Frequently Asked Questions
Table of Contents

Project Service Area 4

1. What areas are eligible for grant funding? 4
2. Does the project area need to be contiguous? 4
3. Can an applicant apply for multiple grants in the same year? 4
4. Will service provided by mobile or satellite carriers be considered in determining areas eligible for this grant program? 4
5. For a fiber build, what is the guidance around pole attachments and proximity to locations serviceable for them? 4
6. How will CAFII eligible areas be factored into the scoring? 5
7. Can the grant fund middle-mile *only* projects? 5
8. Does the presence of infrastructure capable of supporting 25/3 speeds automatically exclude an area from eligibility? 5
9. If an application is submitted and a portion of the project area is not eligible, is the entire application denied? 5
10. Can an applicant apply for the same or overlapping areas as the USDA ReConnect program? 5

FCC Data 6

11. The program guidelines state that the most recently available FCC Form 477 data will be used to determine grant eligibility. What can I do if the data for my project area appears inaccurate? 6
12. Which FCC Form 477 data release will be used to determine area eligibility for the grant in round 3? 6
13. Can a survey be used to demonstrate that an area is eligible for grant funding? How many people do I need to survey? 6
14. Can a map of existing attachments be used to demonstrate eligibility for a portion of a census block designated served by Form 477 data? 7

15. If a new set of FCC Form 477 data is released after the application deadline but before the grant announcement, will applicants be allowed to respond to the change in data? 7

Project Documentation and Definitions 7

16. Is a letter of intent required? 7

17. The application asks for an FCC Registration Number (FRN). What does this mean? 7

18. What does it mean for the service to be "available?" 7

19. Question 2.5 requires the application be reviewed by a professional engineer or other qualified individual. What does this mean? 8

20. What does "scalability" mean in the application? 8

21. Can you clarify the definition of last mile and middle-mile, as used in the application? 8

22. How far from existing infrastructure must an area be in order to be considered "unserved?" 9

23. Can federal grant dollars be used as a match? 9

Community Impact 9

24. What types of things can I do to increase adoption in the proposed grant area? 9

25. What are some examples of community support that an applicant can provide? 9

26. What information is required to receive points in the Community Anchor Institution (CAI) question? 10

27. The grant program gives priority to projects that serve locations with demonstrated community support, including a community's designation as a "broadband ready community". How does a community become designated? 10

28. If an applicant's proposed service area includes multiple political subdivisions, must all the political subdivisions must be designated as "broadband ready" in order to receive additional points on grant application? 10

Project Budget/Financials 11

29. Question 2.1 asks for proof of financing. What kinds of documents are required here? 11

30. What is the difference between match funds and leverage funds? 11

31. What are the eligible project costs? 11

32. What types of planning costs are eligible for grant funding? 11

33. Would costs incurred by a provider to maintain new infrastructure be considered an eligible expense or a cash match? 12

34. Can an applicant use its own employees to lay fiber and include that cost toward the grant amount? 12

35. What type of information should be submitted in the business model? 12
36. Will an “in-kind” match be allowed? 12
Public Comment Period Process 12
37. If I am not an applicant, but an application is submitted for my area, how do I provide my feedback on this area? 12
38. How will the public comment period work? 12
39. What happens if a provider doesn’t follow through on builds described in the public comment period that negatively impacted an application? 13
40. Will an applicant be given an opportunity to respond to public comments received on their grant application? 13
Grant Process 13
41. Are there technologies that are given preference over others in the application process? .13
42. Will an applicant receive confirmation that its application has been received by TNECD? Will you let me know whether my application is complete? 14
43. What happens once a grantee is selected? How are the grant funds disbursed? 14
44. How much grant funding will be available this round? 14
45. Are applicants that previously received broadband infrastructure grants eligible to apply for funds in subsequent rounds? 14
46. Will affordability and speed be taken into account in the scoring? 14
47. Who makes the final decision on recipients? 15

Project Service Area

1. **What areas are eligible for grant funding?**

   Areas that lack a terrestrial, fixed service of at least 25Mbps download speed and 3 Mbps upload speed. Pursuant to TCA § 4-3-708(h) as amended by the Tennessee Broadband Accessibility Act, areas lacking terrestrial, fixed 10mb/1mb speeds will be given priority in the scoring.

