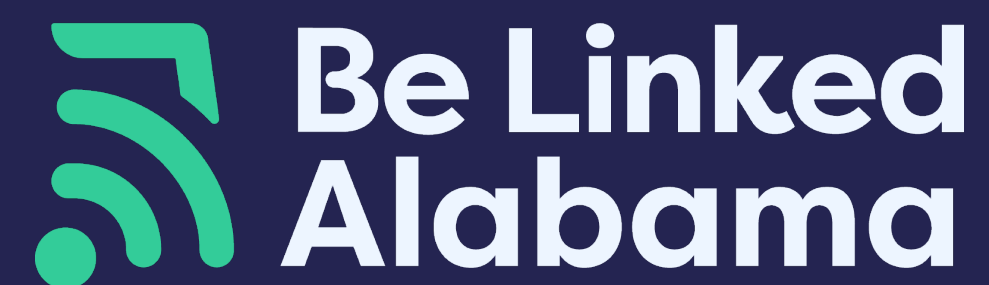


Alabama Digital Expansion Division 2023 Annual Report

Submitted to the Alabama Digital Expansion
Authority and Alabama Rural Broadband
Oversight Committee

October 3, 2023





History

Because the availability of high-speed broadband services in unserved rural Alabama is essential for economic development, education, health care, and emergency services, on March 28, 2018, Governor Kay Ivey signed the Alabama Broadband Accessibility Act establishing the Alabama Broadband Accessibility Fund (ABAF). On May 30, 2019, Governor Ivey signed Act #2019-327, which provided numerous amendments to the original Act. On May 17, 2021, Governor Ivey signed the Connect Alabama Act, which created the Alabama Digital Expansion Authority, the Alabama Digital Expansion Division within ADECA, and the Alabama Digital Expansion Finance Corporation.



History

Key Legislative Changes

2018

- Minimum Speed 10/1 Mbps
- Maximum Grant 20% or \$1,000,000
- Priority Areas
- Application Due Date Set by Legislation (150 days)
- Limited Documentation of Project Completion

2019

- Minimum Speed 25/3 Mbps
- Maximum Grant 35% or \$1,500,000

- Added Additional Consideration Areas
- Application Due Date Established by ADECA (90 days)
- Specific Documentation of Project Completion
- Added Definitions

2022

- Minimum Speed 100/100 Mbps
- Maximum Grant 80% or \$5,000,000
- Application Due Date Established by ADECA (60-90 Days)
- Reporting on Progressive Completion of Project on Not More than a Quarterly Basis



02

Alabama Broadband Accessibility Fund Basics



Alabama Broadband Accessibility Fund Basics

Funding

Fiscal Year 2019 - \$7.4 million

Fiscal Year 2020 - \$20 million

Fiscal Year 2021 - \$20 million

Fiscal Year 2022 - \$20 million

Fiscal Year 2023 - \$25 million

Fiscal Year 2024 - Not Funded



Alabama Broadband Accessibility Fund Basics

Accountability Measures

- Progressive completion: Measured on not more than a quarterly basis of the approved project. Grants for projects not showing progress may be rescinded by ADECA.
- Reimbursement Program: ADECA awards funds to the successful applicants before the project commencement; however, ADECA only disburses funds after the project is completed and proposed service is verified.
- Time Requirement: Recipients normally must complete projects within two years of award. Recipients who demonstrate that the project is progressing may request an extension for up to one year for project delays beyond their control.



03

Funded Projects

Funded Projects

Applications Funded

- ADECA received twenty-two (22) applications during the 2018 application period, five (5) applications during the 2019 application period, sixty-one (61) applications during the 2020 application period, forty-one applications (41) during the 2021 application period, one-hundred and thirty-six (136) applications during the 2022 application period, and sixty-one (61) applications during the 2023 application period.
- Currently, there are three additional projects pending for potential awards from the 2023 application period. We are not able to report the proposed number of passings, the grant amount requested, or the match amount committed until the proposed projects have been validated and the grant agreements have been executed.
- Through the ABAF, ADECA has disbursed funding for **104 projects**. Additional projects were awarded, but funding was later terminated or rescinded in accordance with program rules.
- **ABAF funds awarded total \$82,069,667.33** with a matching **private investment of \$169,902,734.79**
- The average grant dollar cost per new service is \$1,138.15.



Funded Projects

Unfunded Applications

- Approximately **two-hundred and thirteen (213)** projects **did not receive funding.**
- Some unfunded projects were deemed ineligible or rejected because there were either problems with the submitted application or the proposed project included areas that were already considered served under the law (approximately eight-three (83) percent). Other unfunded projects did not score high enough to receive an award in that round.
- In all cases, **unsuccessful applicants have been invited to receive technical assistance from ADECA and resubmit an application** during subsequent funding rounds. Many applicants have already chosen to do so, and others plan to reapply under the newly-announced Alabama Capital Projects Fund (CPF) funding cycle.



Funded Projects

Additional Consideration

Additional Consideration for Minority, Female, and Disadvantaged Business Participation

In order to promote the deployment of grant funds in an inclusive manner that is consistent with the racial, gender, geographic, urban, rural, and economic diversity of the state, ADECA gave additional scoring consideration (10 points) to applicants that provided documentation of certification by the Office of Minority Business Enterprise or

otherwise as a Disadvantaged Business Enterprise.

