

1. What is the timeframe for the Alabama Statewide Middle-Mile Network Grant Program?

Applications for the Alabama Statewide Middle-Mile Network Grant 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. Applications received after the deadline will not be considered.

ADECA will announce funding awards approximately 30 days after the close of the grant application submission window. For dates and timelines, please reference the Alabama Statewide Middle-Mile Network Grant Application and Guide on the program website located at <https://adeca.alabama.gov/alabama-middle-mile-network-grant-program/>.

2. How does an applicant include confidential information in an application?

To the extent necessary, an applicant may submit information 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 20 business days of the opening of the application submission window.

3. How should an applicant identify the proposed middle-mile routes in the application? Is it possible to get a shapefile of specific layers of the Alabama Broadband Map?

The applicant must provide a narrative description and a map of the proposed routes and areas traversed by the proposed middle-mile project. The applicant must also identify parts of the route that traverse unserved areas (areas with service availability of less than 100/20 Mbps), expected route mileage, and a percentage of the route mileage that will be located in rural areas (as defined in the Alabama Statewide Middle-Mile Network Grant Application and Guide). Generally, the applicant may use the Alabama Broadband Map to show unserved areas. Please see the map at: <https://broadband.alabama.gov/broadband-maps/>. However, the applicant is *strongly encouraged* to also verify proposed route mileage by a field review or through additional means beyond the Alabama Broadband Map.

The applicant must submit a map in a shapefile, .kml, or .kmz format. For more information regarding the project description's required elements, please reference the Alabama Statewide Middle-Mile Network Grant Application and Guide on the program website located at <https://adeca.alabama.gov/alabama-middle-mile-network-grant-program/>.

Please contact broadband.fund@adeca.alabama.gov to request a shapefile of the unserved area layer from the Alabama Broadband Map.

4. What are the minimum service standards and other basic requirements for the funded projects?

The applicant must provide a technical evaluation that demonstrates the capacity and reliability of the proposed middle-mile network. Specifically, the applicant must demonstrate how its network will provide service offerings, speeds, and service levels that support last-mile providers offering 100 Mbps symmetrical speeds to their end-users. The applicant must also demonstrate how the proposed project will support:

- Redundant pathways
- Minimal or no single-stranded laterals
- Protected (ringed) and point-to-point lit services
- Multiple long-haul routes to data center locations and major points of presence
- Sufficient capacity to allow the network to scale to meet projected future growth

The applicant is also expected to describe their planned service offerings, including internet speeds, service tiers, and pricing levels for both lit and dark fiber services and submit a rate card for services related to the interconnection of users to the network.

Please reference the Alabama Statewide Middle-Mile Network Grant Application and Guide for further information regarding other required and optional elements for an application.

5. Who is eligible to receive funding under this program?

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.

Consortia, partnerships, or other types of collaborations can apply as long as they can demonstrate a formal governance structure that is dedicated to the proposed middle-mile project and can identify a lead entity and executive within that entity that has authority to represent the consortium or partnership throughout the grant project.

The applicant must certify that they have the technical, financial, and managerial capabilities to complete the project in the timeline proposed in the application. The applicant must provide information and documentation to support this certification. An applicant comprising a consortia or partnership must supply this information for each of their member entities.

Please reference the Alabama Statewide Middle-Mile Grant Program Application and Guide for further information.

6. Will there be a single award or multiple awards?

In light of the goals of the program to expand middle-mile connectivity to as much of the state as possible, leverage existing resources, and maximize impact of the grant funding, ADECA plans

to make a single grant award. The grant award will be targeted to a project that will cover the largest area of the State at the lowest cost to the taxpayer.

7. Will an applicant that is certified by the Office of Minority Business Enterprise or that is a Disadvantaged Business Enterprise receive any credit or additional points? Will an applicant whose vendors and/or subcontractors are certified by the Office of Minority Business Enterprise or that is a Disadvantaged Business Enterprise receive any credit or additional points?