2. **Does the project area need to be contiguous?**

   No. The project area may include areas that are not adjacent to each other. However, non-contiguous areas more than 10 miles apart MUST include an explanation of how the economic and community impact is the same for the proposed areas. ECD reserves the right to fund partial applications and the maximum request per application is $2 million.

3. **Can an applicant apply for multiple grants in the same year?**

   Yes. If an applicant would like to submit multiple eligible projects for a single grant round, they may submit a separate application for each project. How to split the projects among applications is at the discretion of the applicant but applications that include non-contiguous areas that are more than 10 miles apart must include an explanation of how the impact will be the same for all areas of the project.

4. **Will service provided by mobile or satellite carriers be considered in determining areas eligible for this grant program?**

   No. Only fixed, terrestrial connections will be used to determine the areas that are eligible to receive grant funds. However, applications may propose to complete the project with any technology capable of supporting the service levels described in the application.

5. **For a fiber build, what is the guidance around pole attachments and proximity to locations serviceable for them?**

   In order to be included as a served location, the infrastructure must be close enough so that it is "available" to that location. This means that service could be provided within a reasonable time and at a reasonable cost when the service is requested. For instance, it's reasonable for the service to take a couple of weeks to be connected or for some type of installation fee to be required, but too long of a delay or too high of an installation fee would not be reasonable.

   While there's not a specific rule in terms of the time or cost, a good test is whether a customer would feel that the service is available to them despite any time or fee required for installation.

6. **How will CAFII eligible areas be factored into the scoring?**

   For areas that are eligible for CAF II funding but have not yet been built out, *the fact that the area is CAFII eligible* will count against an application to serve one of those areas in the scoring but it will not make an area ineligible for grant funding. Ten points will be awarded to every application for an unserved area that is not in a CAF II eligible area. This determination will be made by overlaying a map of the proposed service area with the census blocks eligible for CAF II funding.

7. **Can the grant fund middle-mile *only* projects?**

   No. The purpose of the grant is to provide broadband access to additional residential and business locations. Middle-mile expenses are eligible for grant funding only when they are necessary for the provision of the last-mile services described in the application.

8. **Does the presence of infrastructure capable of supporting 25/3 speeds automatically exclude an area from eligibility?**

   Not necessarily. The presence of infrastructure alone does not disqualify an area from the grant process. An area is excluded if service is available at terrestrial, fixed 25/3 speeds at that location. For example, there are a number of reasons why fiber might run through an area but not be available for residential services along that route (e.g. to service a cell tower, back haul).

9. **If an application is submitted and a portion of the project area is not eligible, is the entire application denied?**

   No, not necessarily. The remaining eligible portions of applications could still receive funding. We do require that at least 50% of the project is still viable in order for the project to be considered for funding.

10. **Can an applicant apply for the same or overlapping areas as the USDA ReConnect program?**

    Given the unknown timeline of USDA ReConnect award announcements, we will work with ReConnect applicants who wish to apply for the same proposed funded area for the Tennessee Broadband Accessibility Grant, or for the areas to overlap. However, if an applicant intends to do this, we highly recommend submitting at least one additional application for an area that does not overlap the ReConnect proposed funded area boundary. Additionally, if an applicant is awarded a ReConnect grant or grant/loan for the same area as the state grant, the applicant may request rescinding one of the two funding sources, since state grant funds cannot be used to serve the same locations as the USDA ReConnect grant locations. On Question 1.5, please provide a .shp/.kml/.kmz file if the applicant is applying for a state grant area that overlaps their ReConnect area.

Back to the Top

FCC Data

11. The program guidelines state that the most recently available FCC Form 477 data will be used to determine grant eligibility. What can I do if the data for my project area appears inaccurate?