Additionally, to encourage grant applicants to use vendors and subcontractors that have been certified by the Office of Minority Business Enterprise or that are Disadvantaged Business Enterprises, ADECA provided additional scoring consideration (10 points) for applicants identifying such businesses as part of the project.



Funded Projects

Additional Consideration

During the 2020 program year, four projects received points under one of the two criteria:

- Ownership Consideration

Troy Cablevision, Inc. – Southeast Alabama Broadband Accessibility Project #4

Troy Cablevision, Inc. – Southeast Alabama Broadband Accessibility Project #5

- Vendor or Subcontractor Consideration

National Telephone of Alabama, Inc. – Red Rock Community Broadband Project

Roanoke Telephone Company, Inc. – Roanoke Community Broadband Project



Funded Projects

Additional Consideration

During the 2021 program year, three projects received points under one of the two criteria:

- Ownership Consideration

Troy Cablevision, Inc. – Southeast Alabama Broadband
Accessibility Project #6

Troy Cablevision, Inc. – Southeast Alabama Broadband
Accessibility Project #7

Troy Cablevision, Inc. – Southeast Alabama Broadband
Accessibility Project #8

During the 2022 program year, five projects received bonus points under one of the two criteria:

- Vendor or Subcontractor Consideration

Comcast Cable Communications, LLC – Blount County

Comcast Cable Communications, LLC – Cherokee County

Comcast Cable Communications, LLC – Colbert County

Comcast Cable Communications, LLC – Mobile County

Comcast Cable Communications, LLC – St. Clair County



Funded Projects

Additional Consideration

During the 2023 program year, nine projects received bonus points under one of the two criteria:

- Vendor or Subcontractor Consideration

- Cullman Electric Cooperative – Cullman-Winston Counties

- Mediacom Southeast, LLC – Escambia-Baldwin Counties

- Mediacom Southeast, LLC – Baldwin County

- Mediacom Southeast, LLC – Mobile County 04

- Mediacom Southeast, LLC – Mobile County 05

- Spectrum Southeast, LLC – Tuscaloosa County

- Spectrum Southeast, LLC – Winston County

- Spectrum Southeast, LLC – Bibb County

- Spectrum Southeast, LLC – Shelby County





Completed Projects

Completed Projects

For all projects funded, we estimate total projects costs of approximately \$251,972,402.12 with approximately \$82,069,667.33 of that coming from ABAF grants. If completed, these projects represent connectivity availability for approximately 72,108 previously unserved addresses at an average grant cost per passing of \$1,138.15.

For completed projects, \$19,503,299.45 in ABAF grant funds have been expended. These completed projects represent connectivity options for approximately 27,475 previously unserved addresses at an average grant cost per passing of \$709.86

The projected numbers and the actual numbers represent some differences. The final number of new services was lower than projected. Similarly, the total grant funds were approximately 25% less than projected and the grant cost per new service was approximately 6% lower than projected.



Completed Projects

Budget and Expenditures

Budgeted Funds	Awarded Funds	Expended Funds	Balance to Award	Balance to Expend
\$92,400,000.00	\$82,069,667.33*	\$19,503,299.45	\$10,330,332.67**	\$72,896,700.55

*This does not include pending projects

**This balance is primarily for administration and pending projects



05

Coordination with Federal Programs

Coordination with Federal Programs

USDA

ADECA provides support to internet service providers (ISPs) applying for federal funds for broadband deployment. As such, ADECA has developed a process for ISPs applying for USDA ReConnect funds to request a Governor's letter, documentation of the state plan, and an expedited approval process. This process has allowed many Alabama applicants to be more competitive by receiving bonus points in the application process.



Coordination with Federal Programs

EDA

ADECA applied for and was awarded a \$1 million grant from EDA to launch the Alabama Broadband Technical Assistance Program to provide planning support and technical assistance to local communities throughout the state. Leveraging EDA and additional federal funding sources, technical assistance planning meetings were held in all 67 counties, with several Historically Black Colleges and Universities, and with several of our state-recognized Tribal Governments. We have held numerous statewide seminars and listening sessions to seek input from community organizations, nonprofits, other government agencies, internet service providers, and others. Additionally, we have held follow-up meetings with each of the counties to present the county broadband profiles that were developed as a result of county visits. All the county profiles are available on our new Be Linked Alabama website: <https://broadband.alabama.gov/profiles/>.



Coordination with Federal Programs

Treasury - CPF

ADECA applied for and was awarded \$191,887,857.00 through the American Rescue Plan Act (ARPA) Capital Projects Fund. We have received approval of our program plan to administer a last-mile grant program that is very similar to the ABAF program. ADECA held a workshop for all interested parties regarding the application requirements for the Alabama Capital Projects Fund (CPF) on July 31, 2023. We are currently accepting applications. The deadline to submit an application is October 13, 2023. All applicants were required to submit a letter of intent to apply for the program. We received more than 400 letters of intent.



Coordination with Federal Programs

Treasury – ARPA 1

ADECA also was tasked with creating a statewide middle-mile broadband network grant program that would support, catalyze, and facilitate future last-mile projects utilizing up to \$85,000,000 in APRA State and Local Fiscal Recovery Funds (SLFRF). On April 28, 2022, ADECA issued a request for project proposals and received five applications. On September 27, 2022, the Governor conditionally awarded \$82,450,000 to Fiber Utility Network, Inc. (FUN), a corporation made up of seven rural electric cooperatives and one generation/transmission electric cooperative.



