

Alabama Statewide Middle-Mile Network
Grant Application and Guide
April 2022



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Background and Purpose of Grant Application

The Alabama Department of Economic and Community Affairs (“ADECA”) is issuing this solicitation for grant applications of up to \$85 million to develop a statewide middle-mile fiber network that will support, catalyze, and facilitate future last-mile projects, including those developed with private investment as well as through future state and/or federal funds.

This Grant Application and Guide is intended to enable eligible applicants to apply for funds for this grant program, pursuant to Act No. 2022-1, which was signed into law by Governor Kay Ivey on January 28, 2022. Among other things, the Act appropriated a total of \$85 million of federal funds from the American Rescue Plan Act (“ARPA”) State and Local Fiscal Recovery Fund (“SLFRF”)—specifically, \$51 million from the ARPA-State Fiscal Recovery Fund and \$34 million from the ARPA-Coronavirus State Fiscal Recovery Revenue Replacement Fund—to support the improvement and expansion of broadband network access to the citizens of Alabama. In accordance with the Act, these funds were delegated from the Department of Finance to ADECA’s Digital Expansion Division (“Division”) through a memorandum of agreement.

Consistent with the Alabama Connectivity Plan developed by ADECA and adopted by the Alabama Digital Expansion Authority (“ADEA”) in January 2022, ADECA plans use of these initial ARPA SLFRF funds for development of a statewide middle-mile network.

The key goal of this grant effort is to expand middle-mile connectivity to as much of the State of Alabama as possible so as to enable innovation, investment, and last-mile broadband deployment. This effort is also intended to ensure that the State’s funds have as much impact as possible, and that the funds be deployed in a way that encourages private sector broadband investment and leveraging of existing resources.

In light of these goals, ADECA plans to make a single grant award targeted to cover the largest area of the state at the lowest cost to the taxpayer. ADECA welcomes grant applications from a wide range of entities. Eligibility and scoring criteria are described in this document.

2022 Grant Application Guidelines

The Alabama Statewide Middle-Mile Network Grant Application Workshop will be held at 10:00 a.m. CDT on Thursday, April 28, 2022. This workshop will be held both in-person and virtually through Webex.

If you would like to attend in-person, the workshop will be held in the 7th Floor Auditorium of the Center for Commerce building, located at 401 Adams Avenue in Montgomery, Alabama. There is a parking deck that will be available to use on the day of the workshop. Please make sure to use the Decatur Street entrance of the parking deck and enter the code 369963 for access.

To join the meeting virtually, please reference the instructions on the ADECA broadband webpage at <https://adeca.alabama.gov/broadband/>. An online version of the workshop and questions and answers from the workshop will be posted on the ADECA website after the workshop.

Applications shall be submitted in PDF format, except where otherwise noted in this document, by email to broadband.fund@adeca.alabama.gov. If application documents are too large to submit via email, please contact ADECA at least 10 days prior to the application submission due date to request a secure link for uploading application document.

Applications will be accepted starting on April 28, 2022. Completed applications must be submitted by June 27, 2022, no later than 12:00 p.m. (noon) CDT. Any applications received after the deadline will not be considered. All applications must be complete; however, ADECA reserves the right to contact applicants for additional information and/or clarifications.

Applicants are encouraged to submit applications that fulfill the goals of developing a statewide middle-mile network and ensuring that the State's funds have as much reach and impact as possible.

Eligibility

An eligible applicant is an entity that is a cooperative, corporation, limited liability company, local government, partnership, or other business entity that owns and maintains middle-mile or long-haul broadband infrastructure.

Funding

The applicant must propose a timeline for the project that ensures that grant funds will be obligated before December 31, 2024, and that projects will be completed prior to December 31, 2026, pursuant to the federal requirements for ARPA SLFRF funding. If an applicant is selected for this project, ADECA will negotiate a grant agreement with the winning applicant which sets forth the manner of payment of grant funds. Up to \$85 million will be paid periodically based on the project timeline, funding needs, and demonstration of progress, subject to clawback provisions as described in these guidelines or the grant agreement. ADECA shall condition the release of any grant funds on field inspection and/or operational testing, when possible, to confirm the level of service or capability proposed in the grant application.

The successful applicant must agree to provide any information about the project necessary to support compliance by ADECA and the state of Alabama with any reporting or informational obligations required by the conditions of the federal funds appropriated to this project by the Department of Finance and the American Rescue Plan Act (specifically, the requirements of the ARPA SLFRF categories defined above).

Definitions

APPLICANT. A for-profit or non-profit corporation, a governmental entity, or a consortium or partnership. Although ADECA plans to award funds to a single entity, it welcomes applications from entities that represent a collaboration among multiple entities.

MIDDLE-MILE PROJECT. A broadband infrastructure project that does not provide broadband service to end users or to end-user devices.

MINIMUM SERVICE THRESHOLD. A connection to the Internet that provides capacity for transmission at an average speed per customer of at least one hundred Megabits (100 Mbps) per second downstream and at least twenty Megabits (20 Mbps) per second upstream.