While we're using the FCC Form 477 data as our starting point in determining eligibility, we will allow applicants to apply for areas deemed served in the data if they include additional evidence to prove the area's lack of service. This can include a statistically significant survey of the residents in the proposed area, the location of infrastructure assets, or other information. Additionally, a screenshot from a provider's website demonstrating the lack of service availability at a specific address is an example of evidence that can be provided to prove that service is not available at that location, however, final determinations will be based on all the evidence submitted in the application and the public comment period. *Please note: evidence must disprove all providers currently reporting coverage to that location.*

12. Which FCC Form 477 data release will be used to determine area eligibility for the grant in round 3?

The grant application and area eligibility PDF's and .shp files will be launched on July 22, 2019. At application launch, the most recently available FCC Form 477 data was from December 2017 and our maps were created using that data.
However, we have included a process to consider any new data releases during grant application review and scoring that will allow finalists to respond to changes in the data, should a new data release occur during the application period (see question 15 below).

13. Can a survey be used to demonstrate that an area is eligible for grant funding? How many people do I need to survey?

There is not a magic number of people that need to be surveyed. What we recommend is that applicants ensure that their data is statistically significant. Factors that affect this include the number of people in a given location as well as the response rate. The question is whether the data provided can be relied on to determine that an area is in fact unserved. The need for grant funding is a significant portion of the grant scoring and the more certainty the supplemental information provides, the stronger the case for providing grant funding. *Please note: applicants should take care to collect survey responses from residents within the grant area itself.*

14. **Can a map of existing attachments be used to demonstrate eligibility for a portion of a census block designated served by Form 477 data?**

    Yes, however, the map and accompanying info must clearly demonstrate that the proposed portion of the census block does not have service available. Specificity in terms of proximity is required to determine whether service could be provided in a reasonable time and a reasonable cost to a specific customer. Locations that are served in that census block must be excluded from the applicant's maps.

15. **If a new set of FCC Form 477 data is released after the application deadline but before the grant announcement, will applicants be allowed to respond to the change in data?**

    While the area eligibility maps that we provided were created using the most recently available FCC Form 477 data at the time of grant application launch, it's likely that a new set of data could be released during the application scoring period. We will perform an initial review of grant applications and determine a list of finalists. These finalists will be given a three-week period to respond to a change in the data in their proposed service areas on their grant applications. They may use this time to provide us additional evidence of the lack of service in the area which could include the examples listed in FAQ question 11.

Back to the Top

Project Documentation and Definitions

16. **Is a letter of intent required?**

    No.

17. **The application asks for an FCC Registration Number (FRN). What does this mean?**

    An FRN is a 10-digit number that is assigned to a business registering with the Federal Communications Commission (FCC). The link below from the FCC's website provides information on how to sign up for an FRN if the applicant does not have one: https://apps.fcc.gov/cores/userLogin.do

18. **What does it mean for the service to be "available?"**

    Determination of service availability will be based on the definition used by the FCC. Service is defined as being available if the provider does, or could, within a service interval that is typical for that type of connection—that is, without an extraordinary commitment of resources—provide two-way data transmission at the speeds prescribed. For the purposes of this grant program, service means a fixed, terrestrial 25 mbps download speed and 3 mpbs upload speed.

19. Question 2.5 requires the application be reviewed by a professional engineer or other qualified individual. What does this mean?

Grant applicants are scored on ability to build the project and maintain the network beyond the grant period. Grant applications are required to be reviewed by a professional engineer (PE) or other qualified individual. It is preferred that the review is conducted by a PE. However, another qualified individual may review the application if they can clearly confirm the applicant's understanding of the project. This may be an in-house employee of the applicant who is not a PE. In this case, the applicant must include the credentials of the individual who prepared the certification.

This review provides confirmation that project planning has occurred, and a qualified individual has reviewed the technical details of the application prior to submission. These details include number of locations to be served, budget, business model, proposed service area map and other information. The review provides reassurance of the applicant's ability to provide the proposed solution.