Coordination with Federal Programs

Treasury – ARPA 1 Continued

FUN will create a middle-mile broadband network that will connect almost 3,000 miles of existing and new fiber infrastructure across the state within a three-year period. Currently, the network proposal includes 2,947 miles of existing fiber and 433 miles of newly constructed fiber. When complete, the network will provide improved access to unserved areas for last-mile projects that provide broadband availability to households, businesses, and community anchors.

The project is currently underway. The grant agreement was signed in February 2023. Since then, long-term fiber leases for approximately 2,946 miles of dark fiber were completed, a Request for Proposal for equipment has been scheduled, and FUN issued a Request for Proposals and hired an engineering firm in July 2023. Design and engineering are underway for the proposed new build segments of the network. It is anticipated that by July 2024, middle-mile service will be offered over the existing fiber, with service over the new build fiber to follow.



Coordination with Federal Programs

Treasury – ARPA 2

In addition, ADECA was tasked with creating a statewide anchor institution/middle-mile broadband grant program utilizing up to \$245,000,000 in ARPA SLFRF funds. ADECA held a workshop for all interested parties regarding the application requirements for the Alabama Anchor Institution/Middle Mile (AIMM) Program on August 11, 2023. We are currently accepting applications. The deadline to submit an application is October 13, 2023. The AIMM Program will work in conjunction with the CPF program described above.



Coordination with Federal Programs

NTIA - BEAD

ADECA successfully applied for planning funds from NTIA for both the Broadband Equity, Access, and Deployment (BEAD) Program (\$5 million) and the Digital Equity Program (\$981,081.12). These planning funds have allowed Alabama to continue the Alabama Broadband Technical Assistance Program throughout all 67 Alabama counties. It has also allowed us to complete a statewide survey to ask about digital access and digital equity. The planning efforts will allow Alabama to access additional funds from NTIA, including the approximately \$1.4 billion that has been allocated to Alabama's BEAD broadband expansion efforts.

ADECA expects the BEAD funds will be available in early 2025. Volume I and Volume II of the BEAD Initial Proposal will be submitted before the end of 2023. Prior to submitting the documents to NTIA, ADECA will hold a comment period to allow the public to comment on the proposed BEAD documents. Once the BEAD Initial Proposal documents are approved by NTIA, ADECA will hold a challenge process for interested parties to challenge the list of broadband serviceable locations in the state.



Coordination with Federal Programs

NTIA – Digital Equity Act

The Alabama Statewide Digital Opportunity Plan will be available for public comment before the end of 2023. Once that plan has been submitted and approved by NTIA, ADECA will have the opportunity to access additional funds for the purpose of addressing barriers and obstacles that can prevent individuals from using the internet once it is available to them. NTIA has not released the funding allocations, but we anticipate that NTIA will provide more information about the dollars available and the program requirements in 2024.



08

Mapping and Resources

Alabama Broadband Map

2023 Update

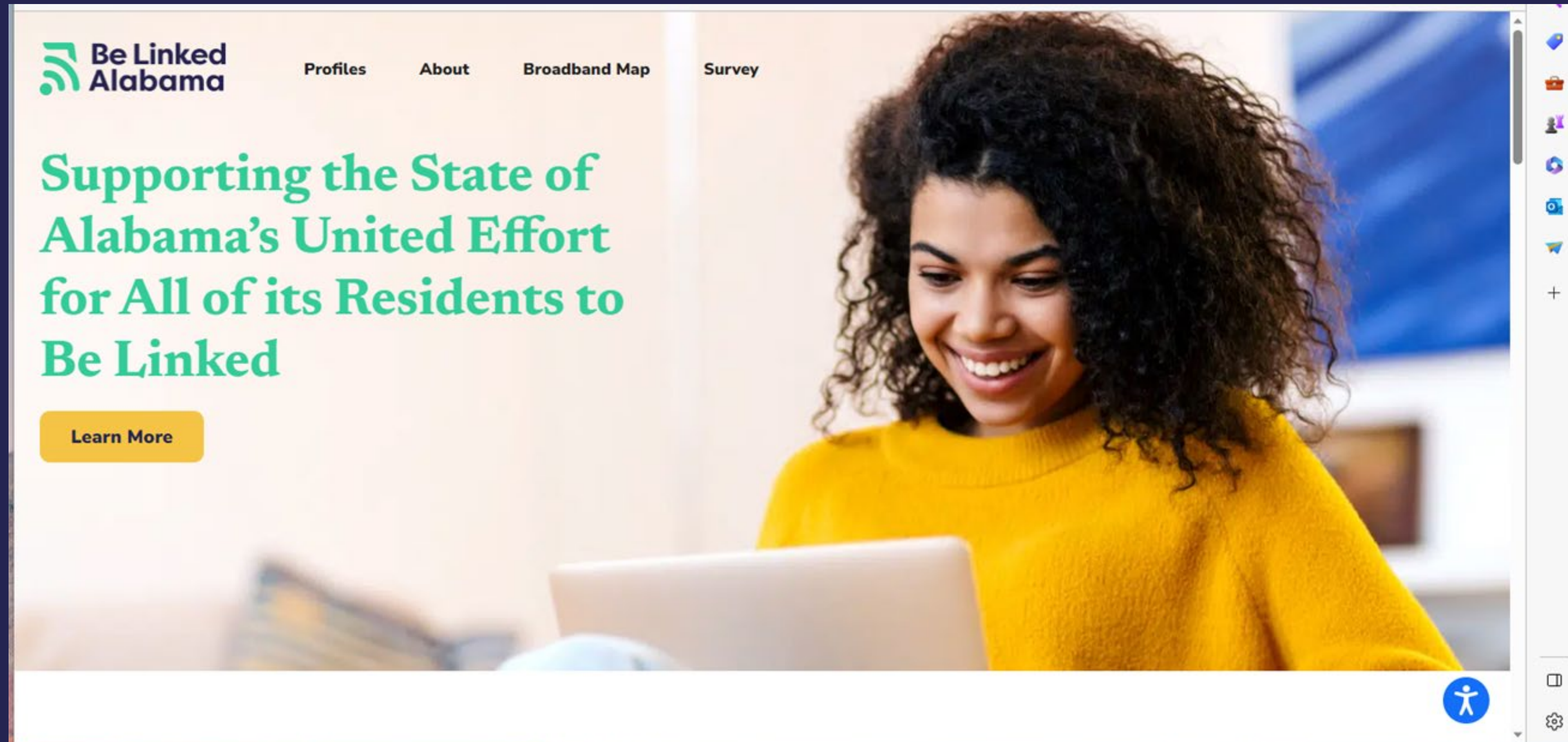
ADECA has been working with ISPs, vendors, and contractors to update the Alabama Broadband Map. Additional data sources have been purchased to help with the map accuracy. Additionally, we have updated our list of ISPs to reach as many providers as we can. We are actively communicating with approximately 70 providers to update the map by the end of 2023. We have used the map to provide data for project development, to ensure we are not spending state funds in areas that already meet the definition of served, and to challenge the new Federal Communications Commission National Broadband Map. Our map can now be found on the new Be Linked Alabama website at:

