:

Engineer technical review

Cross reference to statewide broadband map

Service Area Validation (field site visit)

Reference to FCC/USDA/NTIA/local government body

Responses due to Challenger within 15 days of receipt

Add 5 days for Commission input?



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ConnectMT Penalty Provisions Decision

SB297: The department shall create procedures including penalties associated with any failure to comply with the provisions of the awarded contract without reasonable cause.

Items for consideration:

During Construction: 10% retainage of project costs

Timeline for buildout: Failure to complete without prior approval of extended timelines.

Scoring chart: If scored as part of basis for decision, penalty for failure to deliver on scored item.

Speed and locations: failure to deliver through monitoring and federal audits through 5 years once buildout is complete



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Project Maximum Award Decision

Should the state establish a maximum allocation for each project award?

If so, how much should the maximum be?



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Each state has varying limits primarily based on the amount of funding that state has dedicated toward broadband.

Project Maximum Award (Background)



2019 USDA ReConnect average grant awards

(44 grant only projects for \$254 million to 55,687 locations)

5,600 population; 2,130 locations average area

\$7.3 million project; \$5.8 million grant; \$1.5 million match

41 Fiber to the Premises projects; 3 Fixed Wireless

\$5,100 Fiber to the Premises average cost per location in US

\$8,000 Fiber to the Premises average cost per location in West

\$1,600 (NM) to \$29,000 (SD) fixed wireless cost per location

Fiber to the Premises (MT) - \$31,000 per location

\$4.5 million project cost

(142 locations, population 250)

\$19,000 per mile aerial fiber average cost

\$30,000 per mile underground fiber average cost



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Project Maximum Award Decision Options

	Option A	Option B	Option C
Maximum Award per Project	\$10 million	\$25 million	\$266 million
# Projects (minimum)	26	10	1
Project cost	\$12.5 million	\$31 million	\$320 million
# of locations per project	1,000 to 4,000	2,500 to 10,000	11,000 to 42,000



Assumption:

\$8,000 Fiber to the Premises average cost per location in West



Lookback Provision as Eligible Match Decision

A potential applicant posed the question:
“Will the ConnectMT Program allow applicants to use previously expended capital infrastructure as a match for a current application?”

The ConnectMT Program recommends that we do not include a lookback provision.

ARPA Commission has not allowed lookback provisions for other infrastructure awards.



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Lookback Provision as Eligible Match

Examples:

Wyoming & Arizona: do not allow any lookback

Virginia:

CARES Act or local funds directly related to project.

Allowed to go back to June 17, 2020.

Show proof of expenditures in application.



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