# Lasting Infrastructure and Network Connectivity (LINC) Grant Program

## 5/4/23

# Welcome

- **Program Overview**

- **Broadband Infrastructure Program**

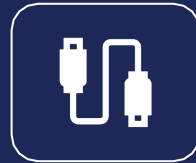- **Middle Mile Program**

- **Internet Exchange Point Program**

# The Lasting Infrastructure and Network Connectivity (LINC) Grant Program provides Kansas access to $25M – $30M in grant funding

- The LINC Grant Program provides funding for:

  - Broadband infrastructure enabling end user locations with a minimum of 100/20 Mbps speeds

  - Middle Mile infrastructure to reduce overall costs in delivering broadband to end users

  - Internet Exchange Point facilities to improve the overall internet access service quality for all Kansans

*"The investment in Kansas' broadband infrastructure has been a top priority for me to deliver to the people of Kansas since day one. No one in our state should be without the means to connect to the world – whether it be for business, education or quality-of-life purposes – and this new grant program will help ensure that it happens." - Governor Laura Kelly*

**KANSAS**
OFFICE OF
**BROADBAND**
**DEVELOPMENT**

**Kansas**
Department of Commerce
Office of Broadband Development

# Lasting Infrastructure and Network Connectivity (LINC) Grant Program

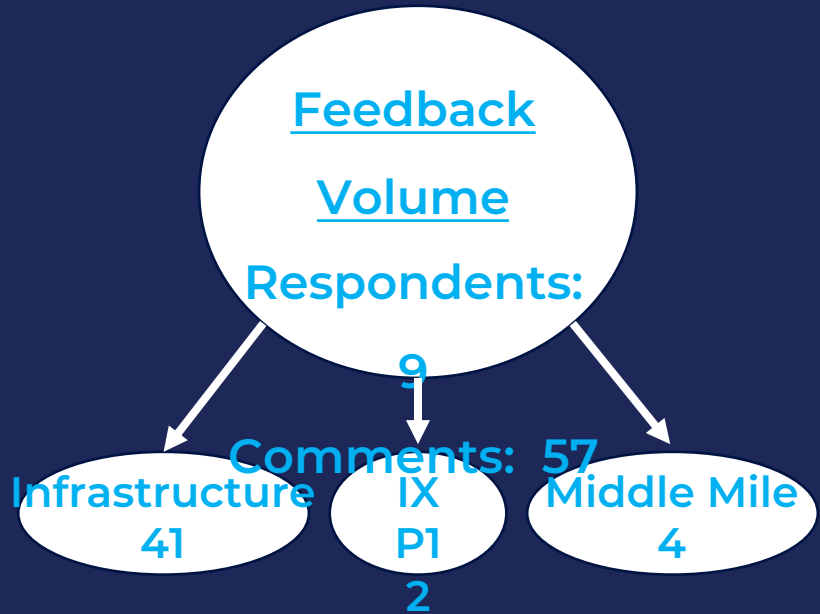| | Broadband Infrastructure | Internet Exchange Point and Middle Mile | |
|---|---|---|---|
| | Broadband Infrastructure | Internet Exchange Point | Middle Mile |
| Funding Available | $20M - $25M | $5M - $10M* | |
| Maximum Project Size | $5M | $5M - $10M* | |

\* - Funding may be directed to either or both programs based on the application candidate pool

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

4

Kansas
Department of Commerce
Office of Broadband Development

# Draft Guideline Feedback – Nothing But The Facts

👏 A Big Thank You For Providing Feedback! 👏

**Feedback Volume**

Respondents: 9

Comments: 57

Infrastructure 41

IX P1 2

Middle Mile 4

Guideline Changes: 18

FAQ Additions: 7

No Changes: 35

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Grant Timeline

| Week of: | 5/1 | 5/8 | 5/15 | 5/22 | 5/29 | 6/5 | 6/12 | 6/19 | 6/26 | 7/3 | 7/10 | 7/17 | 7/24 | 7/31 | 8/7 | 8/14 | 8/21 | 8/28 | 9/4 | 9/11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Week # | 1 | 2 | 3 | 4 | 5 | 6 | | 7 | | 8 | 9 | | 10 | | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |

Application Window | Public Comment Window | Applicant Response to Public Comment Window | Grant Evaluations Completion | Applicant Interviews | Final Review | KDC Leadership Review

Grant Evaluation Period

- Grant timeline applies to Broadband Infrastructure, Middle Mile and Internet Exchange Point Programs
- Application window opens on May 5, 2023, closes on June 19, 2023
- Includes Public Comment and Applicant Response periods
- Applicant interviews to occur after grant evaluation period
- Award announcements targeted for September 2023

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas Department of Commerce
Office of Broadband Development

# Broadband Infrastructure

- Program Overview

- Eligibility Criteria and Timeline

- Applicant Match

- Demonstrating Project Need:  Broadband Availability Check

- Public Comment

- Application Structure, Priorities, Evaluation and Compliance

# Program Overview – Changes From CPF Broadband Infrastructure Program

| Program Attribute Changes | CPF | LINC |
|---|---|---|
| Program Qualifying Speeds | 100/100 Mbps | 100/20 Mbps |
| Price Freeze | 3 Years | N/A |
| Regional Award Distribution | Evaluated | Target Priority |
| Covered Population | Evaluated | Target Priority |
| Certified RDOF Areas Available For Award | Evaluated | Investment dependent on service availability, speed and solution |
| Fiber Based Focus | Yes | Yes + other technologies considered for award |
| Maximum Grant Award (in millions) | $10.0 | $5.0 |
| Minimum Unserved Threshold | None | 80% |
| FCC Service Availability Database | Form 477 | Broadband Data Collection Fabric and Service Availability Data |

- LINC program designed to provide greater flexibility for implementation while focusing the broadband investment where it is needed the most – significantly unserved communities

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# LINC Will Fund Projects That:

- Address a critical broadband need of the community to be served

- Contain at least 80% unserved locations within the proposed service area

- Enable access to an affordable and reliable high-speed broadband connection

- Provide a minimum of 100/20 Mbps speed to the end user, with scalability to at least symmetrical 10 Gbps

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Eligible Areas

Recipients may use these funds to make critical investments in broadband infrastructure*. Critical investments must be directed to unserved areas and meet the minimum unserved threshold to qualify for grant funding

| Unserved |
|---|

- Unserved: geographic areas with location IDs that are without access to reliable wireline speeds of 100 Mbps download / 20 Mbps upload or greater

| Minimum Unserved |
|---|

Threshold

- Minimum Unserved Threshold: applications must have at least 80% of the location IDs unserved in the proposed service area to be considered (or qualify) for grant funding

> **Recipients must invest in broadband infrastructure that addresses a *critical* need for the community**

*Middle-mile expenses are eligible for grant funding within the Broadband Infrastructure Program <u>only</u> when they are necessary for the provision of last-mile services described in the broadband infrastructure application.

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Rural Digital Opportunity Fund Area Treatment

Areas that have received "final authorization" for RDOF awards will be considered ineligible unless:

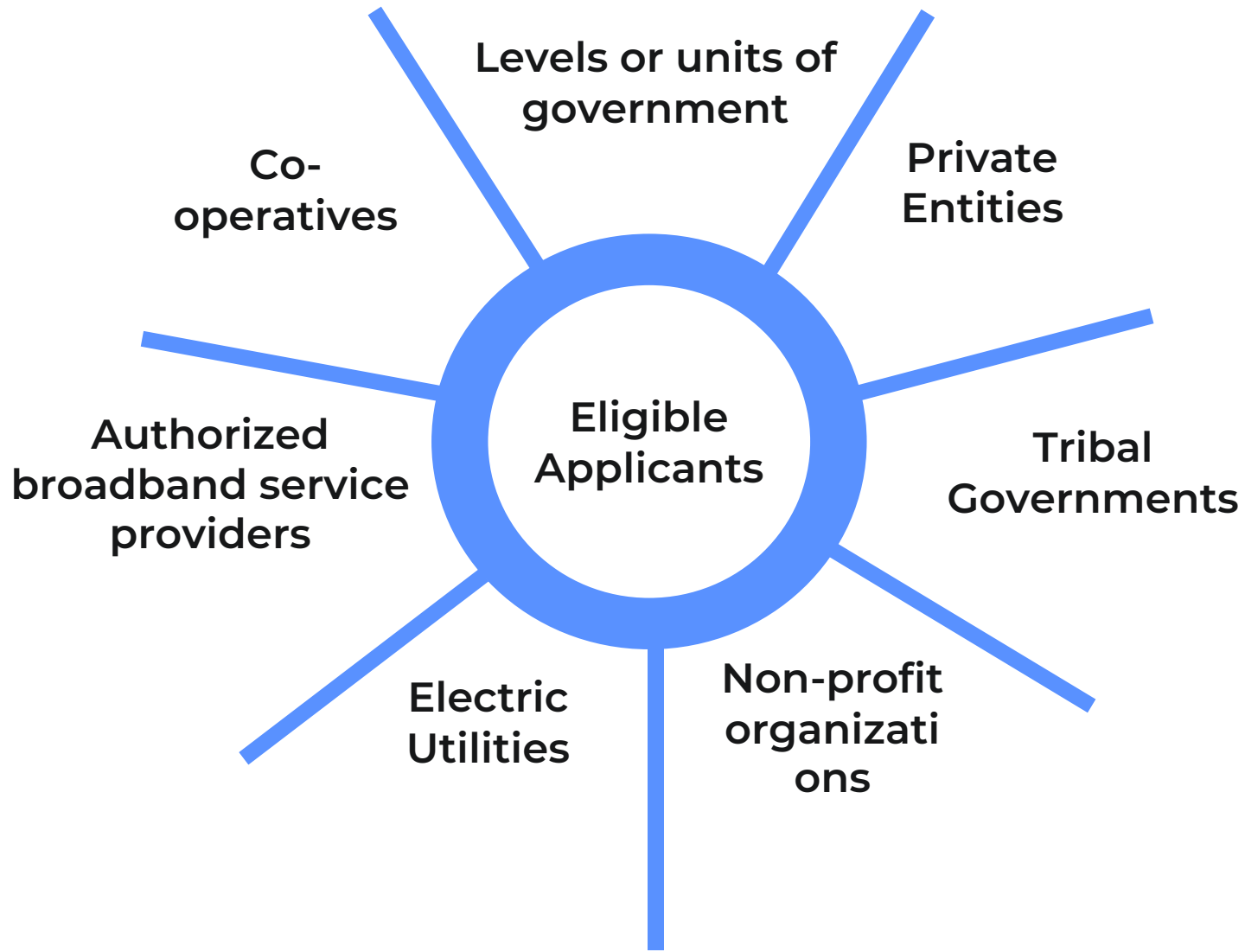RDOF deployment timelines do not align with LINC requirements within twenty-four (24) months

Certified RDOF award does not align with overall LINC program improved service intent

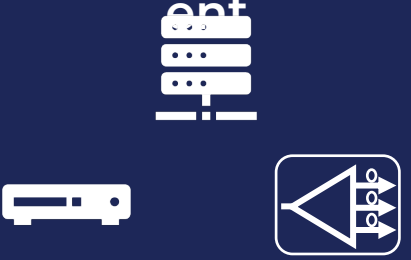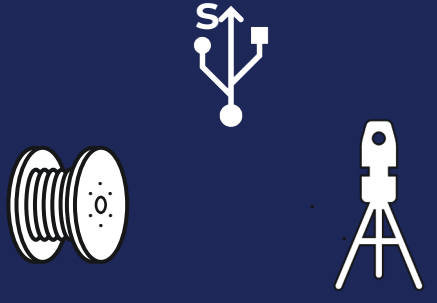Final determination based on the above criteria, plus if the "final authorized" RDOF footprint investment partially, or fully, benefits the community

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas Department of Commerce Office of Broadband Development

# Eligible Applicants



Eligible Applicants

- Levels or units of government
- Private Entities
- Tribal Governments
- Non-profit organizations
- Electric Utilities
- Authorized broadband service providers
- Co-operatives

# Eligible Costs

**Capital expenses directly related to the deployment of a qualified broadband project, including:**

## Pre-Project Development Costs

Limited to 5% cap of grant funds when pre-project development costs are eligible under matching funds

| | | | | |
|---|---|---|---|---|
| Data gathering | Feasibility studies | Engineering design | Work-related to environmental, historical and cultural review | Permitting |

### Equipment

### Supplies

### Materials

Costs incurred on or after 3/03/21 are eligible for reimbursement

# Ineligible Costs

**Obligation / Debt Servicing**

- Satisfaction of any obligation
- Payment of interest or principal on outstanding debt instruments

**Operational Expenses**

- Operating expenses
- Short-term operation leases
- Maintenance expenses related to the project.
- Indirect labor costs (fringe/benefits, travel, meals, lodging, paid time off, etc.)

**Capital Assets / Infrastructure**

- Acquisition of spectrum licenses
- Infrastructure not directly connected to service provision for an end-user in the proposed area
- Long-term capital asset purchases/leases, although cost allocation for use during the project period will be considered on a case-by-case basis

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

14

Kansas
Department of Commerce
Office of Broadband Development

# Ineligible Solutions

**2 CFR 200**

- **Specific items prohibited in 2 CFR Part 200, 2 CFR 200.216, and 2 CFR 200.471 such as:**
  - contains prohibitions on the use of grant funds to procure or obtain certain telecommunications and video surveillance services or equipment provided or produced by designated entities
  - provides that certain telecommunications and video surveillance costs associated are unallowable

# Economically Distressed Counties

| Economically Distressed Counties in Kansas | | | |
|---|---|---|---|
| Allen | Ellsworth | Lincoln | Riley |
| Anderson | Finney | Linn | Rooks |
| Atchison | Ford | Lyon | Russell |
| Barton | Franklin | Marion | Scott |
| Bourbon | Geary | Marshall | Seward |
| Brown | Graham | Mitchell | Smith |
| Chase | Grant | Montgomery | Stafford |
| Chautauqua | Greenwood | Morris | Stevens |
| Cherokee | Hamilton | Morton | Sumner |
| Clay | Harper | Neosho | Washington |
| Cloud | Harvey | Norton | Wichita |
| Cowley | Jackson | Osage | Wilson |
| Crawford | Jewell | Ottawa | Woodson |
| Dickinson | Kearny | Pawnee | Wyandotte |
| Doniphan | Kiowa | Reno | |
| Edwards | Labette | Republic | |
| Elk | Leavenworth | Rice | |

- 65 economically distressed counties
- Sourced from either the 2020 per capital BEA PCPI or PCMI metric is below the 80% threshold

# Applicant Match Solution

- Applicant match solution based on CPF Broadband Infrastructure Program

- Applicant match solution intended to:

  ○ Encourage service provider investment

  ○ Foster high adoption rates

  ○ Enable service providers to reasonably operate for the long term

  ○ Sensibly optimize Kansas funding for greatest location enablement

  ○ Encourage broadband investments in high-cost-to-construct rural areas

# Applicant Match Details

| Sliding Scale Match Table | |
|---|---|
| **Cost Per Location Passed** | **Applicant Match Percentage** |
| $ 750 | 86.7% |
| $ 1,000 | 70.0% |
| $ 1,500 | 50.0% |
| $ 2,000 | 40.0% |
| $ 2,500 | 34.0% |
| $ 3,000 | 30.0% |
| $ 3,500 | 28.6% |

| | |
|---|---|
| $ 16,000 | 6.3% |
| $ 16,500 | 6.1% |
| $ 17,000 | 5.9% |
| $ 17,500 | 5.7% |
| $ 18,000 | 5.6% |
| $ 18,500 | 5.4% |
| $ 19,000 | 5.3% |
| $ 19,500 | 5.1% |
| $ 20,000 | 5.0% |

- Sliding Scale Match provides greater State match where the most help is needed – higher cost areas

- Minimum applicant match is based on cost per location passed - ranges from ~87% to 5%

- Applicant match calculator provided to determine percentage match, only inputs needed are:
  - Total Project Cost
  - Total Locations Passed