<https://broadband.alabama.gov/broadband-maps/>.



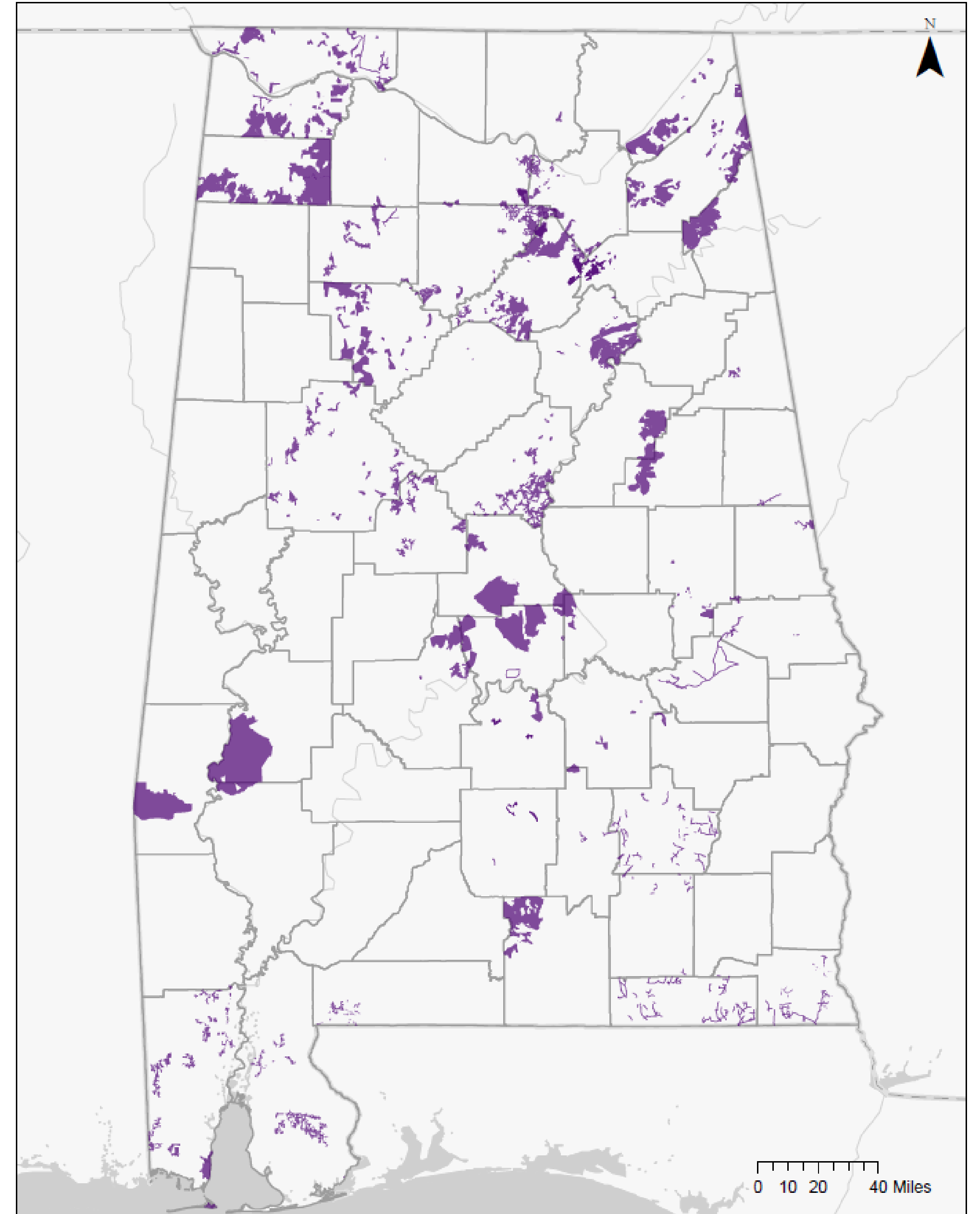
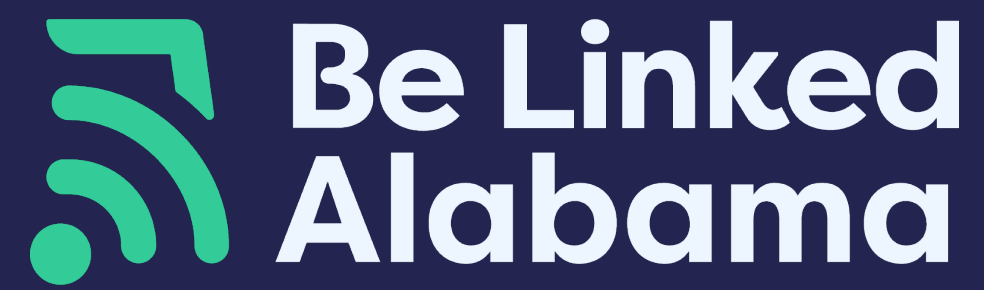
Alabama Broadband Map