All applications must include a completed "Engineer Application Review Form" signed and dated by appropriate individual. A blank form is located in the application on question 2.5.

If submitting multiple applications, a separate review form is required for each project.

20. What does "scalability" mean in the application?

While 10/1 is the minimum required speed that must be provided to submit a grant application, statutory criteria prioritize both higher speeds and the scalability of the technology. The application process will score for both the initial speeds offerings and the capability of the technology to support higher speeds in the future. Applicants must provide documentation by a Professional Engineer or the manufacturer of the scalability of the proposed network.

21. Can you clarify the definition of last mile and middle-mile, as used in the application?

The last mile refers to network infrastructure that carries signals from the network to and from the home or business. Depending on network design and density of the area served, the actual distance of the last mile can be relatively short or may be considerably longer than a mile.

Middle-mile refers to the portion of the telecommunications network that connects a network operator's core network to the local network (last mile) plant. Middle-mile facilities provide fast, large capacity connections and can range from a few miles to a few hundred miles. Grant dollars can only be used for middle-mile related costs if it is necessary in order to provide last-mile service.

22. How far from existing infrastructure must an area be in order to be considered "unserved?"

The appropriate distance depends on the technology and the provider. If a provider is willing to run the service and can do so quickly, a large distance could still be considered served and vice versa. We recommend the applicant explains why it is using a specific distance in its application and basing that distance on its experience and knowledge of the area.

23. Can federal grant dollars be used as a match?

Because the grant is designed to target areas that would not receive service without grant funding, federal dollars cannot be used as a match. However, local matches or leveraged dollars (provided by the provider and/or local community) beyond what is required by the grant demonstrate local commitment and will strengthen an application. If the applicant plans to invest in the surrounding community, we highly encourage the applicant to explain this in question 2.4 and also the community impact section of the grant application.

Back to the Top

Community Impact

24. What types of things can I do to increase adoption in the proposed grant area?

Efforts to increase adoption can be tailored to meet the needs of the local community but may include:

- Hosting community events and digital literacy training,
- Providing low-income access programs,
- Partnering with local libraries, workforce development centers, and other community anchor institutions ,
- Marketing the benefits of broadband, and
- Sponsoring training and other outreach opportunities.

25. What are some examples of community support that an applicant can provide?

The types of community support are flexible depending on the impact this project will have on the community located in the proposed grant area. Common examples from our first round included supportive letters from educational institutions, healthcare facilities, IDB's, local elected officials, and future customers in the grant area explaining the need for broadband connectivity. Community support comprises a significant portion of the scoring, so we recommend applicants begin collecting this information as early as possible. Applicants are encouraged to work with community partners to identify ways to utilize the proposed infrastructure and support adoption efforts.

26. What information is required to receive points in the Community Anchor Institution (CAI) question?

The applicant will provide broadband service in the grant area to a CAI that either:

i. Currently lacks broadband speeds of a fixed, terrestrial nature of 25 mpbs download and 3 mpbs upload and the applicant is providing a minimum of above that OR;

ii. Currently lacks speeds necessary to perform tasks and other services critical to their daily operations and the applicant is upgrading their level of service to better meet their needs.

Note: In order to receive full points in this category, the applicant must include a letter from the affected CAI with the application that explains why this level of service or better level of service is critical to their operations.

27. The grant program gives priority to projects that serve locations with demonstrated community support, including a community's designation as a "broadband ready community". How does a community become designated?

A community may demonstrate its support of broadband by completing an application for certification as a broadband ready community at tn.gov/broadband. In order to be eligible, the community must have adopted an efficient and streamlined ordinance or policy for reviewing applications and issuing permits related to broadband services. In order to receive consideration in the current round of grants, the broadband ready community application must be submitted by November 20, 2019.

28. If an applicant's proposed service area includes multiple political subdivisions, must all the political subdivisions must be designated as "broadband ready" in order to receive additional points on grant application?

