

MEMORANDUM

TO: Communications Advisory Commission
FR: ARPA Broadband Independent Review Group
RE: ARPA Broadband review and recommendations
DA: November 1, 2022

The ARPA Broadband Independent Review Group (ABIRG) was tasked by the governor and the ARPA Communications Advisory Commission (CAC) with conducting an independent review of the ConnectMT application review and scoring and associated processes. The assembled review committee included ARPA senior leadership, senior budget office staff, experienced agency grants/project management staff, senior IT staff, and legal staff with broadband background & experience. ABIRG conducted its evaluation solely based on the published guidance, application, and statute.

ABIRG reviewed the applications as submitted via the state's Submittable system to evaluate fairness and accuracy of scoring against the stated criteria. The group reviewed scoring/assessment related guidance, communication, and data from Department of Administration (DOA) and their third-party contractor, CTC, to assess the scoring process. ABIRG evaluated adherence to statutory requirements delineated in HB 632 and SB 297 regarding the allocation of ARPA Broadband funds.

Overall, the review group assimilated a large volume of information regarding broadband deployment and the ConnectMT program in a short period of time. The group did not consider changes to federal criteria (specifically RDOF) or relaxed speed thresholds that occurred after the application materials were released; while these are significant issues, these were not part of the context that companies applied within at the date of submission.

The group identified areas in the scoring process that merited further research and investigation that could affect the scoring results. ABIRG has described these issues in detail in the body of the report and they are summarized at the end of the report.

Background

HB 632 and SB 297 were signed into law in May 2021, setting in motion the creation and function of the CAC charged with advising the Governor on ARPA broadband infrastructure deployment with DOA as the lead agency. The allocation was \$275 million. Of that amount, \$266.5 million was available for broadband construction grants.

CAC met throughout the fall/winter in conjunction with DOA's ConnectMT team which developed program application guidelines, applications, and criteria as well as a program map. DOA issued contracts with Lightbox to develop the MT Broadband Availability Map and CTC to receive and score applications, determine challenges, and perform post-award verification functions.

On April 29, 2022, the application window closed. There were 80 applications received from 24 applicants in 30 counties to serve 158,019 locations. The request totaled \$521,488,380.

Between May 6 and June 4, the challenge window was open.

On June 24, challenge notifications were issued, with 50 challenges.

On August 8, CTC presented its Preliminary Award Recommendations to the CAC, including the disclosure that no applications were scored for four criteria.

On August 19-21, DOA requested that CTC score all omitted criteria prior to the August 22 CAC meeting.

On August 22, CAC requested an independent review of the scoring and process.

On August 30, ABIRG, DOA, and CTC met was held to discuss the review process and data needs.

On September 6, ABIRG began meeting regularly to conduct the review.

Over the course of the period August 30-September 30, ABIRG assimilated data and materials related to ConnectMT, ARPA Program guidance, and broadband deployment. ABIRG applied careful scrutiny of program application guidelines, criteria, application forms, and subsequent applications from 24 prospective broadband companies for 90 projects. This report contains recommendations as a result of the ABIRG review.

Review Process

The ABIRG team completed the following review process:

1. Met with CTC and DOA staff to examine the eligibility review and scoring process.
2. Reviewed HB 632 and SB 297.
3. Reviewed the guidance, application, and scoring criteria.
4. Compared statutory requirements of HB 632 and SB 297 to the guidance, application, and scoring criteria.
5. Determined applicant eligibility prior to scoring applications. If an applicant/project was deemed ineligible, ABIRG did not score the application.
6. Conducted a reasonableness review for each of the seven scoring categories within the application scoring, including:
 - a. Matching Funds
 - b. Passing Counts
 - c. Speed Thresholds
 - d. Use of Existing Infrastructure

- e. Timeframe
 - f. Jobs Created
 - g. Equity and Affordability
7. Conducted a more in-depth review if concerns were raised during the reasonableness review.
 8. Conducted a random sample test for reasonableness of scoring outcomes for each scoring criterion. Additionally, ABIRG reviewed outliers in the scoring data for reasonableness.
 9. Reviewed CTC preliminary scoring for items 4c, 4d, 7a, and 7g and adjusted scores as appropriate.
 10. Reviewed and researched public comments about components of the scoring process.
 11. Reviewed outcomes of each challenge for compliance with statute and the application process.
 12. Developed a list of recommendations for resolution.

Review Results

Tasks 1-4 entailed an educational process for the review group. While not technical experts, the group members gained as much knowledge as possible on the process and the subject matter to conduct its analysis. The group recruited a technical expert to assist where that level of knowledge was required.

Task 5 included a review of application eligibility. No recommendations are included in this category.