Yes. An applicant that provides documentation of its certification, or the certification of its vendors, subcontractors, or consortia members, as a Minority Business Enterprise under the Alabama Minority Business Enterprise Program or certification under another Disadvantaged Business Enterprise Program will receive up to 20 additional points on the ratings criteria. Please note that self-certification is not acceptable documentation and that quarterly reporting documenting these certifications will be required. A copy of the current certification from an approved source will be required for the applicant to receive points based on this element.

Please review the Alabama Statewide Middle-Mile Grant Program Application and Guide for further information on this point and other information about the application rating process.

8. Will an applicant be required to provide their own funds for these projects? Are there other requirements for the mix of funding sources to support each project?

The applicant is required to provide a 30% match for project financing. The match requirement is calculated as 30% of the overall project budget. The applicant is required to provide a description of the source or sources of the matching funds, including any “in-kind” assets that will be included as part of the total match amount. Additional documentation of in-kind assets included as part of the matching requirement may be required. Please review the Alabama Statewide Middle-Mile Grant Program Application and Guide for further information and instructions.

The applicant is also directed to provide information regarding the project financing and the available financial resources that will be necessary to sustain service to the project area. Please note that ADECA may request additional documentation to support the description of the project financing.

9. Does an applicant need to demonstrate last-mile service provider interest in the project?

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

10. How long does the awardee have to complete the project?

The applicant must submit a proposed timeline for the project that ensures grant funds will be obligated on or before December 31, 2024. An approved project must be completed within three years of being awarded the grant and no later than December 31, 2026. A final timeline for the project will be negotiated and included in the Alabama Statewide Middle-Mile Network Grant Program grant agreement between ADECA and the subrecipient.

As a subrecipient to federal funding, the grant awardee will be required to submit quarterly and other reports demonstrating progress pursuant to the timeline in the grant agreement. ADECA may rescind grants for projects not showing progress or that fail to be completed by the three-year deadline.

11. What are the reporting and closeout requirements? When does the awardee receive funding?

As a subrecipient to federal funding, the awardee will be required to provide quarterly and other reports to ADECA that will include expenditures, labor practices, subcontractor information and documentation of progressive completion. The subrecipient will also be required to provide additional information about the project upon request that is necessary to support compliance by ADECA and the State of Alabama with any reporting, audit, or informational obligations required by the conditions of the federal funds appropriated to this project by the Department of Finance, including but not limited to, the requirements of the ARPA SLFRF programs defined above. It is the responsibility of the applicant to become familiar with these requirements.

ADECA will make periodic payments to the subrecipient pursuant to a mutually agreed upon reporting and payment schedule that will be included in the Statewide Middle-Mile Network Grant Program grant agreement. Periodic payments by ADECA to the subrecipient will be contingent on subrecipient submission of complete quarterly reports and its compliance with the terms of the Grant Agreement.

At the end of the project, the subrecipient will also be required to conduct testing and prepare a Project Closeout Report prior to the final payment of grant proceeds by ADECA. ADECA will provide the final portion of grant funding as reimbursement to the subrecipient only after successful completion of the closeout requirements.

The applicant should closely review the Program Guidelines for additional requirements regarding quarterly and other reporting, testing, and periodic payments.

12. Will the awardee be required to follow environmental requirements and procedures?

Compliance with state and local requirements for permitting, reporting, environmental review, and other approvals will be required. The applicant must familiarize themselves, and be prepared to comply, with these requirements.

The funds for this program are federal funds; therefore, federal historic preservation, permitting on federally controlled land, and environmental regulations associated with federal grant funds also apply. The applicant should be aware of the combination of funding sources used for the

project (defined above), and any applicable federal requirements, including permitting, reporting, environmental, or land use requirements.

13. Is the slide deck for the workshop posted on the ADECA website?

Yes, the slide deck for the Alabama Statewide Middle-Mile Network Grant Application Workshop is posted on the ADECA website and can be found at <https://adeca.alabama.gov/broadband-webinars-and-workshops/>.

14. During the workshop, you mentioned that a consortium is eligible to apply. What documentation is required for the consortium definition?

Consortia, partnerships, or other types of collaborations can apply as long as they can demonstrate a formal governance structure that is dedicated to the proposed middle-mile project and can identify a lead entity and executive within that entity that has authority to represent the consortium or partnership throughout the grant project. This answer is based off of Question 5, so it can be referred to for additional information.