RURAL AREA. Any area within this state not included within the boundaries of any incorporated city or town having a population in excess of 25,000 inhabitants, according to the last federal census.

UNDERSERVED AREA. Any area that does not meet the definition of an unserved area but otherwise meets the requirements of the grant conditions, for which the grant applicant demonstrates, by specific evidence, the need for greater broadband speeds, access, capacity, resiliency, or service which is not being offered by an existing service provider.

UNSERVED AREA. Any area that is determined by the Division to not have at least one provider of terrestrial broadband service that offers a connection to the Internet that meets or exceeds the minimum service threshold.

THE APPLICANT MUST USE THE FOLLOWING APPLICATION FORM, COMPLETE IT IN ITS ENTIRETY, AND LABEL ATTACHMENTS AS INSTRUCTED. FAILURE TO DO SO MAY RESULT IN A LOSS OF POINTS.

2022 Grant Application

Applicant Information

Project Name:

Legal Name of Entity:

Mailing Address:

Name and Title of CEO or comparable title:

Name and Title of Contact:

Phone Number and Email of Contact:

Note: The successful applicant 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, register in the State of Alabama Accounting and Resource System (STAARS), be eligible for federal contracts, and have active registration with SAM.gov.

A. Project Description

This section is worth up to 100 points. Points will be awarded based on verifiable information only.

20 points. Geographic span of the proposed network and placement of interconnect facilities

- **Rural Road Mileage:** Mileage should not be limited to just interstate and U.S. highways, but should preferably include state highways, county roads, or other routes or rights-of-way in rural Alabama. The application should also identify the name and number of counties through which the infrastructure will cross.
- **Directly serving unserved and underserved cities:** Traversing unserved and underserved towns and cities - One of the decision criteria will be the amount of unserved or underserved rural towns and cities that are located within 10 or less miles from either side of the middle-mile infrastructure routes to be constructed by this proposed project. The proposed project does not have to exclusively serve unserved or underserved areas but must be capable of providing service to end users and broadband service providers that serve unserved and underserved areas, and thus its proximity to such areas shall be deemed a priority. Further, the applicant must agree to make the middle-mile infrastructure available to last-mile providers seeking to serve unserved and

underserved areas on terms and conditions that are negotiated in a non-discriminatory manner.

- **Interconnect locations:** Interconnect huts/handholes/regeneration huts – Interconnect facilities that are placed in unserved or underserved areas. These should be frequent and placed in or near as many unserved and underserved areas as possible.
- **Routes:** Priority shall be given to project routes that reduce the risk of relocation and fiber cuts by building on rights-of-way that have less activity.

30 points. Maximizing the reach of the State’s funds by incenting private investment and leveraging existing infrastructure

- **Private Investment:** To the greatest extent practicable, proposed projects should incent and attract private investment to maximize the effectiveness of the grant funds and the scope, capacity, and geographic reach of the proposed network.
- **Existing Infrastructure:** Where possible, proposed projects should leverage existing infrastructure to maximize the scope, capacity, and geographic reach of the proposed network and maximize the reach of the State’s grant funds. Evidence of existing infrastructure (either owned or leased) must be documented by showing existing routes and/or lease agreements.

10 points. Last-mile service agreements

- The applicant should provide letters of intent and other documentary evidence of its plans to use the middle-mile infrastructure to partner with rural-based last-mile service providers and to enhance broadband service to community anchor institutions.

10 points. Reliability and Redundancy

- Design of the network should provide redundant pathways to ensure resiliency and reliable service.
- Proposed projects should minimize single-stranded laterals and maximize ringed / redundant design.
- Proposed projects should offer both protected (ringed) and point-to-point lit services.
- Network design should include multiple long-haul routes to data center locations and major points of presence.

10 points. Products offered and rate card

- **Lit Service:** Proposed projects should offer high speed bandwidth lit service products, point-to-point waves, and layer 2 and layer 3 services to end customers. Projects should also offer at least 10G, 40G, and 100G tier services of the following products:
 - Layer 3 lit service
 - Layer 2 lit service
 - Waves
 - Protected (ringed) and point-to-point options for lit service
- **Dark Fiber:** Proposed projects should offer dark fiber leases of at least two strands on defined segments of the network where sufficient strand count is available.

- The applicant must agree to an initial published rate card for lit and dark fiber services that would apply to last-mile broadband service providers, community anchor institutions, and large enterprise customers.
- The applicant must agree to a rate card for the following:
 - New construction of fiber – a per foot cost limit
 - Splicing
 - Placement of additional handholes along existing routes
 - Placement of additional cabinets along existing routes
 - Placement of additional regeneration hubs along existing routes
 - The State may choose, at its sole option, to partially or fully fund enhancements or extensions

