

Alabama Broadband Accessibility Application 2021

2021 Grant Application

Applicant Information

Project Name: Alabama Broadband Accessibility 2021 - Springville

Legal Name of Entity: Windstream Alabama, LLC

Mailing Address:
4001 North Rodney Parham Road
Mailstop 1170-B3F04-41
Little Rock, AR, 72212

Name and Title of CEO: Anthony W Thomas, President & CEO

Name and Title of Contact: Jason Tompkins, Senior Consultant, Kinetic Strategy

Phone Number and Email of Contact: (501)748-5059

Note: All successful applicants will be required to complete and submit the Beason-Hammon Alabama Taxpayer and Citizen Protection Act Certification, submit a complete copy of their E-Verify Memorandum of Understanding (MOU), complete and submit the State of Alabama Disclosure Statement, complete and submit the Signatory Authority Form, and register in the State of Alabama Accounting and Resource System (STAARS).

A. Project Description

This section is worth up to 25 points. Up to an additional 10 bonus points may be available to applicants adequately demonstrating the criteria listed in number seven (7) below. Points will be awarded based on verifiable information only.

Please complete the project description sections below. Any additional documentation can be included in an attachment file titled Attachment A, Project Description.

1. A discussion of the area served including boundaries, number of households, businesses, and any community anchors (libraries, schools, police and fire stations, hospitals, etc.). This response shall also identify if the project area is located within an unincorporated area and provide information regarding how the area meets the definition of rural (US Census data). Please complete the following table.
 - This last mile project will serve 17 residential locations located southeast of the Springville community, as defined by the map provided in the application. Eligible locations were determined based on the ADECA broadband map. In a funding partnership with the State of Alabama, the Applicant will improve unserved locations by delivering fiber to the premise broadband at 1 gig symmetrical speeds. The total eligible

cost is \$161,126. Applicant matching funds are \$104,732 and State grant funds are \$56,394.

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| Number of Households to be Served | 17 |
| Number of Businesses / Industries to be served | 0 |
| Number of Community Anchors to be served | 0 |

2. A discussion of the technology to be deployed (fiber, cable, DSL, etc.). Additionally, include a discussion of future usage projections and the ability to upgrade.

- This project will deliver fiber to the home at 1 gig symmetrical speeds.

3. A discussion of internet speeds, service tier and pricing levels, data caps, etc.

- This project will deliver fiber to the home at 1 gig symmetrical speeds.

| Speed | Price | 12-Month Promo | Year-1 Price |
|-----------------|----------|----------------|--------------|
| 50Mbps | \$ 67.00 | \$ (7.00) | \$ 60.00 |
| 100Mbps-200Mbps | \$ 77.00 | \$ (7.00) | \$ 70.00 |
| 300-400Mbps | \$ 87.00 | \$ (7.00) | \$ 80.00 |
| 500Mbps | \$ 87.00 | \$ (7.00) | \$ 80.00 |
| 1Gbps | \$ 97.00 | \$ (7.00) | \$ 90.00 |
| Modem | \$ 9.99 | \$ - | \$ 9.99 |

Windstream has no data cap.

4. A preliminary technical evaluation of the project that is certified by an engineer. This evaluation should document the ability of the proposed infrastructure to provide the minimum speeds required to all potential customers in the project area. The evaluation shall also include a project cost estimate, project schedule and timeline to include a completion date of no more than two years, and maps showing the proposed project area. Furthermore, the evaluation should demonstrate how promised speeds will be delivered consistently to the project area, show how the network will work using the proposed equipment, and demonstrate how the backhaul will be provided. **Maps shall be in .shp, .kml, or .kmz formats.**

Additionally, maps shall clearly show area eligibility (unserved areas and rural areas). Generally, applicants may establish that an area is unserved by using the ADECA Broadband map showing unserved areas (<http://adeca.alabama.gov/broadband>). However, applicants are strongly encouraged to conduct a field review. If an area shown as unserved on ADECA's map but becomes served prior to the execution of the grant agreement, the project may not be eligible for funding. **An applicant will be required to receive approval from ADECA for methodology prior to submitting an application.**

Generally, the methodology will include testing or documentation at both ends of a street in question. A map showing all test sites must be included in the application.