15. The AL Middle Mile grant application defines the term "middle-mile project" as "A broadband infrastructure project that does not provide broadband service to end users or to end-user devices." This could be read to imply that a middle mile project would not be eligible for funding if last-mile locations connect directly to the middle mile project. Additionally, the grant application and FAQ document talk in terms of services to CAIs and other end users. As a clarification, most State Research and Education networks and other privately operated middle mile networks in the US allow PoP locations and direct connections at Community Anchor Institutions (Schools, Libraries, Higher Education Facilities, healthcare providers) and critical economic development/employment locations. Often in rural areas, these facilities are some of the best options for interconnect locations. Does the AL Middle Mile grant program allow direct connections for CAIs and Economic Development/Employment Centers to the middle mile so long as grant funding awarded under this program is not used to pay for those connections? Does the AL Middle Mile grant program allow PoPs to be located at these locations?

This program does not preclude service to CAIs by the awardee and does not preclude location of a PoP at a CAI location. The middle mile grant funds are intended for construction of middle mile facilities and cannot be used to connect end users, including CAIs; however, the grant program does not preclude the awardee from serving CAIs over middle mile facilities that come in proximity of the CAI so long as the grant funds are not used to fund service drops, laterals, or equipment intended for the purpose of last mile service to the CAI.

16. Question 9 in the grant FAQ document states that the applicant must provide "letters of intent and other documentary evidence of its plans to partner with rural-based last-mile service providers and to enhance broadband service to community anchor

institutions" (i.e., end users). In addition, the grant application states that 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." Both the application and FAQ question 9 encourage/request applicants to provide information regarding services to end users such as community anchor institutions and large enterprise customers. Understanding that this grant would only fund middle mile infrastructure projects and that an applicant must agree to make middle mile infrastructure available to other last mile providers in a non-discriminatory manner, can ADECA confirm that a middle mile applicant can connect and serve end users to the middle mile network (so long as the middle mile grant funding is not used to pay for last mile drops or equipment for end user)?

Letters of intent and other documentary evidence of the applicant's partnering plans are elements of the project scoring criteria. A program grant awardee can connect and serve end users to the middle mile network so long as the middle mile grant funding is not used to pay for last mile service drops, laterals, or equipment for the purpose of serving an end user.

17. The grant application states that operating expenses are not eligible expenses under this program. However, in the NTIA BIP and BTOP programs in which ADECA was involved, the purchase of the initial set of optical gear, core routing, and edge routing gear were deemed capital costs and eligible for grant finding. Similarly, this type of equipment is important for the functionality of any middle mile network. Are the costs of this type of capital equipment eligible for funding under the ADECA middle mile grant program?

Expenditures for capital equipment necessary for the operation of the middle mile network are eligible expenses under this grant program.

18. The grant application states that "proposed projects should leverage existing infrastructure to maximize the scope, capacity, and geographic reach of the proposed network" and requires "evidence of existing infrastructure (either owned or leased) [to be] documented by showing existing routes and/or lease agreements." Given these requirements, can you please confirm that lease payments for existing fiber infrastructure from partners/vendors would be considered eligible expenses under this middle mile grant program? Assuming that it is, what would be the minimum term of an eligible fiber lease?

Given that the purpose of this middle mile grant program is to secure long-term middle mile capabilities to serve last mile needs throughout Alabama, ADECA intends that these grant funds will fund only expenditures for capital leases and indefeasible rights of use (IRU) of 20 or more years and would prefer to see leases/IRUs planned for the longest possible period. Such leases and IRUs must be necessary elements of construction and deployment of the awarded middle mile grant to be eligible for funding.

19. The middle mile grant program requires applicants to provide a 30 percent match for project financing, and FAQ question 8 states that "in-kind" assets can be included in the total match amount. Can you please clarify what types of assets can be included as part of the match. For example, could an applicant include items such as engineering services, granting of rights of way or other easement fee waivers, or granting or leasing of additional strands of dark fiber to the project (either paid from other sources or in the case of leases, without anything other than a nominal payment)?

