nrtc PLANNING ALERT!

Professional Assistance for Today's Unprecedented Funding Opportunities

Maryland

$400 million

Program Name

"Connect Maryland"

Funding Pool

$400 million for infrastructure, connectivity and device subsidies, and municipal grants – we anticipate infrastructure will be the largest category to receive funding.

State Administrator

Administrator: Maryland Office of State Broadband

Federal Oversight Agency

U.S. Department of Treasury

Funding Source

American Rescue Plan Act (ARPA) - Coronavirus State and Local Fiscal Recovery Funds

Planning Process

Gov. Hogan created a bipartisan Maryland Broadband Advisory Workgroup (BAW) comprised of representatives from counties, municipalities, and members of the General Assembly. The BAW will advise the state on the best ways to utilize this investment.

Link to Government Announcement

https://news.maryland.gov/dhcd/2021/08/20/governor-hogan-announces-400-million-initiative-to-ensure-universal-broadband-for-maryland/

ARPA Interim Final Rules from Department of Treasury

https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf

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Preliminary Thoughts from NRTC's Funding Team

General Rules: The rules will likely reflect a combination of ARPA-prescribed guidelines, listed below, as well as guidelines from the BAW. <u>Unserved Threshold:</u> May be defined as 25/3 Mbps, allowing for funding "underserved" areas with speeds above 25/3 Mbps but below 100/20 Mbps. Applications generally receive additional consideration for connecting a higher proportion of unserved homes.

Financial Match: Programs generally require a match (ranging from 20-50% of the grant request).

Preferred Technology: Governments seek to fund fiber networks which are considered "future-proof," scalable networks that can offer 100/100 Mbps symmetrical speeds today, per Department of Treasury guidance. However, if fiber is not feasible due to implementation barriers (e.g., terrain) or economic challenges (e.g., exorbitant cost per premise passed), then high-speed fixed wireless systems are allowed.

Network Components: The programs aim to fund last-mile connectivity to unserved premises (residents, businesses, and community institutions). However, middle-mile network spans are eligible when alternative, high-speed backhaul network are unavailable to interconnect with the last-mile network.

Favorable View of Cooperatives: The federal government encourages state and local governments to prioritize support for networks owned and operated by cooperatives and other non-profits. This is because cooperatives are more committed to serving the entire community for the long-term with high performance broadband solutions at affordable rates. These goals are more achievable, especially affordability, due to financial expectations that allow for longer payback periods and the absence of shareholders seeking profit maximization.

Planning Now!

Official notice of funding availability will be released soon. Typically these programs have short application deadlines (e.g., 30 – 60 days), which often leaves prospective applicants scrambling to prepare a comprehensive application. NRTC's Funding Services team can help. Let us support you today so you can be ready tomorrow! Services include:

Mapping Assessment: NRTC's CrowdFiber tool can help identify unserved and underserved premises through speed tests of your customer's Internet connections. CrowdFiber overlays speed test data on top of available federal and state broadband mapping data sets. Having access to a robust mapping assessment tool will allow you to support your grant application throughout the grant application process, including an ISP challenge to your proposed serving area.

Market, Network, and Financial Assessment: Grant administrators typically require a well thought out business case, consisting of a market analysis, network design, operating and capital budget. If you have an existing feasibility analysis with NRTC, our team can help "dust off" the prior analysis and put you in a position to file a grant application in a matter of weeks rather than months.

Policy Planning: Our Funding Team can help prepare you for meetings with local and state officials who are developing the guidelines today. We can help you highlight approaches that best suit your community.

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Planning Now! (continued)

Partnerships: We can also help your team develop partnerships with local government and private partners. Many state and federal programs, provide additional consideration to projects that integrate multiple stakeholders that come together to cash match, shared ownership of network assets (e.g., Indefeasible Right of Use for fiber), digital inclusion and adoption programs, or even a strategic vision of the project that benefits the comprehensive community.

U.S. Department of Treasury Interim Final Rules

Coronavirus State and Local Fiscal Recovery Funds
**The underlined parts are to showcase the flexibility offered by the federal government to the states for creating a program design that meets their unique needs.

Unserved Status: Eligible projects are expected to focus on locations that are unserved or underserved. The interim final rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications.

Specific Locations: Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the Interim Final Rule provides award state and local governments with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Targeted Speed: Eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.

Technology: State and local governments are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Duplication: In selecting an area to be served by a project, state and local governments are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Pricing: State and local governments are also encouraged to consider ways to integrate affordability options into their program design.

Focus on Last-Mile Projects: To meet the immediate needs of unserved and underserved households and businesses, state and local governments are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile connections.

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U.S. Department of Treasury Interim Final Rules (continued)

Ownership Model: Treasury also encourages state and local governments to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives— providers with less pressure to turn profits and with a commitment to serving entire communities.

Do You Need Help?

Contact NRTC for Funding Assistance:
NRTC's Funding Practice offers key benefits including:
- Opportunity Evaluation
- Effective Grant Writing
- Track Record of Success

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