

Washington State Broadband Office
Notice of Funding Opportunity
Infrastructure Acceleration Grants - Round One
October 4, 2021

Background

The Washington State Broadband Office (WSBO) will award approximately \$266 million in broadband infrastructure grants in at least two funding rounds planned for October 2021 and April 2022. Each funding round will have approximately \$131-135 million in funding available to award.

Fund Source

Funds to implement the American Rescue Plan Act (ARPA) were appropriated to the WSBO in the 2021-23 Washington State Capital Budget. The funding sources are the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) and the Coronavirus Capital Projects (CCP) Fund. Funding Round One will award funds from the CSLFRF. Funding Round Two will likely include funds from both CSLFRF and the CCP fund. Contracts for grants awarded from these fund sources will include related provisions to comply with federal rules, including Title 2, Subtitle A, Chapter II, Part 200 of the Code of Federal Regulations (CFR).

1. Funding Details:

- The WSBO maximum grant award is \$25 million. Grant awards may range from \$1 million to \$25 million. Applicants may be offered a grant award that is less than the requested amount.
- The required minimum secured cash match is 10% of the total project cost, however this requirement may be waived in cases where the applicant can demonstrate financial need. Projects with secured match exceeding the 10% minimum will be given additional priority in the selection process. In kind is acceptable for match beyond the 10% required.

2. Eligible Applicants

- Entities eligible to apply for funds are units of local government (including public ports and public utility districts), federally recognized Tribes, nonprofit organizations, nonprofit cooperative organizations, and multiparty entities. A multiparty entity must include at least one public partner.
- An applicant that is a multiparty entity must provide the WSBO with a copy of the operating agreement between the parties as part of the application. The operating agreement must address the requirement for at least 25 years of site control and broadband service.

Local Coordination

Applicants must coordinate with the county or counties in which the project area is located. If the project area is on federally recognized Tribal lands, applicants must coordinate with the Tribe. A letter of support from the County and/or affected Tribe is required. **Counties and Tribes are strongly encouraged to act as lead applicants for regional projects on behalf of a consortium of eligible entities.**

If there is a Broadband Action Team (BAT) in the project area, a letter of support from the BAT is required. Applicants must seek public input from the affected communities on the project plans and the affordability of resulting broadband service. The BAT support letter may satisfy this public input requirement. Visit www.broadband.wa.gov for a list of BATs and contact information.

3. Eligible Projects – Minimum Requirements

Broadband infrastructure projects designed to deliver broadband service, as part of a contiguous network, that:

- At **minimum**, delivers transmission speeds of 100 megabits per second download and 100 megabits per second upload (**100/100**) unless impracticable due to geography, topography, or financial cost in which case speeds of 100/20 are acceptable if scalable to 100/100.
- Is deployed in unserved areas, defined as areas lacking access to reliable (wireline connection) service at speeds of at least 25/3.
 - The application must include evidence of consultation with [incumbent service providers](#) in the area and the incumbent's position on the project (support, neutral, opposed). Consultation will be considered completed if the applicant can demonstrate a good-faith effort to consult with the incumbent (at least two attempts) and the incumbent has not responded within 30 days of the inquiry.

Site Control

- The project site must be under the applicant's control for at least 25 years, either through ownership or a long-term lease.
- The infrastructure funded by the grant must be used to provide broadband connectivity for at least 25 years.

Internet Service Provider:

- Applications must demonstrate commitment by at least one internet service provider (ISP) to provide broadband service using the infrastructure funded. A signed contingency agreement from an ISP is required.

Pricing Structure

- The anticipated pricing structure for the broadband service must be included as part of the application. Affordable pricing is a priority, as is an income-based service plan for all customers.

4. Project Prioritization (in order of priority)

A. Project Readiness

Costs reimbursed by SBO grant funds must be incurred by December 31, 2024. Therefore, project readiness is of the highest priority. Examples of readiness include:

- Funds necessary to complete the project are secured.
- Required permits are obtained or will be within 6 months of award.
- Tribal or Bureau of Indian Affairs consultation has been initiated if required.
- Network design is complete and provided with the application.
- Engineering will be complete within 6 months of award.
- Materials and supplies necessary to construct the project are in hand or readily available.

B. Service to Underserved Areas

Percentage of households, anchor institutions, and businesses in the project area that currently lack access to service at reliable speeds of 100/20 as identified by WSBO mapping tools.

C. Regional Proposals

Projects that involve a consortium of partners representing a regional approach, with the County or a Tribe as the lead, will receive priority consideration.

D. Last Mile Connections

Projects consisting of at least 75% last mile connections will be prioritized. Last mile connection is defined as the delivery the final connection from a broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

E. Affordability and Equity

- Affordable pricing tiers for customers in the proposed service area and the provision of at least one income based plan are considered as competitive criteria.

- Low-cost plan options must be offered at speeds that are sufficient for a household with multiple users to simultaneously telework and participate in remote learning.
- Participation in the Emergency Broadband Benefit or successor program is strongly encouraged.
- Projects incorporating digital equity into the project design and plan will receive additional priority. The SBO working definition of digital equity means the project incorporates factors supporting access, affordability, and supporting digital literacy skills.

F. Speeds and Technology

Service speeds of at least 150 mbps symmetrical are encouraged. The WSBO prioritizes projects deploying fiber infrastructure, but will allow other technologies to be funded if fiber is impracticable due to geography, topography, or financial cost. A description of the terrain or other factors prohibitive to fiber will be required in the application.