- Full table and match calculator published in Program Guidelines

Kansas
Department of Commerce
Office of Broadband Development
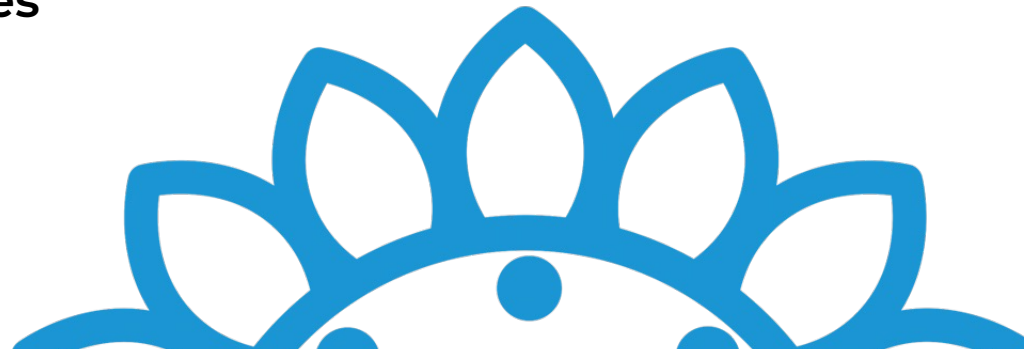
# Applicant Match Calculator Tool

- Applicant match calculator provided to determine minimum percentage match, only inputs needed are:
    - Total Project Cost
    - Total Locations Passed

- Full table and match calculator published in Program Guidelines

### Calculator Tool Provided in Program Guidelines

Input project information here

| Determine Applicant Match Value | | | |
|---|---|---|---|
| **Calculation Steps** | **Action** | **Values** | |
| Step A | Enter Total Project Cost | $ 500,000 | <<< Applicant input |
| Step B | Enter number of locations passed | 200 | <<< Applicant input |
| | Calculated Project's Cost Per Location Passed Amount | $ 2,500 | |
| | | | |
| Step C | Calculated Applicant Match % | 34.00% | |
| | Use this amount as the as the minimum required applicant match. | $ 170,000 | >>> Calculated Applicant match |

Calculated applicant match here

# Demonstrating Project Need: Broadband Availability Check

# Broadband Availability Check

## Checking Location Served Status

### FCC Broadband Data Collection (BDC) Fabric: Service



https://broadbandmap.fcc.gov/home?version=jun2022
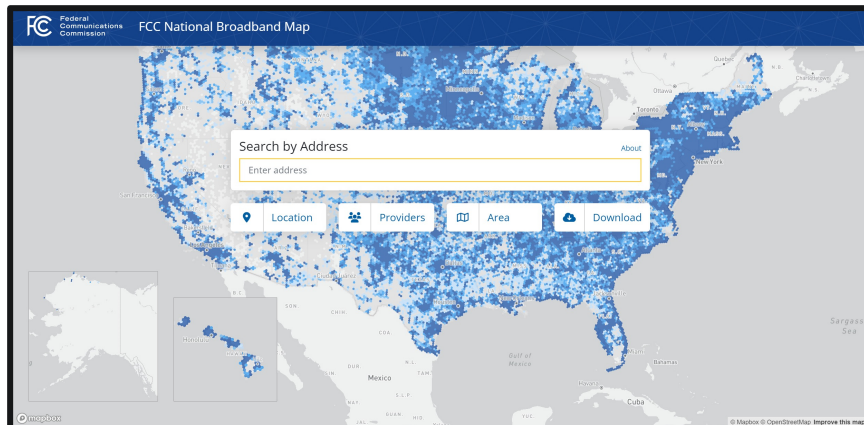
### Other Acceptable Data

| Speed Tests | Service Availability |
|---|---|
| Consumer Testimonials | Infrastructure Data |

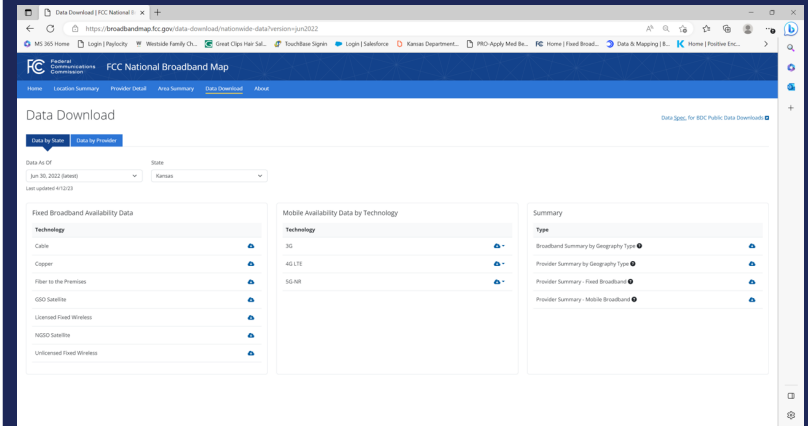# FCC Broadband Data Collection (BDC) Fabric: Service Availability

## Applicant Input: Proposed Service Area Data

### Location ID Template

### Polygon Template + Associated Data Files

## Compare with BDC Service Availability Data (as of 6/30/22)*

Compares proposed service area Location IDs with BDC service availability data Location ID attributes

## Comparison Output

- Proposed service area locations served with 100/20 Mbps (served)

- Proposed service area locations not served with 100/20 Mbps (unserved)

- Degree of Unserved %: locations unserved divided by total locations within Proposed Service Area

\* - If an updated BDC service availability data set becomes available during the evaluation period, it will be used to support the comparison effort if it does not impact the award timeline

KANSAS OFFICE OF BROADBAND DEVELOPMENT

22

Kansas
Department of Commerce
Office of Broadband Development

# Location ID and Polygon File Submission

- Data set defined in Broadband Data Collection: Data Specifications for Biannual Submission of Subscription, Availability, and Supporting Data" (dated February 7, 2023)

- Service provided data for applications and public commented accepted in two forms:
  - Location ID List Template
  - Polygon Template and Associated Data Set

Data must be provided for both the application and for the applicant's service area within Kansas

- Provides the means by which unserved status can be determined

Location ID List Template



Polygon Template and Associated Data Files





23

# Degree of Unserved

- Degree of Unserved (DoU) is the percentage of locations within a defined service area without 100/20 Mbps broadband service

- Calculation reflects the ratio between unserved location IDs vs. total locations IDs within a defined service area as listed below:

$$\text{Degree of Unserved (DoU)} = \frac{\text{Number of Locations IDs without 100/20 Mbps services within the proposed service area}}{\text{Number of Location IDs within the proposed service area}} = \%$$

- A higher DoU percentage for an application reflects a greater broadband need within a community

- Applications with 80% or greater DoU will be considered for grant awards

Note: Grant funding will not be used to fund applications to create a competitive environment.

KANSAS OFFICE OF BROADBAND DEVELOPMENT

24

Kansas
Department of Commerce
Office of Broadband Development

# Other Acceptable Data (Optional)

FCC Broadband Data Collect Service Availability data may contain inaccurate or unvalidated information.  Other acceptable data to demonstrate that the proposed service area is, in fact, unserved are:

**Speed tests** →
- Survey or date and time stamped speed test data for a majority of consumers in the designated area

**Consumer testimonials** →
- Testimonials collected within twelve months of the application due date from the majority of consumers (name and address must be included) in the proposed service area
- A copy of submission(s) to the FCC contesting BDC service availability inaccuracies

**Service availability** →
- Documentation from the website of reported service provider stating service is unavailable in this area or for a specific address

**Infrastructure data** →
- Documentation of a lack of infrastructure in an area

# Public Comment Period

The public comment period is intended to:
- ensure transparency and best use of taxpayer funds
- provide an opportunity for providers, elected officials, and constituents to express support or concerns with an application or its proposed service area.