Map's New Location





Alabama Broadband
Accessibility Fund

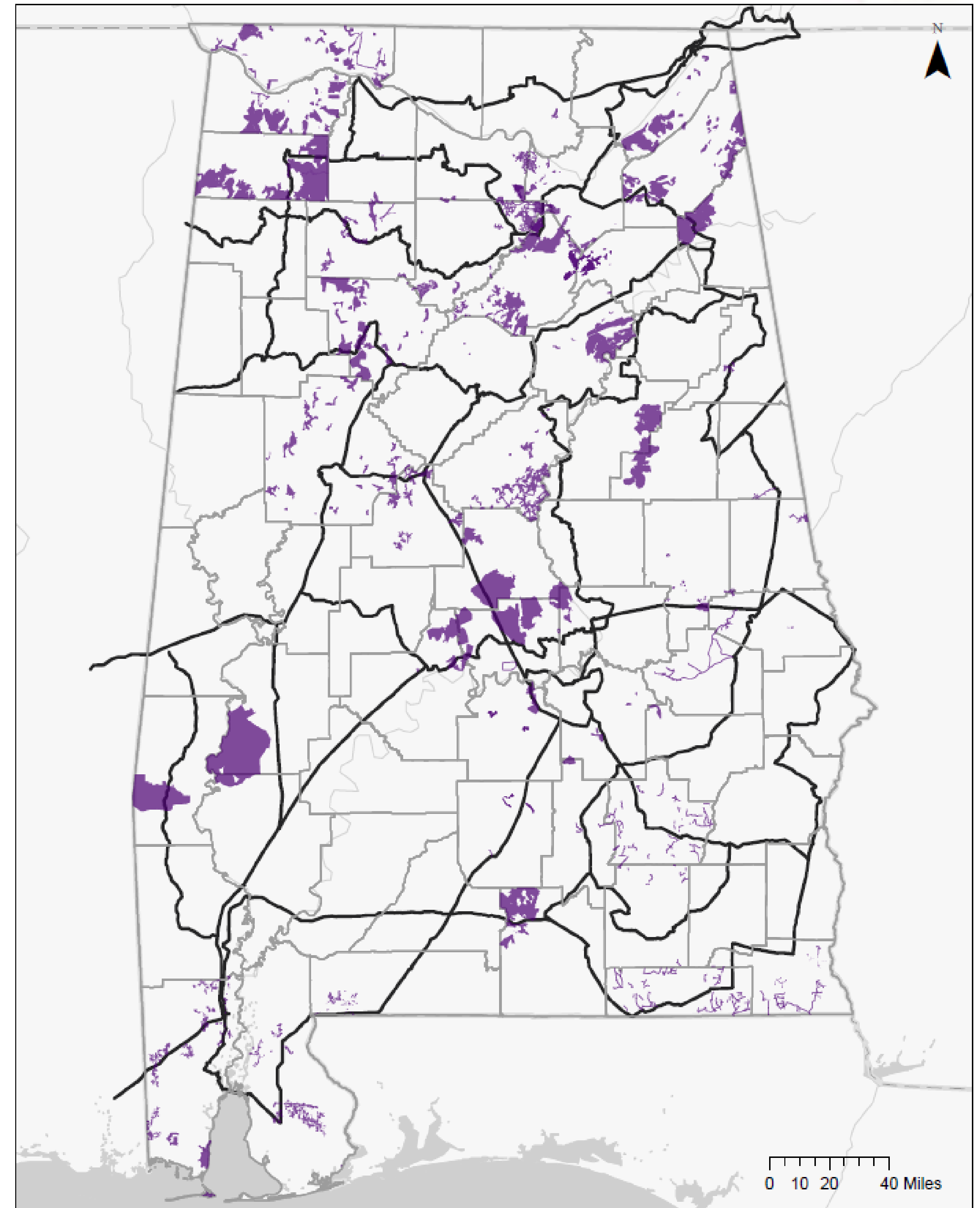
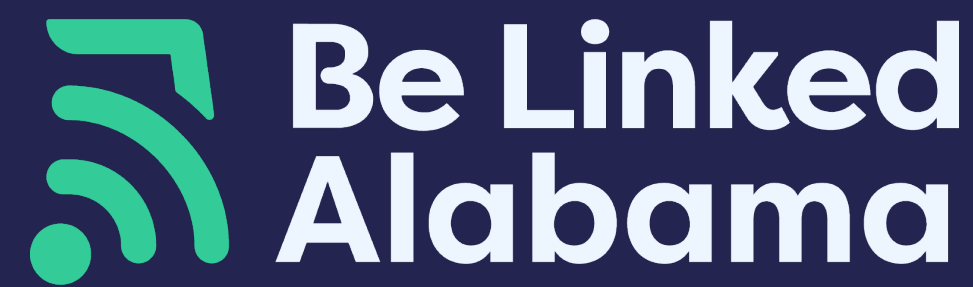