For each of the scoring criteria in task 6, the group conducted the following scoring criteria as described in task 7:

1. Matching Funds: Results were random sample reviewed and no concerns were found.
2. Passing Counts: The group recruited a technical expert to review a random sample of passing counts. Based on the information the technical expert provided, ABIRG decided to review all applications. In some cases, current speeds attested to in the applications were not supported by the submitted speed test data. Specifically, applicants submitted census block data, which, while allowed in the program guidance, could not be used to verify current passing counts, and associated scores, within the application proposed boundaries. Additionally, in a few cases, the percentages of frontier, unserved, and underserved locations submitted in the application did not align with the scores based on the score chart in Scoring Criteria 2 of the published Scoring Matrix.

During the same analysis conducted related to project area overlap discussed below, CTC addressed this issue, and updated scores are reflected on the alternate scoring document.

Some applications included proposed service areas which had a portion of the proposed area overlap with the proposed service area of another application. In some cases, applicants for overlapping service areas self-categorized the area differently, i.e. unserved vs. underserved. ABIRG determined that the overlapping area should be analyzed based upon the ConnectMT map, overlaying the service areas using GIS software to apply the appropriate categorization for such area to all applications for that area. In other words, applicants were scored with any overlapping area with the same service-level category. The review group requested CTC to conduct this analysis. Due to the detail of data requested by the program and provided by applicants, this analysis did not necessarily make categorizations of the service area and associated scores more accurate, but it did assure the scoring processes were more consistently applied. The results of the requested analysis are reflected in the adjusted scoring document and impacted 53 applications.

Additionally, other group recommendations related to the challenge evaluation process, discussed later in this report, impact this scoring category.

3. Speed Thresholds: The technical expert conducted a random sample review of submitted documentation, and no concerns were found.
4. Use of Existing Infrastructure: For scoring criteria 4a and 4b in this category, results were reviewed using a random sample, and no concerns were found. Scoring criteria 4c and 4d were reviewed as a part of task 7.
5. Timeframe: Results were reviewed using a random sample, and no concerns were found. All timelines, however, may be impacted by nationwide supply chain issues. Like most if not all states, the state will likely need to request an extension from the federal government due to the nationwide supply chain issues.
6. Jobs Created: No applicants met the application threshold to score points in this category, and no concerns were found.
7. Equity and Affordability: Scoring criteria 7b through 7f were randomly sampled and reviewed with some concerns found. Scoring criteria 7a and 7g were scored and reviewed as a part of task 7. Item 7d was worth one point for “30% or more of residential locations receiving WIC.” Item 7f was worth one point for “20% of residential locations receiving free school meals.” According to CTC, the data were not available in a format to validate applicant assertions about free school meals and WIC populations in the preliminary scoring, and therefore, no points were given to any applicant in these categories. ABIRG determined that it could review the information provided in applications related to items 7d and 7f, and subsequently scored these categories, which may be found in the alternate scoring document.

As discussed in the most recent CAC meeting, items 4c (colocation with public safety), 4d (open access), 7a (free access at community centers), and 7g (new telehealth) were not scored in the preliminary scoring. After the last CAC meeting, CTC scored these items. ABIRG reviewed each

application for concurrence or adjustment of the preliminary scoring by CTC for these four items. ABIRG's scoring adjustments are highlighted on the alternate scoring document.

ABIRG reviewed public comments about components of the scoring process. The following comments relate to items raised in public comment:

1. A public comment was submitted related to the Qwest application. Qwest submitted its proposal as a single application which included 11 distinct projects. CTC scored the proposal as a single application in the preliminary scoring. Based on its examination of application requirements and guidance, ABIRG determined the Qwest proposal should be scored as 11 separate projects. ABIRG requested CTC to score the proposals individually.
2. A public comment was submitted related to the applications on the Blackfeet Reservation. Recommendations for these projects are found in the narrative that follows.
3. Multiple public comments were submitted related to the scoring of the four unscored categories which are addressed in the alternate scoring document.
4. Other public comments were related generally to the application design, process, and results. ABIRG acknowledges these comments, and notes applications must be scored according to the published criteria.

ABIRG reviewed the analysis of submitted challenges and all challenge results. The information gathered through the challenge reviews allowed ABIRG to thoroughly understand the grant program parameters and inform recommendations.

Summary

Following ABIRG's request, CTC evaluated the Qwest application as 11 separate project applications and scored them accordingly. Project scoring is reflected in the alternative scoring document.

Following ABIRG's request, CTC adjusted passing count scores to reflect actual submitted speed test data and correct categorization of frontier, unserved, and underserved locations. These adjustments are reflected in the alternative scoring documents.

Following ABIRG's request, CTC used the Connect MT map to determine the classification of the overlapping service area and make any necessary adjustments to project scores. The adjusted project scores may be found in the alternate scoring document.

After receiving and reviewing CTC's preliminary scoring for items 4c, 4d, 7a, and 7g, ABIRG made adjustments that are reflected in the alternate scoring document.

ABIRG determined scoring for items 7d and 7e, and those scores have been incorporated into the alternate scoring document.

ABIRG recommends the alternate scoring document, which reflects preliminary scoring, recommended scoring adjustments, and the adjustments for overlapping areas with the CTC GIS overlay, be presented to the CAC.