## Public Comment Categories

**Service Areas with Projects Underway**

**Service Areas with Projects Planned But Not Underway**

**Service Areas Where Broadband Already Exists**

**Other**

Note: When public comments are accepted against an application, KOBD will use the "Application Overlap" process to determine further application consideration for funding

26

# Service Areas With Projects Underway

- Public comments shall contain information demonstrating that the provider has begun construction activities.
- The project must provide a minimum of 100/20 Mbps services.
- Challenger must submit proof that work has started on a project to complete broadband infrastructure within applicant's proposed service area.
- Service area and associated Location IDs must be submitted via FCC Broadband Data Collection Service Availability templates

**Acceptable Forms of Proof**

- Planning / Engineering Drawings (Required)
- Permitting Requests (Required)
- Franchise Agreement Application(s) (Required, if Applicable)
- Generated Bill of Materials (Desired)
- Bill of Material Purchase Orders (Desired)
- Engineering or Construction Invoices (Required)
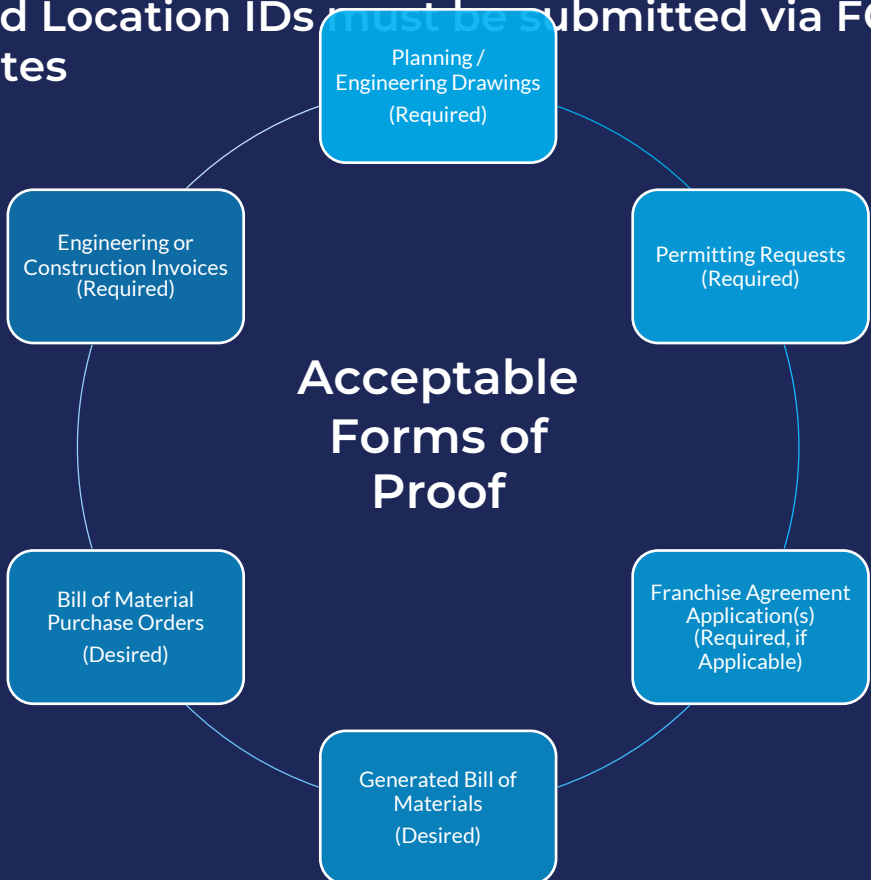
# Service Areas With Projects Planned But Not Underway

- The public comment shall contain information demonstrating that the service provider has begun the planning phase of the project.
- If these conditions are met, the KOBD will consider denying the applicant's proposal.
- If challenge is successful, compliance requirements will be applied.

### Challenger Required Data / Commitment

100/20 Mbps minimum speed

Proposed service area map in .kmz format

Complete 18 months after grant awards date

Protested locations identified

Funded by "challenger" service provider

Heat maps included in .kmz file (if applicable)

Service area and associated Location IDs must be submitted via FCC Broadband Data Collection Service Availability templates

If applicant's proposal denied, challenger subject to compliance

### Compliance Requirements

If not complete within 18 months, KOBD reserves the right to:

🚫 Prohibit challenger from submitting challenges on any future KOBD administered grant applications for two years

🚫 Prohibit challenger from applying for any grant programs administered by KOBD for the following two fiscal years

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Service Areas Where Broadband Already Exists

- Requires a provider submitting a challenge to provide speed test results in the proposed project area in which the provider submitting the challenge states that broadband service is currently available at minimum speeds of 100/20 Mbps <u>across entire footprint</u>
- Public comment from challenger must include the following information for consideration:

| | Speed Tests | Consumer Testimonials |
|---|---|---|
| **Proof Required** | | |
| **Requested Data Set** | • Speed test provider<br>• Downstream speed<br>• Upstream speed<br>• Latency<br>• Physical address<br>• 5% of locations within overlapping area | • Name(s)<br>• Physical Address<br>• Consumers in proposed service area |
| **Data Set Attributes** | • Data source and methodology used to develop<br>• Data collected from July, 2022 or later - (opportunity to re-use from CPF program)<br>• Raw data available | |

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas Department of Commerce Office of Broadband Development

# Other

Any other feedback that providers, elected officials, and constituents wish to express in support of or to document concerns regarding an application or its proposed service area

## Input Examples

- Effective use of taxpayer funds
  - Cost
  - Procedural
- Project area adjustment
  - Legal
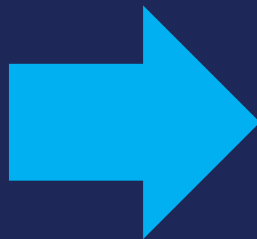
## Claim(s) Assessment

- Evidence examined
- Conduct interview(s) as needed
- Evidence viability determined
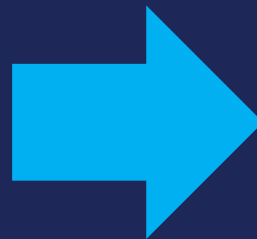
## Determination

- Public comment evidence substantiates an application change or not
- Application modification required or not

Degree of impact to previous programs: All "Other" public comments were not accepted in BAG 2.0 and CPF Infrastructure programs – all because of lack of sufficient evidence

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Applicant Response

An applicant response to a public comment is helpful to:
- Acknowledge that the public comment was seen by the applicant
- Enable the applicant to refute the public comment information
- Bring to bear additional information regarding the proposed service area or existing service availability information that was not provided at the time of application

- If there is no applicant response to the public comment:
    - Lends credence to the public comment, high likelihood that contested service area would be de-selected from the application
    - KOBD will only rely on the public comment content to resolve the public comment

- If there is an applicant response, KOBD will use the applicant feedback when resolving the public comment

# Application Overlap

What happens when two or more applications have overlapping proposed service areas?

Evaluate each application on its own merit

In the event of overlapping proposed service areas, the highest scoring application becomes the primary candidate for funding

If a scoring tie, the best solution is selected based on overall benefit to the community – speeds available, price points, locations passed, etc.

The lower scoring application is evaluated against remaining application pool, if applicant agrees that the application remains viable after extracting the overlapping location IDs

Note:
- Overlapping applications may not be the highest scoring proposals in their peer group
- As such, applicants may never be contacted when an overlapping

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development
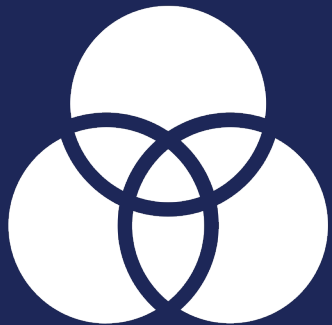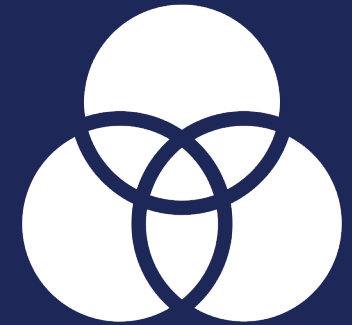
# Application Submission Structure

## Project Proposal

- Executive Summary of the Project
- Community Partners, Roles & Letters of Commitment
- Justification for the Project and Economically Distressed
- Adoption, Affordability, and Digital Inclusion Efforts (ACP participation

## Technical

- Technical Project Summary
- Degree of Unserved
- Network Architecture
- Public and Proprietary Detailed Map of the Proposed Area
- List of Location IDs (application and service provider footprint)
- Project Plan and Milestones
- Long Term Investment Viability

## Financials

- Budget Narrative
- Project Budget Spreadsheet
- Bill of Materials
- Income Statements