Contribution of any asset or service that would be considered an eligible expense under this grant program can be counted toward match, at fair market value. This includes items such as engineering services, payments for access to rights-of-way or easements, and other expenses, so long as they are necessary elements of construction and deployment of the awarded middle mile grant.

20. If last mile providers that express an interest in connecting to the middle mile network are implementing current RDOF awards, does the middle mile network still receive scoring consideration for enabling last mile connections to the rural area where those RDOF funds are being used?

A grant application will receive scoring consideration for making available affordable middle mile capabilities to last mile providers in unserved/underserved areas, regardless of how the last mile facilities will be funded or deployed, including to areas covered by federal RDOF and other funding.

21. The grant application requires the applicant to "meet a standard service-level agreement (or tiered service-level agreements) for lit fiber services." What is meant by this and is there a specific standard (both for services and maintenance and operations of dark fiber) that the applicant is expected to offer? Will these SLA standards be limited to uptime, latency, jitter, packet loss, oversubscription and outage response times or are there other standards ADECA is considering?

The awardee will be required to meet industry standards for maintenance and service, for both dark and lit products. ADECA requests that applicants describe in their applications how they will meet these requirements by describing their standard service level agreements for middle mile services.

22. The applicant would like to confirm that payments made under Dark Fiber Leases qualify for funding through the Middle Mile Project grant. Specifically, subject to negotiation with lessors, we are specifically considering Dark Fiber Leases for the terms below: (a) Dark Fiber Lease of 20 years, with annual (or longer) renewal periods; (b) Dark Fiber Lease of 10 years or more, with five-year renewal options thereafter; or (c) Dark Fiber Lease with a 10-year term. In particular, we would like to confirm that the

payments under the anticipated lease terms described above (or, in the alternative, what the minimum term (with renewal options) of a Dark Fiber Lease needs to be so that payments thereunder) would qualify for funding through the Middle Mile Project Network grant and not be considered ineligible operating expenses. We would also like confirmation that payments under IRUs (if obtainable) for similar or longer terms would also qualify for funding under the Middle Mile Network grant.

Given that the purpose of this middle mile grant program is to secure long-term middle mile capabilities to serve last mile needs throughout Alabama, ADECA intends that these grant funds will fund only dark fiber leases or IRUs of 20 years or more and would prefer to see plans for dark fiber leases/IRUs of the longest possible period. Such leases must be necessary elements of construction and deployment of the awarded middle mile grant to be eligible for funding.

23. The applicant would like to confirm that expenses which are not direct/indirect construction costs but are capitalizable to a project, whether under applicable generally accepted accounting principles specific to the industry or income tax principles, qualify for reimbursement under the grant program. We understand that costs, including labor, materials, supplies, transportation, consulting and engineering services, and the related overhead costs including insurance, employee benefits, taxes and interest relating to direct and indirect construction costs would be reimbursable. If this is incorrect, please advise.

Any asset or service that is required to meet the goals of this grant program can be reimbursed by the grant. This includes labor, materials, and other items, so long as they are necessary elements of construction and deployment of the awarded middle mile grant.

Follow-up Questions to 23: In addition to such direct/indirect construction costs and other capitalizable costs, we would like to specifically confirm whether or not the following expenses qualify for reimbursement of the Middle Mile Network Project grant program:

- **Non-construction related costs of labor, materials and supplies, transportation and related overhead costs, insurance, employee benefits, taxes and interest for the period prior to commencement of commercial operation of the Middle Mile Project;**

Grant funds cannot be used for non-construction related costs that are not necessary elements of planning, designing, and constructing the network. Grant funds cannot be used for operations and should be completely expended during construction of the network.

- **Organizational and startup costs incurred prior to and in connection with the application for the grant including, but not limited to, consultants', engineers' and attorneys' fees, charges and costs incurred;**

Work undertaken to plan and design the network, including in connection with preparing the grant application, can be reimbursed with grant funds.