- The engineering model used for this design is the current Windstream version of Fiber to the Premise (Fttp, Ftth) and reflects Windstream Engineering's view of the most cost-effective approach to maximizing broadband in the funded areas.
 - See attachments for map and project milestones.
5. A discussion of the operator's technical and managerial capabilities to complete the project within two years of the effective date of the grant award. Please be aware that grants shall be conditioned on project completion within two years of awarding of the grant. If a recipient fails to complete a project within the two-year deadline due to reasons other than delay caused by a government entity, ADECA may revoke the grant in its entirety.
- Windstream has a proven track record of deploying network upgrades in a timely manner including, but not limited to, buried/aerial fiber/copper, DSLAM equipment, and fixed wireless equipment. Windstream has been successful in these deployments both on their own and as part of various broadband programs. Windstream provides data networking, core transport, security, unified communications and managed services to mid-market, enterprise and wholesale customers across the U.S. The company also offers broadband, entertainment and security services for consumers and small and medium-sized businesses primarily in rural areas in 18 states.
- Services are delivered over multiple network platforms including a nationwide IP network, our proprietary cloud core architecture and on a local and long-haul fiber network spanning approximately 150,000 miles. Windstream currently offers broadband to 4.5 million consumer households, with the majority being served by DSL technology. Of those, 63% receive at least 25/3 Mbps speeds and 37% receive at least 100/20 Mbps.
- Windstream currently offers broadband to 323,000 small businesses. Of those, 70% receive speeds of at least 25/3 and 53% receive at least 100/20 Mbps.
6. A discussion of the applicant's average pole attachment rates charged to an unaffiliated entity (does not apply to a utility as defined under Section 37-4-1 (7)a).
- Windstream's 2020 rate charged to attach to Windstream poles in Alabama is \$4.52 per attachment and is based on FCC rules.
7. A discussion of the applicant's plan to use vendors and subcontractors that have been certified as a Minority Business Enterprise by the Alabama Minority Business Enterprise

program and/or certified by another government entity as being a Disadvantaged Business Enterprise. Please be advised if an applicant chooses to claim consideration under this criterion, a quarterly report documenting activities will be required.

- We have an existing construction partner in Alabama who may build the new DSLAM site, place the needed fiber, and install the DSLAM. We may also use a bid process for the construction.
8. A discussion of Middle Mile Projects (if applicable). The applicant shall demonstrate that the project will connect other service providers eligible for grants under this section with broadband infrastructure further upstream in order to enable such providers to offer broadband service to end users; provided that eligible projects under this subdivision may include projects in (i) an unserved area or (ii) a rural area that does not meet the definition of an unserved area but otherwise meets the requirements of this section, for which the grant applicant demonstrates, by specific evidence, the need for greater broadband speeds, capacity, or service which is not being offered by an existing service provider. An example of specific evidence can be found in the Alabama Broadband Accessibility Fund Frequently Asked Questions.
- No middle mile projects.
9. A discussion of hospital, public school, public safety, or economic development projects that do not meet the definition of unserved area, but otherwise meets the requirements of the program (if applicable). The applicant must demonstrate by specific evidence, the need for greater broadband speeds, capacity, or service which is not being offered by an existing service provider. Specific evidence may include documentation such as letters from local hospitals, public schools, and public safety institutions. An example of specific evidence can be found in the Alabama Broadband Accessibility Fund Frequently Asked Questions.
- We do not have the ability to see the type of location that our services will be extended to short of looking each address up individually. The most granular data we have only shows if it's a residential or business address.

B. Application Budget

This section is worth up to 25 points. Points will be awarded based on verifiable information only.

For the table, please complete the shaded boxes. The unshaded boxes will populate automatically. If you are unable to use the formulas in the table, use the following formulas to calculate the percentages: i) 65 percent of total project cost is calculated by multiplying the total project cost by .65, ii) 35 percent of total project cost is calculated by multiplying the total project cost by .35. The total grant amount cannot exceed the lesser of 35 percent of total project costs, or \$1,500,000. If federal funds are involved in the project, please see number 4 below.

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| Total Grant Amount Requested (not to exceed \$1.5 million) | \$56,394 |
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Please complete the project budget sections below. Any additional documentation can be included in an attachment file titled Attachment B, Project Budget.

1. Itemize eligible project expenses. Generally, eligible expenses will be limited to construction and construction related costs of broadband infrastructure. For the table below, please complete the shaded boxes. The unshaded boxes will populate automatically. Operating expenses will not be eligible expenses. Any additional expenses associated with the project, but not part of the grant budget, should be included in the narrative.

| Budget Item | Total Cost | Grant | Match |
|---------------------------|-------------------|-----------------|------------------|
| Engineering/Design | \$575 | \$201 | \$374 |
| Materials | \$32,390 | \$11,336 | \$21,053 |
| Labor | \$123,561 | \$43,246 | \$80,315 |
| Construction/Installation | \$4,600 | \$1,610 | \$2,990 |
| Other (Equipment) | \$400 | \$140 | \$260 |
| Total | \$161,526 | \$56,534 | \$104,992 |

2. A discussion of the applicant's necessary financial resources to:
 - a. sustain service to the project area (business model); and