# Application Evaluation

| Application Section | Sub-Categories | Approximate Weighting |
|---|---|---|
| Project Proposal | • Project justification<br>• Community benefits<br>• Adoption / Affordability* / Dig. Equity<br>• Partnerships | 35% |
| Technical Project Plan | • Delivered speed<br>• Future proofing / scalability<br>• Proposed service area validation<br>• Locations passed | 50% |
| Financials | • Financial standing of company<br>• Confirming financing is available to support match<br>• Confirming project costs and budget<br>• Applicant Match + Co-Investment | 15% |

\* - Affordability comparison baseline is $60 per month for 100 Mbps service

# Project Priorities

Projects that address critical broadband needs focusing on unserved areas:

Co-Investment

Unserved Areas

Geographic Distribution

Fiber-Optic Infrastructure

Economically Distressed / Covered Population

Affordability

Speeds

Other Technology Infrastructure

Scalability

Community Partnerships

# Attestations

- The CPF Infrastructure Program attestations will be carried forward to the LINC Program, with the following additions:

  o The grant applicant agrees that if awarded funds through the LINC program, the grant agreement will be executed within 60 days of receipt from Department of Commerce. If the agreement is not executed within 60 days, the Kansas Department of Commerce reserves the right to reallocate funds.

  o All applicants will be required to sign the Department of Commerce Confidentiality Agreement

# Post Award Compliance

## Compliance

**Monthly Report:**
- A narrative update on the status of the project, including notification of any delays.
- Quarterly fund disbursement will be made on expenditure report and supporting documentation
- A monthly budget expenditure report of the project
- A monthly .pdf containing supporting project expenditure documentation for reimbursement re- quested (i.e., Invoices/receipts)
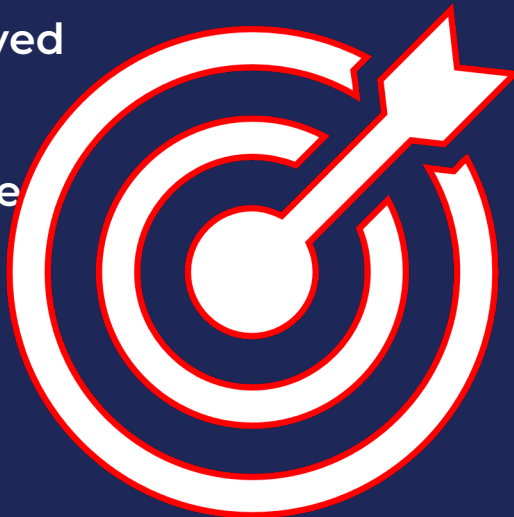
**+**

**Closeout Report:**
- Validation of broadband infrastructure project
- Location ID data, .kmz maps, speed tests, latency, and network performance validation
- 3rd party location enablement validation potential
- Expenditure report and supporting documentation for reimbursement requested (i.e., Invoices/receipts)
- Highlights/Hurdles

# Best Practices For Future Program Applications

- Continued Focus on Economically Distressed Areas

- Target Unserved Areas
  - Unserved vs. Underserved – unserved is the priority
  - Trend to continue for the foreseeable future

- Advance Preparation: Get prepared with projects in hand

  - Supporting Documentation Preparation – surveys, testimonials, speed tests to support proposed service area.

- Align Application Deliverables With Program Priorities

- Ensure Application Information Is Provided
  - Mapping (public and private)
  - Budget and BOM is filled out
    - Speeds: Meet Minimum Program Speeds

- Scalability
  - Fiber based (if required)
  - Capable of 10G or higher
  - Service offerings reflecting symmetric capability

- Pricing
  - Affordability translates to adoption
  - Adoption is the key focus of building the broadband infrastructure

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

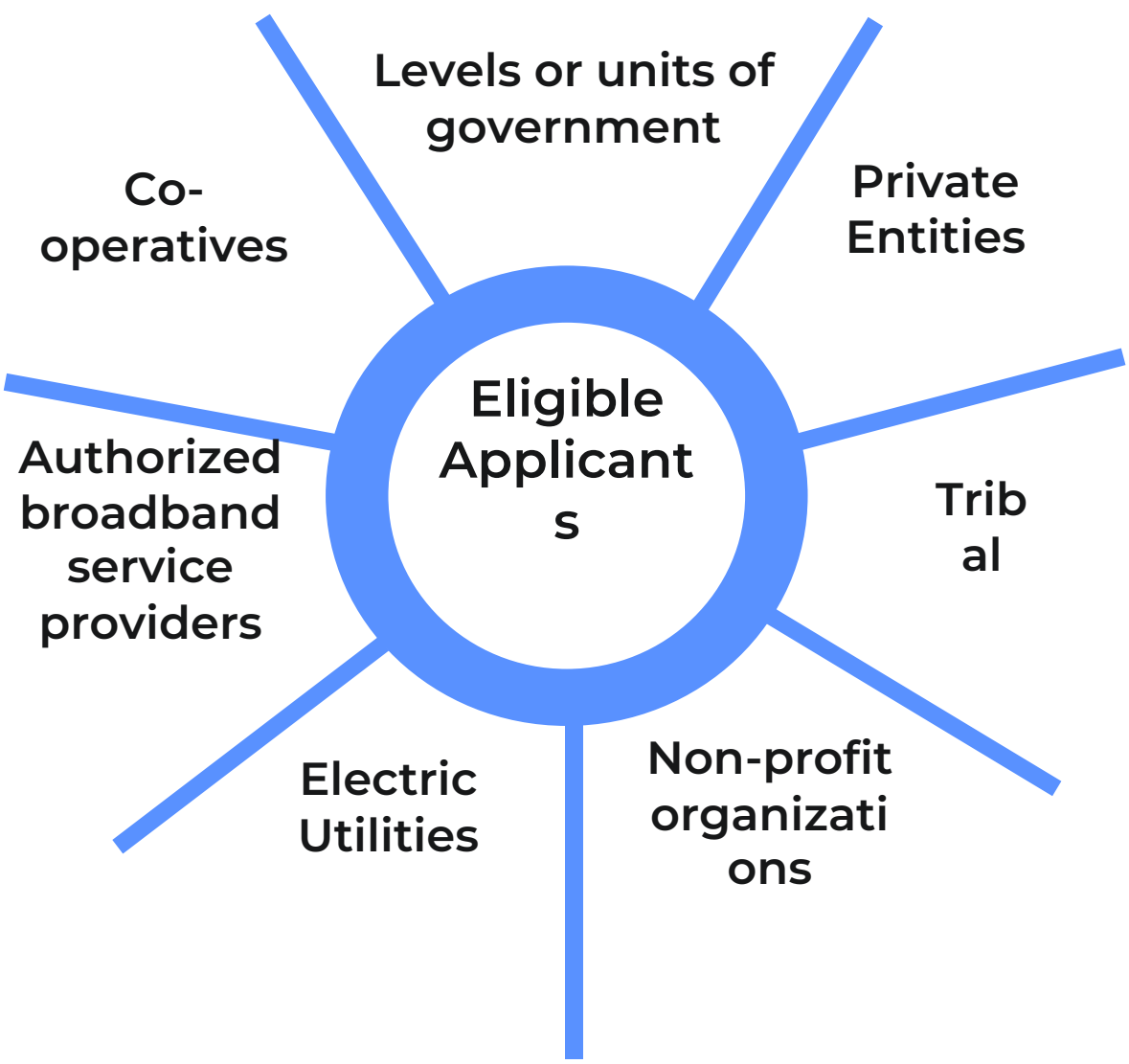# Middle Mile

# Program Overview and Priorities

- The intent of this program is to:
    - Reduce transport costs connecting last mile solutions
    - Encourage the expansion of Middle Mile infrastructure to reduce the cost of connecting, in general, unserved and underserved areas to the Internet backbone
    - Promote broadband connection resiliency through the creation of alternative network connection paths
    - Offer access to the funded Middle Mile infrastructure, in perpetuity, on an open access basis

- Funding details:
    - Provides an 80% match for selected projects
    - A total of between $5M and $10M is available for one or more projects (total amount shared with Internet Exchange Point Program)

Note: Open access requirements would only apply to the portion funded by the State of Kansas if any project crosses state boundaries