G. Cost per Pass

The WSBO will consider cost per pass by dividing the grant amount requested by the combined number of households, businesses, and anchor institutions served by the project. Projects with costs of less than \$10,000 per pass will be prioritized.

H. Match

Projects committing 20% of the project cost or more in cash match will be prioritized. Match contributions by private partners are highly encouraged.

5. Restrictions:

- No more than **one application per lead entity** will be considered per funding round.
- Funds **may not** be used for projects where a provider currently provides, or has begun construction to provide, reliable wireline service to end users in the proposed project areas at speeds equal to or greater than 150/150 mbps by 2028.

Please avoid requesting funds for projects in areas in which there are existing agreements to build reliable wireline service with minimum speeds of 100/20 by December 2024.

6. Network Access Policy

The SBO recognizes that ISPs incur costs for buildout and maintenance of broadband networks that can be significant in deeply rural areas. Therefore, the SBO is not strictly requiring networks built with SBO grant funds to be immediately open access in order to give providers the opportunity to recover some of the build out cost before opening the network to other providers.

ISPs partnering with SBO grantees may retain exclusive rights to the network constructed with grant funds upon contract execution for a maximum of three years after WSBO funded project construction is completed. After three years the network must be open access for the remainder of the useful life of the project constructed. Open access means access to broadband services and infrastructure on transparent terms that are offered at fair market price and do not discriminate among users of the network.

7. Application Process and Timeline

The grant application is a two part process. First, applicants will complete an abbreviated eligibility and readiness survey as a pre-application. The WSBO staff will review completed readiness surveys and invite eligible projects to complete the second, more detailed, part of the application.

Step	Application opens	Pre-Application – Eligibility and Readiness Survey due	WSBO review of Readiness Surveys and issuance of invitations to applicants eligible to complete full application	Full Application due	WSBO select projects
Date	Open 10/4/21	Due 10/18/21	Decisions and Invitations from WSBO by 11/8/21	Due 11/29/21	By or before 12/31/21

To apply, visit www.broadband.wa.gov.

8. Eligible and Ineligible Costs

The WSBO capital appropriation is available through June 30, 2023. The WSBO will request a re-appropriation for the 2023-2025 biennium from the state Legislature for any projects under contract in June 2023. The Treasury requires projects funded with the CSLFRF to incur costs by December 31, 2024 and allows the project performance period to extend to December 31, 2026.

Eligible	Ineligible
<p>Pre-Construction Activities (up to 5% of grant award), including:</p> <ul style="list-style-type: none"> • Design, architectural, and engineering work; • Building permits/fees; • Archaeological/historical review; • Tribal consultation. <p>Costs of labor and materials for repair, rehabilitation, and construction;</p> <p>Demolition/site preparation;</p> <p>Information technology infrastructure and material;</p> <p>Construction management (from external sources only)*;</p> <p>Capitalized equipment;**</p> <p>Real property when purchased specifically for the project, and associated costs.***</p> <p>The purchase of equipment, materials, and real property must be consistent with 2CFR Part 200.</p> <p>* Construction management and observation is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work typically performed by offsite consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.</p> <p>** Equipment is considered an eligible project cost as long as the average useful life of the item is 13 years or more.</p> <p>*** Costs directly associated with property acquisition include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.</p>	<p>Our grants are intended to fund broadband infrastructure construction. The following costs are not eligible for reimbursement and cannot be used to match state funds:</p> <p>Internal administrative activities;</p> <p>Project management (from any sources); Fundraising activities;</p> <p>Feasibility studies;</p> <p>Computers or office equipment;</p> <p>Rolling stock (such as vehicles);</p> <p>Lease payments for rental of equipment or facilities;</p> <p>Mortgages and property leases (including long-term);</p> <p>Moving of equipment, furniture, etc., between facilities; and</p> <p>Regular maintenance costs.</p>

9. Pre-Contract Requirements

Grantees must complete pre-contract requirements before beginning construction and within 6 months of the grant award notification. Extensions may be approved, on a case-by-case basis, by the WSBO Director. Pre-contract requirements include completion of activities such as project engineering, securing required permits, and completing Tribal consultation and cultural resource review pursuant to Governor's Executive Order 21-02.

10. Reporting Requirements

Quarterly project reports are required after contract execution through the end of the project performance period (anticipated to be December 31, 2026). The WSBO reserves the option to modify reporting criteria in future. At a minimum, grant recipients will be required to report on:

- Location (geospatial location data)
- Speeds/pricing tiers to be offered, including the speed/pricing of its affordability offering
- Technology to be deployed
- Miles of fiber
- Cost per mile
- Cost per passing
- Number of households (broken out by households on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload
 - Number of households with access to minimum speed standard of reliable 100 Mbps symmetrical upload and download
 - Number of households with access to minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
- Number of institutions and businesses (broken out by institutions on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload, in each of the following categories: business, small business, elementary school, secondary school, higher education institution, library, healthcare facility, and public safety organizations. Grant recipients must:
 - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps symmetrical upload and download; and
 - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps download and 20 Mbps upload.

11. Federal requirements (2 CFR Part 200)

Funds are subject to provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards (2 CFR Part 200).

12. Contact Information

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Visit www.broadband.wa.gov to apply.