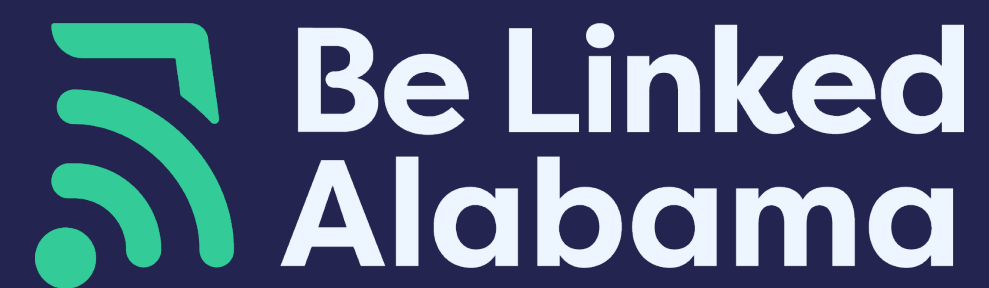


Alabama Digital Expansion Division 2024 Annual Report

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

December 17, 2024



01

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 Grants for projects not showing progress may be rescinded by ADECA.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.



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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.
- Through the ABAF, ADECA has disbursed funding for **106 projects**. Additional projects were awarded, but funding was later terminated or rescinded in accordance with program rules.
- **ABAF funds awarded total \$86,963,431.62** with a matching **private investment of \$185,935,891.07**
- The average grant dollar cost per new service is \$1,183.53.



Funded Projects

Unfunded Applications

- Approximately **two-hundred and fourteen (214)** 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, including many that applied to the 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 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 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, eleven 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

- Spectrum Southeast, LLC – Blount County

- Spectrum Southeast, LLC – Marshall/Blount County





Completed Projects

Completed Projects

For all projects funded, we estimate total projects costs of approximately \$272,899,322.69 with approximately \$86,963,431.62 of that coming from ABAF grants. If completed, these projects represent connectivity availability for approximately 73,478 previously unserved addresses at an average grant cost per passing of \$1,183.53.

For completed projects, \$24,488,568.87 in ABAF grant funds have been expended. These completed projects represent connectivity options for approximately 31,074 previously unserved addresses at an average grant cost per passing of \$787.94

The projected numbers and the actual numbers represent some differences. The final number of new services was higher than projected. Similarly, the total grant funds were approximately 8% less than projected and the grant cost per new service was approximately 11% lower than projected.



Completed Projects

Budget and Expenditures

Budgeted Funds	Awarded Funds	Expended Funds	Balance to Award	Balance to Expend
\$92,400,000.00	\$86,963,431.62	\$24,488,568.87	\$5,436,568.38*	\$62,474,862.75

*This balance is primarily for administration



05

Coordination with Federal Programs

Coordination with Federal Programs

USDA

In the past ADECA provided support to internet service providers (ISPs) applying for federal funds for broadband deployment, including a process 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. Additionally, ADECA currently provides USDA information about state funded projects to prevent duplicative funding.



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 – Capital Projects Fund

ADECA applied for and was awarded \$191,887,857.00 through the American Rescue Plan Act (ARPA) Capital Projects Fund.

During 2024 ADECA implemented the Alabama Capital Projects Fund program. ADECA received 179 applications in Round 1, and 61 of those projects were awarded funding. All projects under Round 1 have executed grant agreements and are scheduled to be completed in 2026. Additionally, ADECA received 60 applications in Round 2 and 14 of those applications were funded.



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 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

The grant agreement was signed in February 2023 with a goal of completion in 2025. Many of the long-term fiber leases are in place, construction has begun on the estimated 350 route miles of fiber, and some middle-mile customers are receiving service.



Coordination with Federal Programs

Treasury – ARPA 2

ADECA was tasked with creating a statewide anchor institution/middle-mile broadband grant program utilizing up to \$245,000,000 in ARPA SLFRF funds. In the initial round of The AIMM Program, there were 20 projects funded. To ensure utilization of the entire allotment of funds, a second round of The AIMM Program was authorized. One project was selected, and the grant agreement was executed in September 2024. The AIMM Program will work in conjunction with the CPF program previously described.

Due to the tight timelines, ADECA entered into an interagency agreement with Alabama Department of Transportation (ALDOT) to expedite permitting for the Middle-Mile programs. ALDOT has successfully implemented a streamlined broadband permitting process, times from an average of 47 business days to an average of 17 business days.



Coordination with Federal Programs

National Telecommunications and Information Administration (NTIA)

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.



Coordination with Federal Programs

NTIA – Broadband Equity, Access, and Deployment (BEAD) Planning and Deployment Grants

ADECA expects the BEAD funds will be available in early 2025. Volume I and Volume II of the BEAD Initial Proposal were submitted before the end of 2023. Prior to submitting the documents to NTIA, ADECA held a comment period to allow the public to comment on the proposed BEAD documents. Both BEAD Initial Proposal documents have been approved by NTIA. ADECA held a challenge process for interested parties to challenge the list of broadband serviceable locations in the state. This is awaiting final approval by NTIA.

NTIA – Digital Equity Act Planning and Capacity Grants

The Alabama Statewide Digital Opportunity Plan was available for public comment at the end of 2023. That plan has been submitted and approved by NTIA, and 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 2025.



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Mapping and Resources

Alabama Broadband Map

2024 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 communicated with approximately 70 providers to update the map in early 2024. 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