In order to get the additional points, an application must serve an area that is designated as a broadband ready community. If you are submitting separate accessibility grant applications for each of these areas, then yes, each community would need a separate broadband ready designation. If you are including everything in one accessibility grant application, then as long as one community was designated, you would receive the points.

We encourage all communities to become designated as broadband ready, but in terms of receiving extra points on the grant just one political subdivision per application is required. In filling out the broadband ready community application, each political subdivision must submit a separate application. For the grant application, providers can include multiple counties as long as they meet the proximity requirements as stated in FAQ Question #2.

Back to the Top

Project Budget/Financials

29. Question 2.1 asks for proof of financing. What kinds of documents are required here?

Question 2.1 requires a letter from the applicant's financial institution outlining the financial standing of the applicant or an annual financial report. *A statement of "good standing" is not sufficient.* The letter must clearly demonstrate the applicant's ability to fund the project whether on its own or in conjunction with other local grants, investments, etc. If applicable for a subsidiary, the applicant may include a letter demonstrating the parent's financial standing. If an entity plans to fully fund the project with cash reserves, an official bank statement will also work if it clearly demonstrates the applicant's ability to provide the match funds as well as pay upfront project costs due to the reimbursable nature of the grant. Please remove/redact all confidential information including bank account numbers.

30. What is the difference between match funds and leverage funds?

Match funds include both the "required match" and "additional match." The required match is the minimum amount of funds the grantee must contribute to the grant project; 50% for this program. Additional match includes any funds above the required 50% the grantee is contributing to the grant project necessary to complete the build in the proposed service area.

Leveraged funds include funds from other sources or funds the grantee is contributing to the community/area surrounding the grant project area.

31. What are the eligible project costs?

Eligible project costs include costs associated with the installation and/or acquisition of middle-mile and last-mile broadband infrastructure that supports broadband service at the locations and speeds identified in the application. Examples include project planning, construction permits, construction of facilities, equipment, installation and test of service. Ineligible costs include general broadband planning not associated with a specific last-mile build or expenses related to the provision of telephone or video services which are not necessary for the delivery of broadband services. Additionally, grant funds cannot be used to pay for a grantee's operational expenses.

32. What types of planning costs are eligible for grant funding?

Costs related to project planning are eligible. This would include costs specific to planning for the grant project's network design and engineering. Feasibility studies, general business plans, and general broadband planning are ineligible costs. Cost incurred prior to the start date of the grant contract cannot be reimbursed or count towards the required match.

33. **Would costs incurred by a provider to maintain new infrastructure be considered an eligible expense or a cash match?**

    No. The program will pay for capital expenses related to the infrastructure, but will not pay operating expenses related to maintaining the infrastructure. Additionally, this cannot be used as a cash match.

34. **Can an applicant use its own employees to lay fiber and include that cost toward the grant amount?**

    Yes. The applicant may use its own employees and request reimbursement for those hours under the appropriate line item. For example, if the employee did construction related to the project, the grantee would request reimbursement under the construction budget line item for this work and provide a brief description of the work and hours performed.

35. **What type of information should be submitted in the business model?**

    It is important to provide funds to applicants who can sustain the broadband network after the grant project is completed, so the business model should explain how the applicant plans to do so. This could include items such as an estimated take-rate for the proposed area, planned network expansions, and/or a long-term timeline for the area. A detailed financial analysis for the proposed service area could also be included.

36. **Will an "in-kind" match be allowed?**

    No. A cash match must be provided by the grantee. However, the grantee may use in-house staff to perform grant related work and file for reimbursement on these hours. Timesheets must be submitted with the reimbursement request in order to receive reimbursement for these hours.

Back to the Top

Public Comment Period Process

37. **If I am not an applicant, but an application is submitted for my area, how do I provide my feedback on this area?**

    Applicants and non-applicant stakeholders may voice their feedback on an application during our public comment period.