- Windstream emerged from bankruptcy in Sept. of 2020 with debt reductions of over \$4 billion and access to approximately \$2B in new capital for broadband expansion. See Attachment Titled “Proof of Solvency.”
- b. provide adequate project financing (additional documentation may be requested by ADECA).
- Windstream emerged from bankruptcy in Sept. of 2020 with debt reductions of over \$4 billion and access to approximately \$2B in new capital for broadband expansion. See Attachment Titled “Proof of Solvency.”
3. A discussion of any partners or subcontractors associated with the project’s deliverables including but not limited to adoption, deployment, and service delivery. Please describe each party’s role in the project.
- Windstream works with subcontractors on projects such as this. This will be determined after the contract with the state of Alabama is signed and approved.
4. A discussion of any funds associated with the project. Please explain if the following provisions apply to your project:
- a. Projects to serve unserved areas in which the grant applicant is either or both: (i) an existing or future service provider which has or will receive support through federal universal service funding programs designed specifically to encourage broadband deployment in an area without broadband access; or (ii) an existing or future service provider which has or will receive other forms of federal or state financial support or assistance, such as a grant or loan from the United States Department of Agriculture.

Pending long-form approval, Windstream won RDOF funding within the defined build area for this application. Using a weighted approach based on fiber mileage, we concluded that this funding makes up about 12% of the cost associated with this project. Combined, the funding we are requesting from this program and, pending long-form approval, will received from RDOF does not exceed 60% of the total project cost.

Under the rules of RDOF, Windstream must provide service to RDOF eligible areas in a 6-year window after approval. By receiving supplementary funding from ADECA, Windstream can accelerate this build out, providing the defined level of service within 1-2 years as opposed to within 5-6 years with RDOF funding alone.

- b. Any award of state funds under this act, when combined with other forms of state or federal support or assistance dedicated to the project, other than interest—bearing loans, may not exceed 60 percent of the total project costs.

See explanation above.

C. Other Program Priorities

Please answer each of the following questions either “yes” or “no.” For each “yes” answer, please provide a brief narrative and any supporting documentation in an attachment labeled Attachment C, Other Program Priorities. Any claims that cannot be verified will receive zero points in our scoring system. “No” answers will receive zero points in our scoring system. **“Yes” answers (that can be verified) will receive up to 10 points.**

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| Does this project seek to leverage grant funds through private investment? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Will this project be an extension of existing infrastructure? | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Does this project serve locations with demonstrated community support? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Will this project serve the highest number of unserved homes, businesses, and community anchor points for the least cost? | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Does this project emphasize the highest broadband speeds? | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Will this project provide material broadband enhancements to hospitals located in rural areas? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |
| Will this project support local libraries in this state for the purpose of assisting the libraries in offering digital literacy training pursuant to state library and archive guidelines? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | If yes, include an explanation and documentation in a file titled Attachment C |

Is the applicant a certified Minority Business Enterprise under the Alabama Minority Business Enterprise Program? Or is it certified under another Disadvantaged Business Enterprise Program?

YES NO
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If yes, include an explanation and documentation in a file titled Attachment C

D. Certifications

1. The applicant certifies that it is a non-governmental entity.
 - Yes
2. The applicant certifies all new customers served as a result of this project will have access to an internet connection that provides a capacity for transmission at an average speed per customer of at least 25 Mbps download and at least 3 Mbps upload.
 - Yes
3. The applicant certifies that all new customers served as a result of this project are not located within the boundaries of any incorporated city or town having a population in excess of 25,000 inhabitants, according to the last federal census.
 - Yes
4. The applicant certifies that it has the technical and managerial capabilities to complete the project within two years of the effective date of the grant agreement.
 - Yes
5. The applicant certifies that the area to be served does not have at least one provider of terrestrial broadband service that is either: (1) offering a connection to the Internet meeting the minimum service threshold; or (2) is required, under the terms of the Federal Universal Service Fund or other federal or state grant, to provide a connection to the Internet at speeds meeting the 20 minimum service threshold by March 28, 2023.
 - Yes

Certification

I the undersigned am authorized to obligate my entity and enter into agreements for my organization. I understand that the above certifications do not guarantee funding and a grant agreement will be executed prior to project funds being expended. I further understand that if the above statements cannot be verified, no grant funds will be awarded under this program. Finally, to the best of my knowledge the above certifications are true and correct.

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| Signature of Applicant: | Date: |
| Title of Applicant: | |

For more information regarding the Alabama Broadband Accessibility Fund, please send questions to Chris Murphy at broadband.fund@adeca.alabama.gov, or call (334) 242-5292 between the hours of 8:00 a.m. to 4:00 p.m., Monday through Friday.