Alabama Broadband Accessibility Fund



Alabama Statewide Middle-Mile Network Program



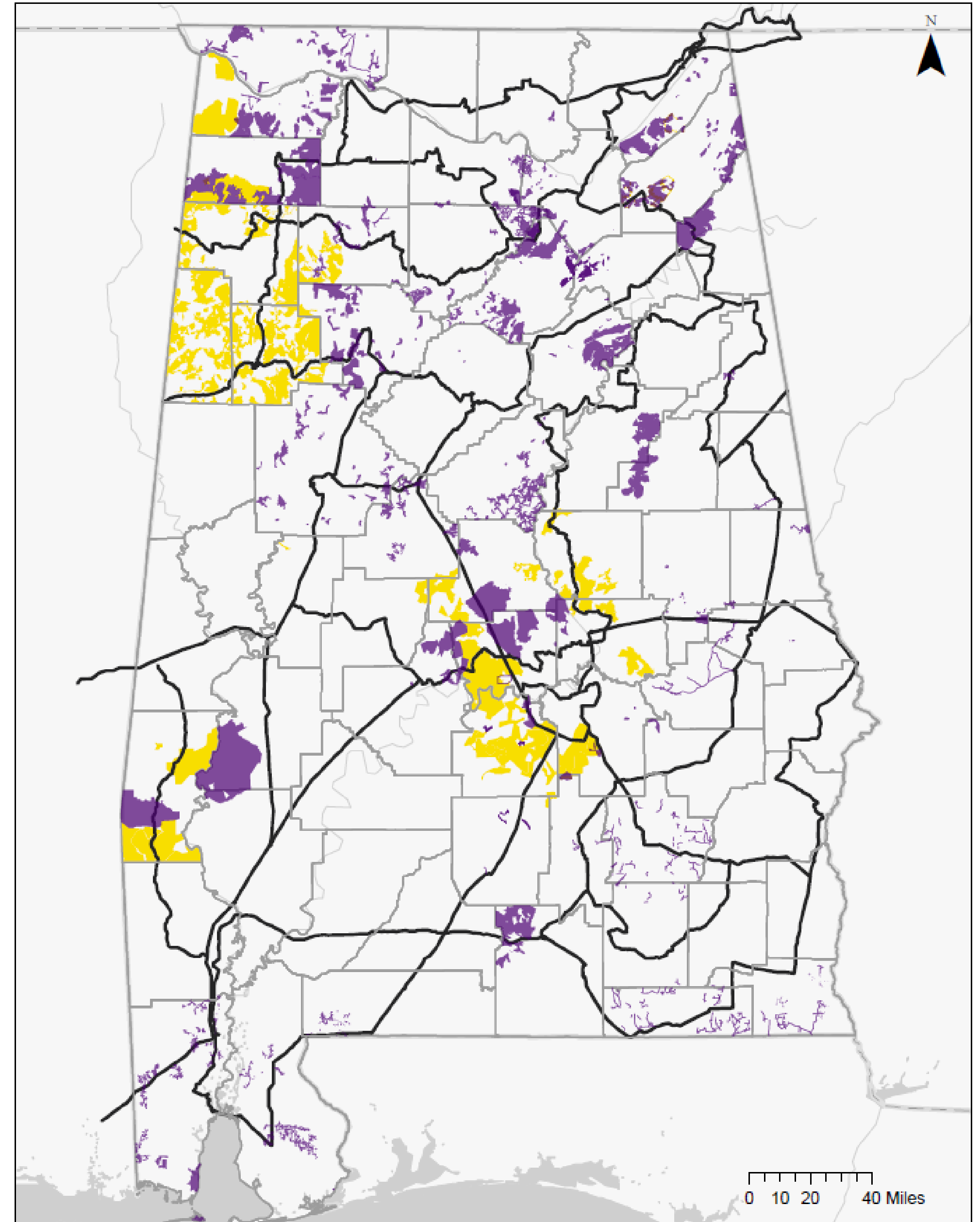
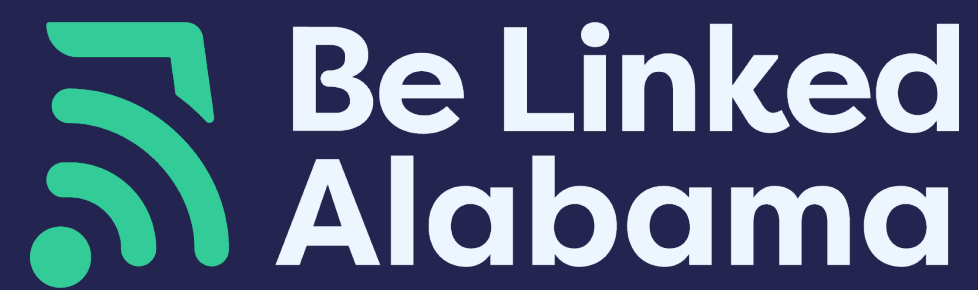
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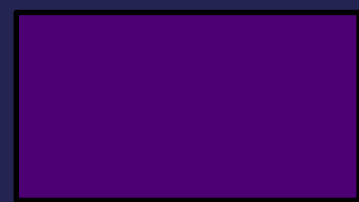