38. **How will the public comment period work?**

    Within two calendar weeks of the close of applications, TNECD will post a description of the applications received including the proposed service area. From December 4 to December 20, comments may be submitted online regarding any pending application. All comments collected during the public comment period may be

subject to public disclosure, except for the specific location of infrastructure assets.

Providers with objections about a submitted application are highly encouraged to submit comments (and corresponding documentation) that:

- The area proposed to be served already has service available.
- Construction is underway in the area proposed to be served and will be completed within 12 months.
- The area proposed to be served is in future expansion plans.

Where evidence demonstrates that an area is currently served, grant applicants will be disqualified. Documentation that shows that a provider anticipates serving an area in the future will be factored into the scoring to demonstrate that the area is likely to be served without grant funding. Additionally, in order for an area to be considered served, service at or exceeding 25 Mbps download and 3 Mbps upload must be available to all residential customers in the defined area. Providers who comment may be asked to provide additional information and/or work with TNECD to validate service availability. Comments with insufficient evidence or documentation will not be considered.

39. What happens if a provider doesn't follow through on builds described in the public comment period that negatively impacted an application?

The applicant may resubmit their application for the proposed area in a subsequent round. In subsequent grant rounds, the track record of the providers in following through with commitments will be taken into consideration when evaluating the likelihood that an area will be served without grant funding. If a commenter is found to have submitted inaccurate information during the public comment period, all current and future comments will be disregarded in the scoring process.

40. Will an applicant be given an opportunity to respond to public comments received on their grant application?

TNECD will perform an initial scoring of grant applications and determine a list of finalists. These finalists will be given a three-week period to respond to any public comments received on any applications still being considered for funding.

Back to the Top

Grant Process

41. Are there technologies that are given preference over others in the application process?

No. The application process is technology neutral. However, we will be scoring for technical ability such as a speed and scalability.

42. Will an applicant receive confirmation that its application has been received by TNECD? Will you let me know whether my application is complete?

The grant application system will include a warning at the top of the page until all required questions contain text responses and questions that require an attachment contain an uploaded document. The applicant must then click "Submit" to fully submit the application. Then, the applicant will receive a confirmation email and the system will change the application status to "Completed."

If an application is received at least two days prior to the deadline (by November 18), we will review and send a confirmation that it is complete. This is referred to as the Completeness Deadline on the timeline.

Applicants will not be allowed to submit missing attachments or other application information after the deadline. The application submittal deadline is November 20, 2019

43. What happens once a grantee is selected? How are the grant funds disbursed?

If selected, the grantee will expend funds, submit a request for reimbursement, and proof of payment (paid invoices, receipts) to ECD and will be reimbursed the amounts on those invoices based on the 50% match percentage. Costs are reimbursed up to 85% of the total grant award. The final 15% of grant award will be reimbursed upon grant closeout in conjunction with the grantee's proof of service. Only costs incurred during the contract period will be reimbursed.

44. How much grant funding will be available this round?

For FY20, $20 million has been appropriated for the Broadband Accessibility Grant program.

45. Are applicants that previously received broadband infrastructure grants eligible to apply for funds in subsequent rounds?

Yes. Receiving TNECD Broadband grant funds in previous rounds does not preclude an applicant from applying and being awarded another grant in subsequent years. However, the program will not award grant funds to areas that have been awarded in previous rounds.

46. Will affordability and speed be taken into account in the scoring?

Applicants will be asked to provide pricing and speed offerings for the grant project area in the application. The level of service and price options will be taken into account during scoring. Because this factors into scoring, grantees will be expected to provide at least that level of service for three years from the close of the contract. During this period, grantees may lower prices or increase speeds, but should not provide a level of service lower than or at a higher cost than what was stated in the application.

47. Who makes the final decision on recipients?

Final approval of a Broadband Accessibility Grant application is made by the Commissioner of the Tennessee Department of Economic and Community Development, in agreement with the TNECD Grant Committee, which in addition to the Commissioner includes the Deputy Commissioner of Business, Community and Rural Development, Deputy Commissioner of Operations and Administration, and other Assistant Commissioners.

Back to the Top