# Eligible Applicants



- Levels or units of government
- Private Entities
- Tribal
- Non-profit organizations
- Electric Utilities
- Authorized broadband service providers
- Co-operatives

Eligible Applicants

# Eligible Costs

**Capital expenses directly related to the deployment of a middle mile project, including:**

## Pre-Project Development Costs

Limited to 5% cap of grant funds. Certain pre-project development costs are eligible under matching funds

**Data gathering**

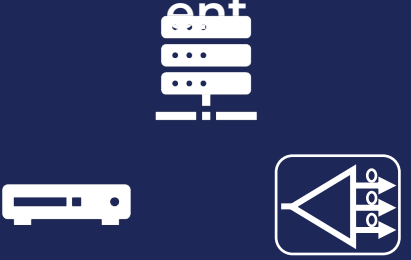**Feasibility studies**

**Engineering design**

**Work-related to environmental, historical and cultural review**

**Permitting**

## Equipment

## Supplies

## Materials

**Costs incurred on or after 3/03/21 are eligible for reimbursement**

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Ineligible Costs

**Obligation / Debt Servicing**

- Satisfaction of any obligation
- Payment of interest or principal on outstanding debt instruments

**Operational Expenses**

- Operating expenses
- Short-term operation leases
- Maintenance expenses related to the project
- Indirect labor costs (fringe/benefits, travel, meals, lodging, paid time off, etc.)

**Capital Assets / Infrastructure**

- Acquisition of spectrum licenses
- Long-term capital asset purchases/leases, although cost allocation for use during the project period will be considered on a case-by-case basis

Note: If the proposed middle mile solution extends beyond State of Kansas geographical boundaries, only the infrastructure placed within the State of Kansas would be eligible for funding through this program.

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Ineligible Solutions

**2 CFR 200**

- **Specific items prohibited in 2 CFR Part 200, 2 CFR 200.216, and 2 CFR 200.471 such as:**
  - contains prohibitions on the use of grant funds to procure or obtain certain telecommunications and video surveillance services or equipment provided or produced by designated entities
  - provides that certain telecommunications and video surveillance costs associated are unallowable

# Climate Resistance

Applicants must demonstrate that they have sufficiently accounted for current and future weather and climate-related risks to middle mile infrastructure projects

## Weather Related Risks

## Risk Frequency

## Design and Describe

# Public Comment Period

The public comment period is intended to:
- ensure transparency and best use of taxpayer funds
- provide an opportunity for providers, elected officials, and constituents to express support or concerns with an application

## Public Comment Categories

**Middle Mile Projects Underway**

**Middle Mile Projects Planned But Not Underway**

**Areas Where Middle Mile Already Exists**

**Other**

# Middle Mile with Projects Underway

- Public comments shall contain information demonstrating that the provider has begun construction activities.
- Challenger must submit proof that work has started on a project to complete middle mile infrastructure with substantial cost reduction benefits compared to existing middle mile infrastructure

**Acceptable Forms of Proof**

- Planning / Engineering Drawings (Required)
- Permitting Requests (Required)
- Generated Bill of Materials (Desired)
- Bill of Material Purchase Orders (Desired)
- Engineering or Construction Invoices (Required)

# Middle Mile Projects Planned But Not Underway

- The public comment shall contain information demonstrating that the service provider has begun the planning phase of the Middle Mile (MM) project.
- If these conditions are met, the KOBD will consider denying the applicant's proposal.
- If challenge is successful, compliance requirements will be applied.

**Challenger Required Data / Commitment**

Funded by "challenger" service provider
Cost structure and pricing comparisons
MM segment map in .kmz format

Complete 18 months after grant awards date
Protested MM segment(s) identified

If applicant's proposal denied, challenger subject to compliance

**Compliance Requirements**

If not complete within 18 months with stated benefits, KOBD reserves the right to:

🚫 Prohibit challenger from submitting challenges on any future KOBD administered grant applications for two years

🚫 Prohibit challenger from applying for any grant programs administered by KOBD for the following two fiscal years

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Areas Where Middle Mile Already Exists

Public comment from challenger must include the following information for consideration

|  | Pricing Structure | Middle Mile Segment Comparison |
|---|---|---|
| **Proof Required** | 💵 | 🔍 |
| **Requested Data Set** | • Provide existing middle mile pricing structure<br><br>• Explanation on why current solution and pricing structure is sufficient, should not be improved upon or augmented | • .kmz map showing current infrastructure overlaid with proposed middle mile project<br><br>• Provide benefit summary of current solution such as speed, scalability, resiliency, communities served, why existing middle mile solution is sufficient for the region / community |

# Other

Any other feedback that providers, elected officials, and constituents wish to express in support of or to document concerns regarding an application or its proposed benefits

## Input Examples

- Effective use of taxpayer funds
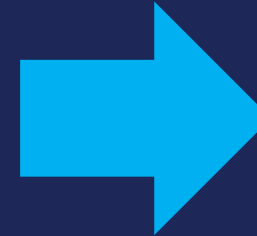  - Cost
  - Procedural
- Project area adjustment
  - Legal
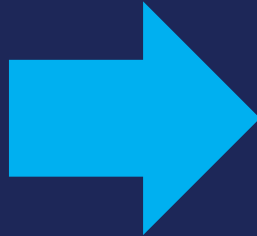
## Claim(s) Assessment

- Evidence examined
- Conduct interview(s) as needed
- Evidence viability determined

## Determination

- Public comment evidence substantiates an application change or not
- Application modification required or not

# Applicant Response

An applicant response to a public comment is helpful to:
- Acknowledge that the public comment was seen by the applicant
- Enable the applicant to refute the public comment information
- Bring to bear additional information regarding the Middle Mile solution or existing service availability information that was not provided at the time of application

- If there is no applicant response to the public comment:
  - Lends credence to the public comment, high likelihood that contested application or a portion of the application would be de-selected from the program
  - KOBD will only rely on the public comment content to resolve the public comment

- If there is an applicant response, KOBD will use the applicant feedback when resolving the public comment

# Application Submission Structure

## Project Proposal

- Executive Summary of Project
- Justification of the Project
- Cost Structure / Affordability
- Community Partner Involvement

## Technical

- Technical Project Summary
- Network Architecture
- Project Plan and Milestones
- Determination of Middle Mile Transport Availability Data
- Public and Proprietary Detailed Map of the Middle Mile Infrastructure
- Long Term Investment Viability

## Financials

- Budget Narrative
- Project Budget Spreadsheet
- Bill of Materials
- Income Statements

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Application Evaluation

| Application Section | Sub-Categories | Approximate Weighting |
|---|---|---|
| Project Proposal | • Project justification<br>• Community benefits<br>• Cost Savings<br>• Overall Benefit | 60% |
| Technical Project Plan | • Solutions to be offered<br>• Technology solution<br>• Future proofing / scalability | 25% |
| Financials | • Financial standing of company<br>• Confirming financing is available to support match<br>• Confirming project costs and budget<br>• Applicant Match<br>• Co-Investment | 15% |

# Project Priorities

Projects that address lack of middle mile or high-cost middle mile preventing last mile broadband expansion

- Cost Savings
- Community Partnerships
- Geographic Distribution
- Fiber-Optic Infrastructure
- Economically Distressed * Region
- Scalability
- Throughput Capability
- Cost
- Viability
- Co-Investment

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Attestations

- The CPF Infrastructure Program attestations will be carried forward to the LINC Program, with the following additions:

  o The grant applicant agrees that if awarded funds through the LINC program, the grant agreement will be executed within 60 days of receipt from Department of Commerce. If the agreement is not executed within 60 days, the Kansas Department of Commerce reserves the right to reallocate funds.

  o All applicants will be required to sign the Department of Commerce Confidentiality Agreement

# Post Award Compliance and Accountability

## Compliance

**Monthly Report:**
- A narrative update on the status of the project, including notification of any delays.
- Quarterly fund disbursement will be made on expenditure report and supporting documentation
- A monthly budget expenditure report of the project
- A monthly .pdf containing supporting project expenditure documentation for reimbursement re- quested (i.e., Invoices/receipts)

**+**

**Closeout Report:**
- Validation of Middle Mile infrastructure project
- Route segment completion, .kmz maps, throughput tests, latency, and network performance validation
- Expenditure report and supporting documentation for reimbursement requested (i.e., Invoices/receipts)
- Highlights/Hurdles

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Let's Talk.