- **Consulting, engineering and design, surveying, right of way acquisition, advisory and management fees and related overhead attributable to the project for the period prior to commencement of operations of the Middle Mile Project;**

Grant funds can be used to cover services associated with planning, designing, and constructing the network, including consulting, engineering and design, surveying, right of way acquisition, advisory services, and other related overhead. Grant funds cannot be used for operations and should be completely expended during construction of the network.

- **License fees, taxes, filing fees and other costs relating to obtaining required certifications, licenses and approvals incurred or paid for the period prior to commencement of operations of the Middle Mile Project.**

Grant funds can be used to cover the cost of costs associated with certifications, licenses, and approvals so long as those certifications, licenses, and approvals related to construction rather than operations of the network. For example, costs associated with construction permitting are eligible expenses because they are required for construction of the network, but costs associated with the awardee's regulatory status as a provider are not because these are related to operations, not construction.

24. We would also like to confirm whether treatment for reimbursement is dependent on whether such expenses are capitalized or capitalizable into the Middle Mile Project or, if not so capitalizable, are still reimbursable because they are paid prior to any commencement of commercial operation of the Middle Mile Project.

Grant funds can be used to cover costs associated with planning, designing, and constructing the network, but not associated with operations, regardless of the timing of when the costs are incurred.

25. Is the periodic funding of grant funds anticipated to be made on a monthly or more frequent basis based on progress reports? If not, what is the intended periodic payment period for grant funds?

ADECA anticipates that reimbursements will be made on a monthly basis, or more frequently if necessary, so long as complete and verifiable applications for reimbursement are made by the awardee. ADECA is flexible as to this timing and will work with the awardee to establish a schedule that suits both parties and the goals of the program.

26. Does the Professional Engineer that signs off the design and capability need to be licensed in Alabama or can it be another state?

The Professional Engineer can be licensed in another state.

27. With the Alabama Broadband Map which shows the 100/20 coverage, is the map available as a .kmz, .kml, or shape file?

Yes, please e-mail us a request for the map in a .kmz or shape file format.

28. Under maximizing State funds on page six of the Alabama Statewide Middle-Mile Network Grant Application and Guide, “incenting private investment”; does this mean the direct economic contribution of the grantee or does it have a different meaning?

Yes, the term alludes to the State’s goal of attracting the grantee to contribute funds to the deployment, thus investing in Alabama’s broadband economy. Please note that private investment can include in-kind contributions in addition to the monetary investments from the grantee.

29. Under Service-Level Agreements (SLA) on page seven of the Alabama Statewide Middle-Mile Network Grant Application and Guide, is there a standard the State wants to see or can an applicant use our own SLA documents?

ADECA encourages applicants to submit their SLA documents as part of their applications. The grantee will be required to meet industry standards for maintenance and service for both dark and lit products in its SLA documents.

30. For the Application Budget, does the State have a template for the Business Plan or does the grantee modify their business plan to provide the summary information as shown on page nine of the Alabama Statewide Middle-Mile Network Grant Application and Guide?

The State does not have a template and encourages applicants to submit this element of the application in the format of their choice.

31. With funding for the Alabama Statewide Middle-Mile Network Grant Program being made available from both ARPA SLFRF and the ARPA Coronavirus State Fiscal Recovery Replacement Fund, does ADECA believe that the grantee must comply with the Davis-Beacon Act upon award of the project?

In administering the Alabama Statewide Middle-Mile Grant Program, ADECA will follow and implement the information collection and reporting requirements set by the U.S. Department of the Treasury for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). These requirements include reporting on labor practices for projects with over \$10 million in expected total costs, such as the construction of a statewide middle-mile network. The labor practices reporting obligations for such projects may be met by showing that the project complies with the Davis-Bacon Act and includes a project labor agreement. Otherwise, detailed information

regarding hiring, wages, benefits, and workforce continuity will need to be provided for the project. Note that the SLFRF rules also require reporting on whether the project prioritizes local hires and has a community benefit agreement. At this time, ADECA anticipates requiring a successful Middle-Mile Program applicant to meet labor practices similar to or exceeding those under the Davis-Bacon Act. However, ADECA will work closely with a successful Middle-Mile Program applicant on establishing the appropriate labor practices reporting standards and other requirements in the program grant agreement.

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.