

PFA PRIMER

80/20 INFORMATION - PROJECT FUNDING AREAS

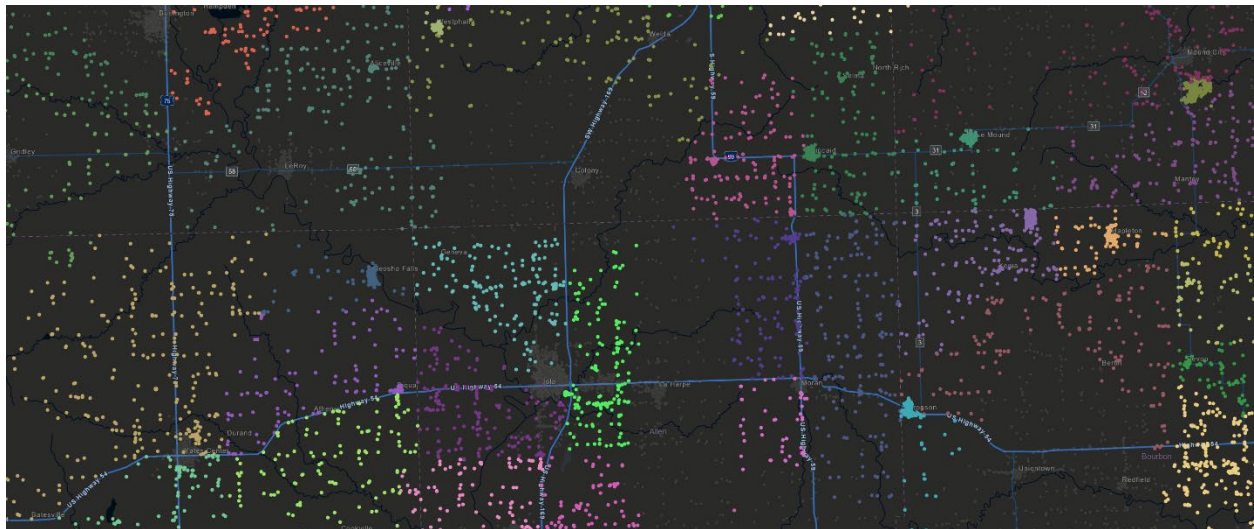


Guide to the 80/20 Rule

The Project Funding Areas (PFAs) are collective lists of unserved/underserved (BEAD-eligible) broadband serviceable locations that are grouped into distinct clusters based on school districts and natural/transportation/cultural barriers.

While there are served locations within the same census blocks as the eligible locations, they are NOT considered part of the PFA. *Census blocks were used to help delineate the PFAs but are NOT the PFAs themselves.*

The below map shows the PFAs using only the locations (colored by different PFA assignments; served locations are gray)



As demonstrated in the map above, there will be served locations in proximity to most of the eligible locations.

As required by BEAD guidelines all eligible locations (lists PFAs) will be funded in entirety and are made up of unserved/underserved locations.

If an applicant, during the process of applying for a PFA (the unserved/underserved locations) wants to also apply for **specific served locations**, they may do so - as long as the

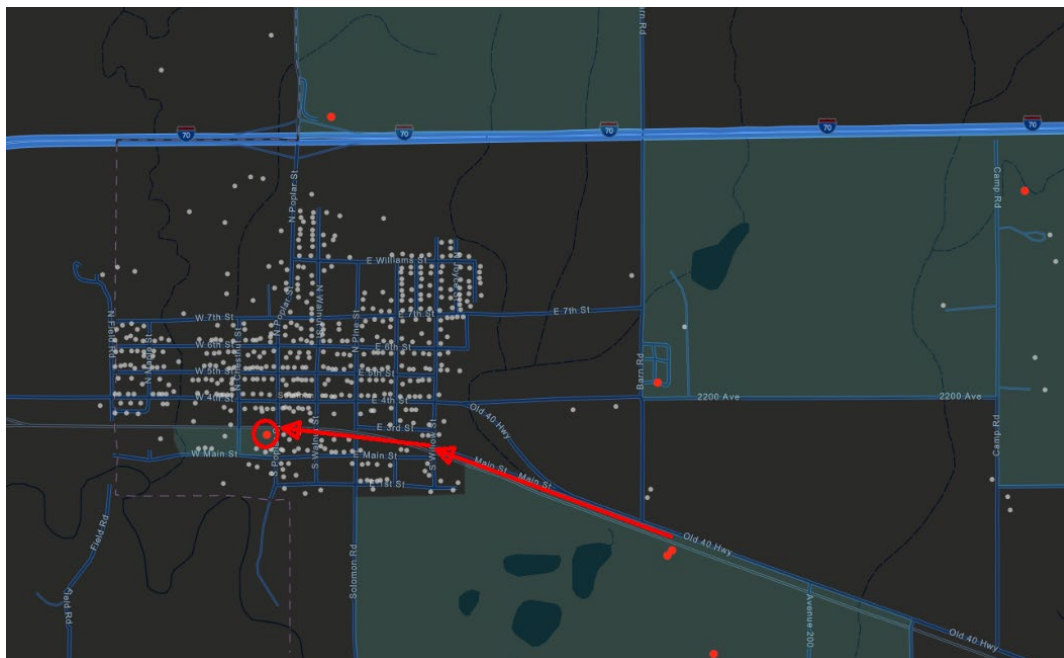
percentage of served locations being considered within the application does not exceed 20% of the total locations being applied for. *If a provider is passing by, but not connecting to, served locations (whether because they already serve them or because another provider already serves them), those locations do not count against the 80/20 rule.*

Please refer to the example below. The gray represents served locations and red represents eligible locations.

If a provider was running from the starting point of the arrow below to the circled red dot in the middle of town, they have the choice to serve the already-served locations along that road **IF** they wanted. Or they can choose to bypass them.

If they decide to serve those locations, those locations will count against the 20% allotment for served locations within an application.

For example, if this PFA has 100 eligible locations and the provider decides to serve 18 locations along the path of the red arrow, this PFA would now have 18% of its applied-for locations denoted as served. If they decided to connect to 21 locations along that path, their application would have 21% served locations - putting that PFA application in violation of the 80/20 rule (i.e. the once 100% unserved PFA becoming a 79% PFA).



It should also be noted that IP Vol. 2 public comments on PFA design were taken into consideration in the final redesigns under the newest (V4) data and are reflected in the PFA lists of eligible locations.

In summary:

- PFAs are **only** made up of unserved and underserved locations – **all PFAs are 100% un/underserved**; ‘served’ locations are NOT considered part of the PFAs
- The applicant determines if the served locations adjacent to the eligible locations in a PFA are served by themselves (where they can apply for them at zero cost) or served by another and then makes the decision of whether to bypass those locations or apply for them.
- The applicant has the option (but is not required) to apply for these nearby ‘served’ locations as long as the total number of served locations being applied for does not exceed 20% of the total locations.
- At application time, KOBPD assesses the locations applied for and determines if the applicant is within (or violates) the 80/20 rule.