# Internet Exchange Point

# Program Overview and Priorities

Purpose of the program is to improve the broadband end user experience through faster and more resilient connectivity via a facility that:

- Must physically reside in the State of Kansas
- Can be a new or an augmentation to an existing facility
- Public, private and government entities must be able to purchase IXP services from selected grantee(s)
- Is carrier neutral
- Not owned by existing broadband network operator
- Commits to not charging monthly recurring cross-connect fees
- Has demonstrated professional experience owning or operating IXP facilities (a minimum of three years)

Funding Details:

- Provides a 75% match for selected projects
- A total of between $5M and $10M is available for one or more projects (total amount shared with Middle Mile Program)

# Eligible Applicants



**Eligible Applicants:**
- Levels or units of government
- Private Entities
- Tribal
- Non-profit organizations
- Electric Utilities
- Authorized broadband service providers (crossed out)
- Co-operatives

**+**

**Additional Attributes:**
- Carrier Neutral
- 3 years owning or operating IXP facility
- Not owned by existing broadband network operator
- No recurring cross-connect fees
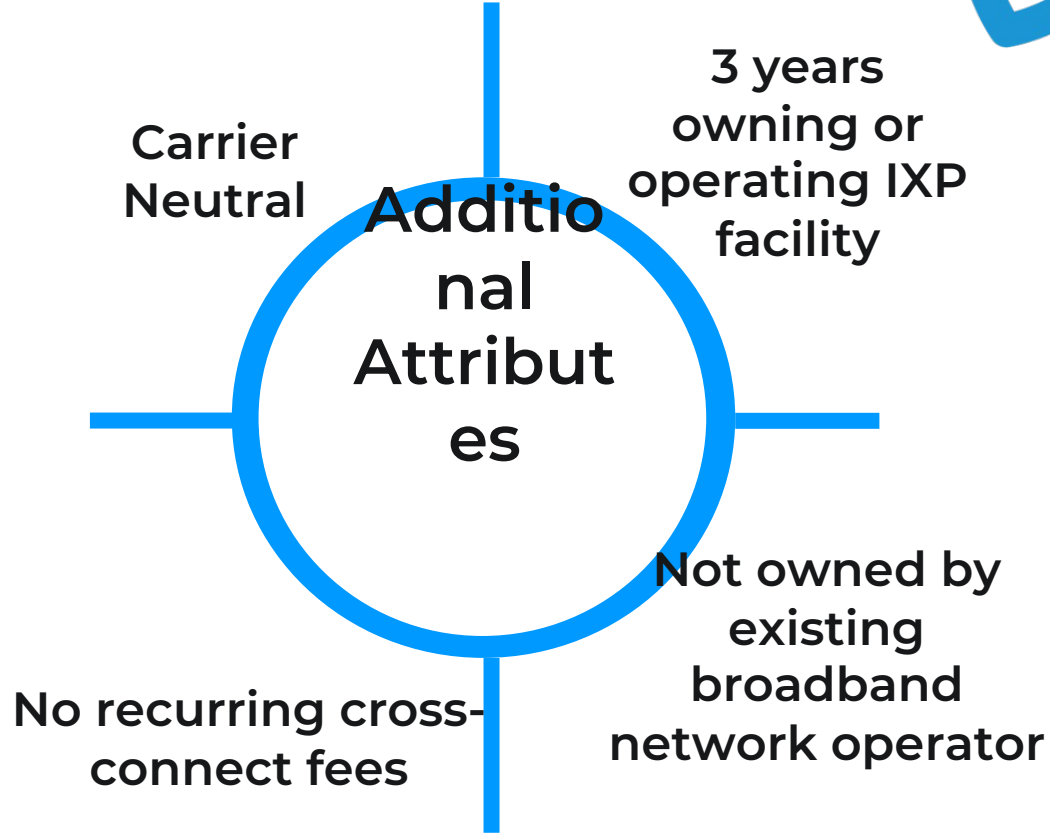
# Eligible Areas

Anywhere inside the Kansas state boundaries

**Helpful for the facility to be placed where there is access to a fiber rich environment**

# Eligible Costs

Capital expenses directly related to the deployment of a qualified Internet Exchange Point solution, including:

## Pre-Project Development Costs

Limited to 5% cap of grant funds, remaining pre-project development costs are eligible under matching funds

**Data gathering**

**Feasibility studies**

**Engineering design**

**Work-related to environmental, historical and cultural review**

**Permitting**
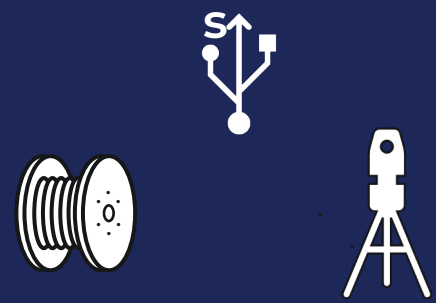
## Equipment
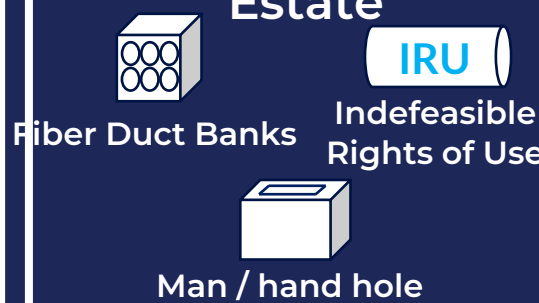
## Supplies

## Materials

## IXP Real Estate

Fiber Duct Banks

**IRU** Indefeasible Rights of Use

Man / hand hole

Costs incurred on or after 3/03/21 are eligible for reimbursement

# Ineligible Costs

**Obligation / Debt Servicing**

- Satisfaction of any obligation
- Payment of interest or principal on outstanding debt instruments

**Operational Expenses**

- Operating expenses
- Short-term operation leases
- Maintenance expenses related to the project
- Indirect labor costs (fringe/benefits, travel, meals, lodging, paid time off, etc.)

**Capital Assets / Infrastructure**

- Infrastructure not directly connected to enabling the IXP solution
- Long-term capital asset purchases/leases, although cost allocation for use during the project period will be considered on a case-by-case basis  (minus IRUs)

# Ineligible Solutions

- **New or augmented enterprise data centers**

- **Specific items prohibited in 2 CFR Part 200, 2 CFR 200.216, and 2 CFR 200.471 such as:**
  - contains prohibitions on the use of grant funds to procure or obtain certain telecommunications and video surveillance services or equipment provided or produced by designated entities
  - provides that certain telecommunications and video surveillance costs associated are unallowable

KANSAS
OFFICE OF
BROADBAND
DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Public Comment Period

The public comment period is intended to:
- ensure transparency and best use of taxpayer funds
- provide an opportunity for other IXPs, carriers, elected officials, and constituents to express support or concerns with an application

## Support

## Concern

# Applicant Response

An applicant response to a public comment is helpful to:
- Acknowledge that the public comment was seen by the applicant
- Enable the applicant to refute the public comment information
- Bring to bear additional information regarding the proposed service area or existing service availability information that was not provided at the time of application

- If there is no applicant response to the public comment:
  - Lends credence to the public comment, high likelihood that contested application or portion of the application would be de-selected from the program
  - KOBD will only rely on the public comment content to resolve the public comment

- If there is an applicant response, KOBD will use the applicant feedback when resolving the public comment

# Application Submission Structure

## Project Proposal

- Public Proposal
- Justification of the Project
- Cost Structure
- Community Partner Involvement

## Technical

- Technical Project Summary
- Physical Location and Interconnection Architecture Diagrams
- Capabilities
- Project Plan and Milestones
- Long Term Investment Viability / Scalability

## Financials

- Budget Narrative
- Project Budget Spreadsheet
- Bill of Materials
- Income Statements

# Application Evaluation

| Application Section | Sub-Categories | Approximate Weighting |
|---|---|---|
| Project Proposal | • Project proposal and justification<br>• Solutions offered<br>• Pricing<br>• Partnerships<br>• Overall benefit | 45% |
| Technical Project Plan | • Real estate solution<br>• Technology solution<br>• Technical project plan<br>• Long term viability / scalability | 40% |
| Financials | • Financial standing of company<br>• Confirming financing is available to support match<br>• Confirming project costs and budget<br>• Applicant Match | 15% |