Alabama Statewide Middle-Mile Network Program



USDA ReConnect





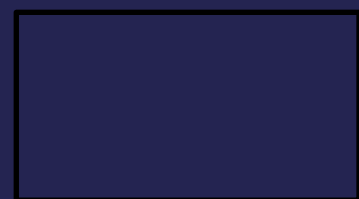
Alabama Broadband Accessibility Fund



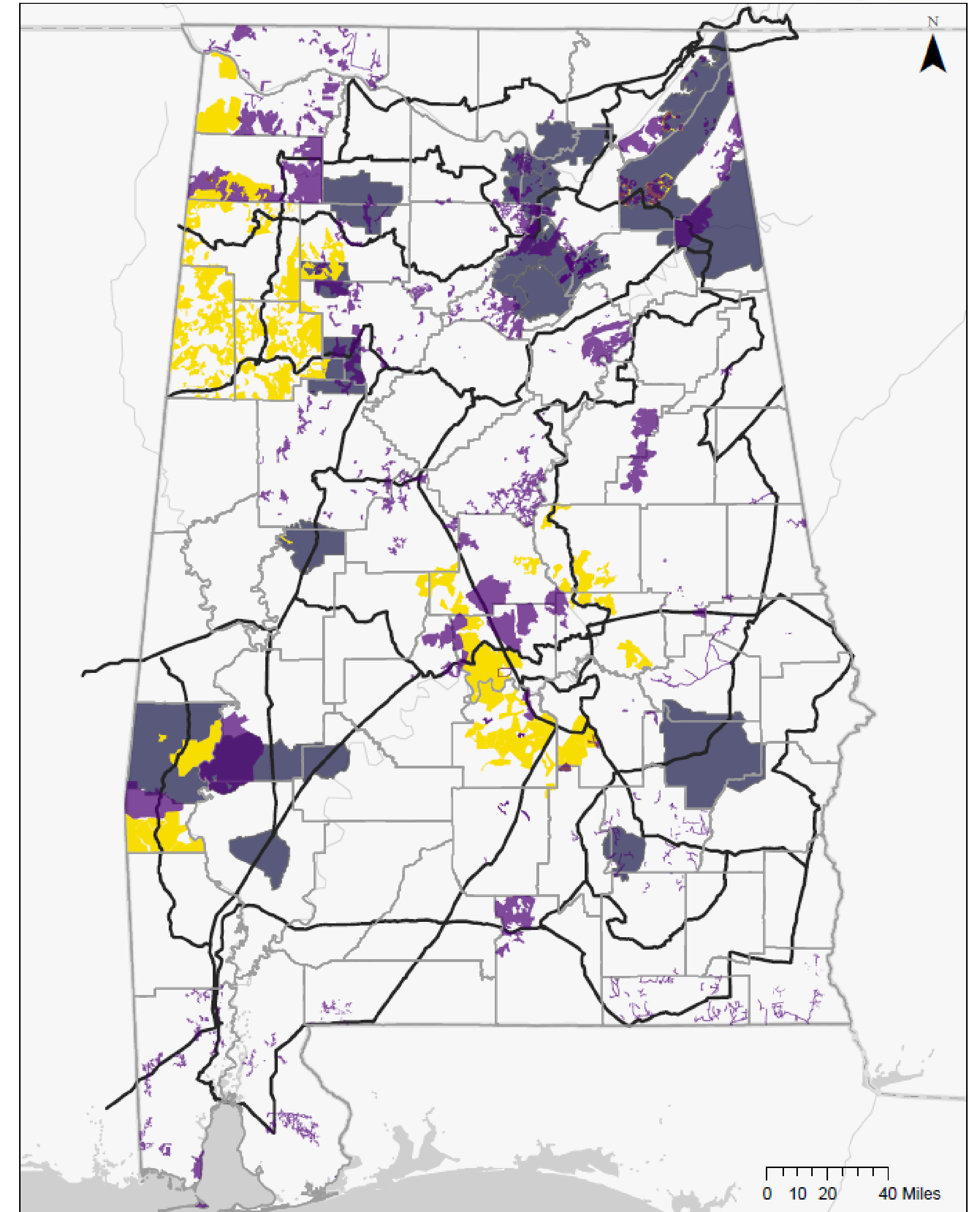
Alabama Statewide Middle-Mile Network Program



USDA Alabama ReConnect



FCC Enhanced Alternative Connect America Model (E-ACAM)