10 points. Service-Level Agreements

- Proposed projects must meet a standard service-level agreement (or tiered service-level agreements) for lit fiber services.
- Agreements should address:
 - Network availability of each circuit
 - Frame/packet loss commitment
 - Latency commitments for transport portion of the circuit
 - Network jitter commitment
 - Response times for upgrade requests
- For lit fiber, the level of proposed service credits on Monthly Recurring Charges for protected/ring services.
- The successful applicant must report service-level agreement commitments and standards for lit services for all customers to the State each quarter. This can be done under a nondisclosure agreement entered into by the applicant and ADECA.
- Each outage report that is included in the quarterly report should outline the following:
 - The date and time of each service ticket for commencement of service was opened and completed
 - The date and time of each lit service or dark fiber trouble ticket
 - The name and contact information of the person placing each lit service or dark fiber trouble ticket
 - The nature of the complaint or concern in any trouble ticket
 - The action taken by the middle-mile service provider in response to each trouble ticket, including response and cure times
 - Any periods where the dark and lit fiber services were unavailable due to events of force majeure

10 points. Maintenance and Operations of Dark Fiber

Proposed projects must meet a standard service-level agreement for dark fiber services, including:

- Plans for maintenance, including whether it will be performed by the proposer or a subcontractor.

- Details regarding scope and quality of operations and maintenance services provided along the dark fiber.

Please complete the project description sections below. Any additional documentation can be included in an attachment file titled Attachment A, Project Description. To the extent necessary, information can be submitted as confidential under nondisclosure agreements entered into by the applicant and ADECA. An applicant wishing to submit application data under a nondisclosure agreement must request an agreement within the first 20 business days of the application window.

1. Description and map of the proposed routes and areas traversed by the proposed middle-mile project.
2. Description and map of the unserved areas, underserved areas, and community anchor institutions within proximity to the proposed routes and areas traversed by the proposed middle-mile project, and the source of information by which those areas are identified. A particular focus should be on rural, unserved, and underserved areas that are within 10 miles or less of the proposed middle-mile network.
3. Discussion of the broadband service to be deployed (such as, for example, fiber, cable, or fixed wireless) by last-mile providers who submit letters of intent. Additionally, discussion of future usage projections and the ability to upgrade these last-mile services.
4. A discussion of internet speeds, service tiers and pricing levels, data caps, etc., to be provided and/or facilitated by the middle-mile network.
5. Preliminary technical evaluation of the project that is certified by an engineer. This evaluation should document the ability of the proposed infrastructure to support 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, 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 shapefile, .kml, or .kmz formats.
6. A discussion of the applicant's technical, financial, and managerial capabilities to complete the project within the designated project period. If a recipient fails to complete a project within the designated time period, ADECA may revoke the grant in its entirety.

7. A discussion of existing or currently planned fiber and other infrastructure to be used for the proposed project in addition to the infrastructure to be constructed with grant funds.
8. A discussion of middle-mile benefits. The applicant shall demonstrate that the project can connect other service providers with broadband infrastructure further upstream in order to enable such providers to offer broadband service to end users.

B. Application Budget

This section is worth up to 50 points. Points will be awarded based on verifiable information only.

For the table, please complete the boxes below. If federal funds are involved in the project, please see number 4 below.

Total Project Cost	\$0.00
Private Investment (including in-kind and existing infrastructure)	\$0.00
Grant Amount Requested (not to exceed \$85,000,000)	\$0.00

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. Please complete the table below. 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
Existing Infrastructure	\$0.00	\$0.00	\$0.00
Engineering/Design	\$0.00	\$0.00	\$0.00
Materials	\$0.00	\$0.00	\$0.00
Labor	\$0.00	\$0.00	\$0.00
Construction / Installation	\$0.00	\$0.00	\$0.00
Other (Please Specify)	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

2. A discussion of the applicant’s necessary financial resources to:
 - a. Sustain service to the project area (business model).
 - b. Provide adequate project financing (additional documentation may be requested by ADECA).

3. A discussion of any partners, subcontractors, or vendors 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. This should include a discussion of whether and to what extent the applicant, as well as its anticipated partners, subcontractors or vendors are organizations incorporated, headquartered, or with a principal place of business in Alabama.

4. A discussion of any other funds associated with the project.

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 20 points.

<p>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? Will the applicant use vendors and subcontractors that have been certified as Minority Business Enterprises 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.)</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	<p>If yes, include an explanation and documentation in a file titled Attachment C, Other Program Priorities.</p>
<p>Does the proposed project maximize the State’s funds by leveraging private investment and existing assets?</p>	<p>YES <input type="checkbox"/></p>	<p>NO <input type="checkbox"/></p>	<p>If yes, include an explanation and documentation in a file titled Attachment C, Other Program Priorities.</p>

D. Certifications

1. The applicant certifies that it is eligible for this grant program under Alabama law.
2. The applicant certifies that the middle-mile infrastructure deployed as a result of this project will be capable of supporting the delivery of average internet speeds per customer of at least 100 Mbps download and at least 100 Mbps upload.
3. The applicant certifies that it has the technical, financial, and managerial capabilities to complete the project within the proposed project period of the grant agreement.

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.	
Signature of Applicant:	Date:
Title of Applicant:	

For more information, please send questions to Maureen Neighbors at broadband.fund@adeca.alabama.gov, or call (334) 242-5467 between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday.

Disclaimer

This project is being supported, in whole or in part, by federal award number SLFRP2635 awarded to the State of Alabama by the U.S. Department of the Treasury.