# Project Priorities

Projects that address will improve the broadband end user experience through faster and more resilient connectivity

Improved Internet Experience

Partnerships

Experience In IXP Field

Connection Resiliency

Pricing

Carrier Neutral

Service Offer Structure

Scalability

Economically Distressed * Region
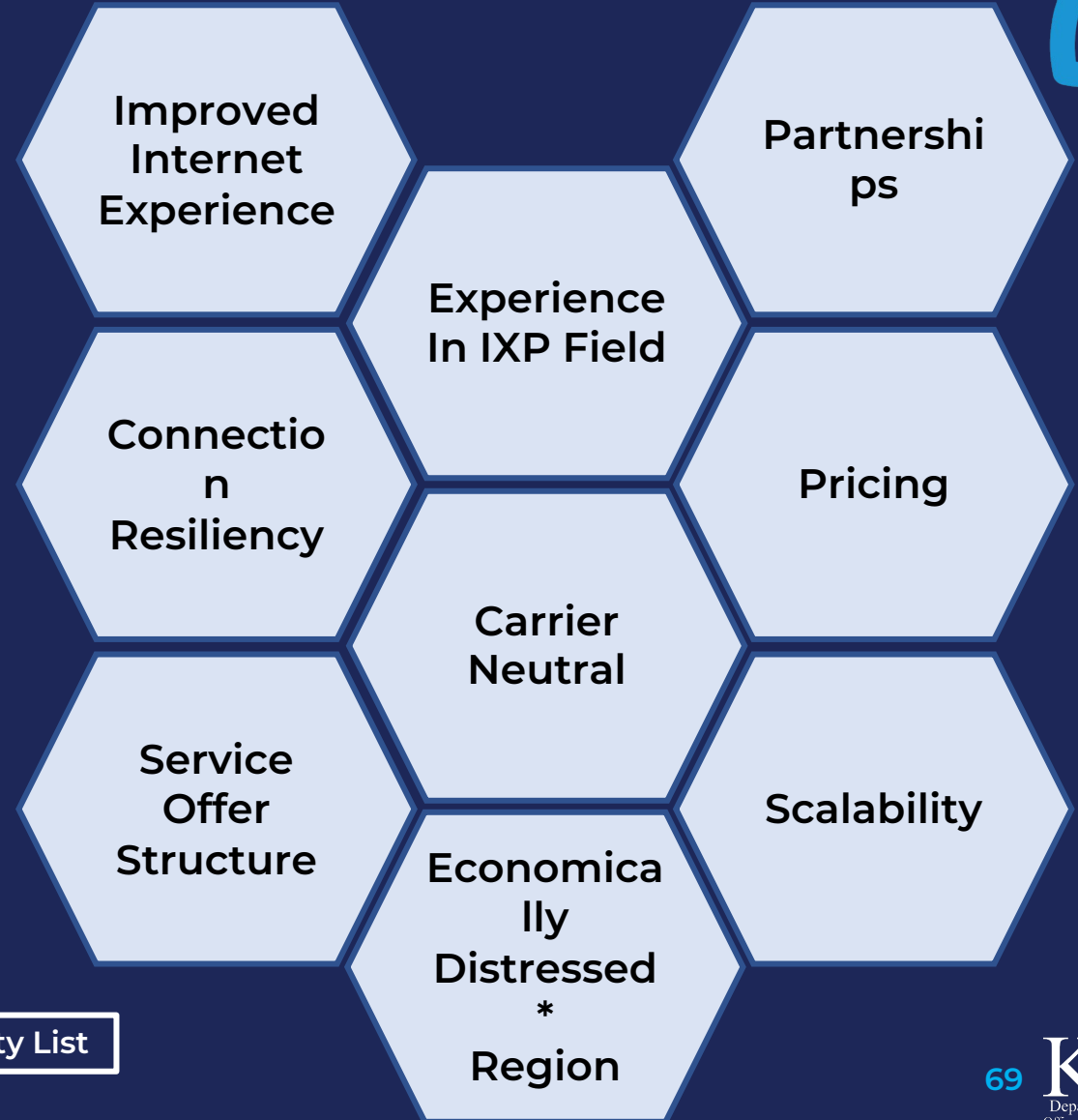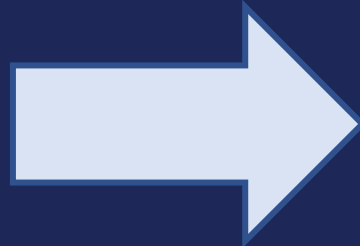
\* - Note: See Appendix for Economically Distressed County List and definition.

KANSAS OFFICE OF BROADBAND DEVELOPMENT

Kansas
Department of Commerce
Office of Broadband Development

# Attestations

- The CPF Infrastructure Program attestations will be carried forward to the LINC Program, with the following additions:

  - The grant applicant agrees that if awarded funds through the LINC program, the grant agreement will be executed within 60 days of receipt from Department of Commerce.  If the agreement is not executed within 60 days, the Kansas Department of Commerce reserves the right to reallocate funds.

  - All applicants will be required to sign the Department of Commerce Confidentiality Agreement

# Post Award Compliance

## Compliance

**Monthly Report:**
- A narrative update on the status of the project, including notification of any delays.
- Quarterly fund disbursement will be made on expenditure report and supporting documentation
- A monthly budget expenditure report of the project
- A monthly .pdf containing supporting project expenditure documentation for reimbursement re- quested (i.e., Invoices/receipts)

**+**

**Closeout Report:**
- Validation of Internet Exchange Point project functionality
- Real estate footprint and facilities validated
- Operational and network performance validation
- Expenditure report and supporting documentation for reimbursement requested (i.e., Invoices/receipts)
- Highlights/Hurdles

Let's Talk.

# Middle Mile Appendix

# Economically Distressed Counties

| Economically Distressed Counties in Kansas | | | |
|---|---|---|---|
| Allen | Ellsworth | Lincoln | Riley |
| Anderson | Finney | Linn | Rooks |
| Atchison | Ford | Lyon | Russell |
| Barton | Franklin | Marion | Scott |
| Bourbon | Geary | Marshall | Seward |
| Brown | Graham | Mitchell | Smith |
| Chase | Grant | Montgomery | Stafford |
| Chautauqua | Greenwood | Morris | Stevens |
| Cherokee | Hamilton | Morton | Sumner |
| Clay | Harper | Neosho | Washington |
| Cloud | Harvey | Norton | Wichita |
| Cowley | Jackson | Osage | Wilson |
| Crawford | Jewell | Ottawa | Woodson |
| Dickinson | Kearny | Pawnee | Wyandotte |
| Doniphan | Kiowa | Reno | |
| Edwards | Labette | Republic | |
| Elk | Leavenworth | Rice | |

- 65 economically distressed counties
- Sourced from either the 2020 per capital BEA PCPI or PCMI metric is below the 80% threshold

# Internet Exchange Point Appendix

# Economically Distressed Counties

| Economically Distressed Counties in Kansas | | | |
|---|---|---|---|
| Allen | Ellsworth | Lincoln | Riley |
| Anderson | Finney | Linn | Rooks |
| Atchison | Ford | Lyon | Russell |
| Barton | Franklin | Marion | Scott |
| Bourbon | Geary | Marshall | Seward |
| Brown | Graham | Mitchell | Smith |
| Chase | Grant | Montgomery | Stafford |
| Chautauqua | Greenwood | Morris | Stevens |
| Cherokee | Hamilton | Morton | Sumner |
| Clay | Harper | Neosho | Washington |
| Cloud | Harvey | Norton | Wichita |
| Cowley | Jackson | Osage | Wilson |
| Crawford | Jewell | Ottawa | Woodson |
| Dickinson | Kearny | Pawnee | Wyandotte |
| Doniphan | Kiowa | Reno | |
| Edwards | Labette | Republic | |
| Elk | Leavenworth | Rice | |

- 65 economically distressed counties
- Sourced from either the 2020 per capital BEA PCPI or PCMI metric is below the 80% threshold