Alabama Broadband Accessibility Fund



Alabama Statewide Middle-Mile Network Program



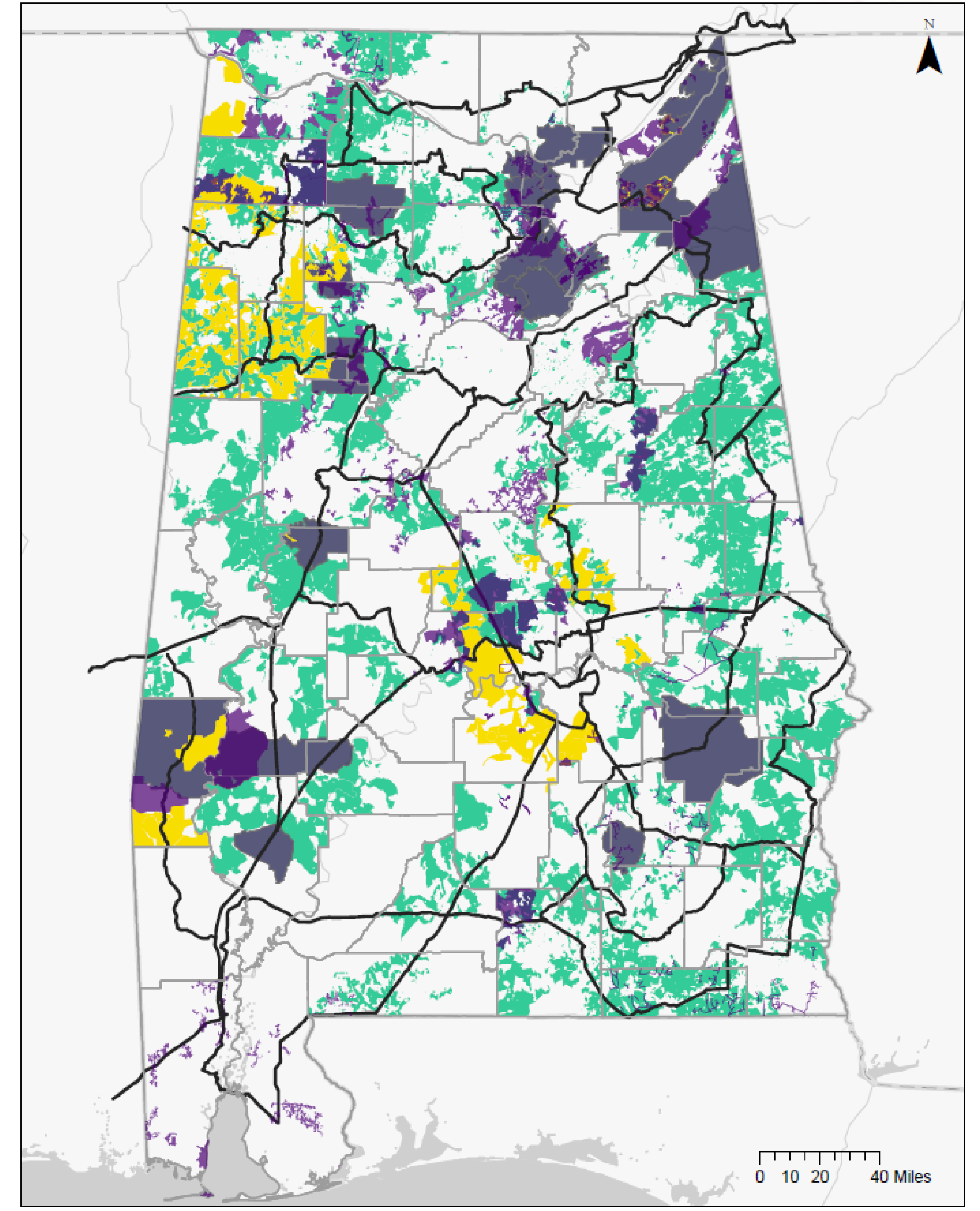
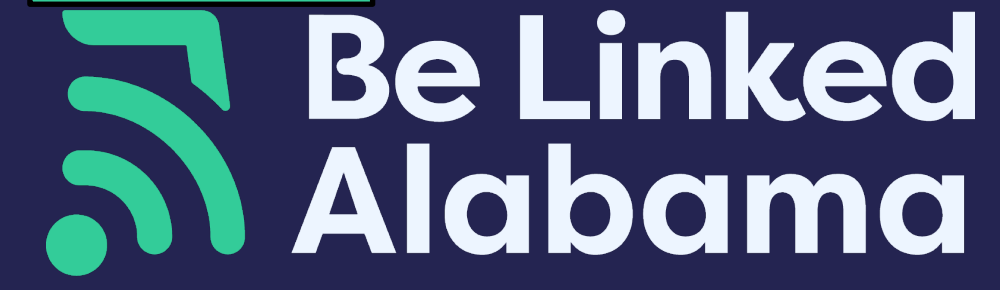
USDA Alabama ReConnect



FCC Enhanced Alternative Connect America Model (E-ACAM)



FCC Rural Digital Opportunity Fund (RDOF)





Alabama Broadband Accessibility Fund



Alabama Statewide Middle-Mile Network Program



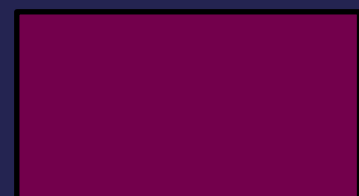
USDA ReConnect



FCC Enhanced Alternative Connect America Model (E-ACAM)



FCC Rural Digital Opportunity Fund(RDOF)



Census Blocks where 80%-100% of addresses are currently served by Wireless and Fixed Wireless at speeds of 100/20 MBps

