

1. What is new with the broadband expansion grant program this year? Are there any changes from last year's application process?

The state recently revised the statute authorizing the grant program to add a new priority factor: Promotion of Economic Development. This means that there are now six factors that can be given priority consideration during the evaluation of grant applications. With respect to the issue of Economic Development, a higher degree of priority will be assigned to applications that include one or more letters of support from businesses indicating imminent plans to build or expand the size of their operations in the project area due to improved broadband connectivity. A lesser degree of priority will be assigned to applications that can reasonably demonstrate that improved broadband service in the project area could lead to additional business development in the future.

Also new for this year, the application instructions request a reference to an on-line map file, if available. Staff hopes to create an electronic map with one layer illustrating the location of the proposed grant project areas together with additional layers showing the unserved and underserved areas in the state, the availability of CAF II funding, and other details that may be relevant in reviewing the grant applications. However, no application will be given less consideration based upon the lack of a compatible electronic map file.

2. Why did the grant timeline move up for this year's applications?

The funds available for this year's grant competition were already appropriated in the budget the state passed last July. In odd numbered years, the PSC must wait until the state's budget is complete to know the level of funding available for the fiscal year that begins on July 1. In even numbered years, the funding level for the fiscal year beginning on July 1 is known, and the Commission is able to adopt a more convenient schedule for the various events in the docket.

3. Will the Commission schedule a public comment period on the grant applications, as it did last year?

Yes. The Commission will again provide a public comment period so that interested persons may review the grant applications that have been submitted and file written comments concerning the relative merits of the applications under review. The public comment period for this grant cycle is June 17 to July 8, 2016.

4. Who actually receives the grant funding? The main applicant? The private provider/partner who actually does the construction?

This will vary from project to project. When the Commission staff set up the grant, there will need to be a single entity that receives the grant funds, and disburses the funds to other project partners as appropriate. It is usually clear which applicant or application partner should handle the funds, but sometimes this needs to be discussed after the grant award is made.

5. What are the reporting requirements for a grant project? After a project is complete, are there reporting requirements to the PSC or elsewhere?

In its Order Awarding Grants, the Commission will specify the reporting requirements an applicant must comply with. In past orders, the Commission has required both interim project reports and a final summary report on the project. The Commission may suspend scheduled grant payments until the required reports are filed.

6. How do fair wage labor laws and prevailing wages come into effect for the construction of these projects?

The state does not contract directly with any construction company to build the broadband facilities funded by a broadband grant. Rather, the grant funds are paid to an eligible applicant upon filing of paid invoices. If needed, the applicant selects a third party to build the project facilities. There is an expectation that applicants and sub-contractors will comply with applicable state and federal laws. In past orders, the Commission has not imposed any additional requirements that would condition the choice of a construction company or impact the labor wage rate the construction company uses.

7. Do issues surrounding net-neutrality come into play for these projects?

Net neutrality is a federal issue, not a state issue. It is currently under discussion before the FCC and in Congress. There also has been some litigation in federal court regarding the federal rules on net neutrality. Telecommunications providers are required by federal law to comply with the net neutrality rules the FCC has adopted. In its grant program, the Commission expects all broadband service providers will comply with applicable federal law.

8. Does the commission put any weight into awarding grants to regions that have previously received very few to no grants?

No. The statute that authorizes the broadband grant program identifies the grant eligible areas in the state, and sets forth the priority factors the Commission uses to evaluate grant projects. The grant evaluation process gives priority consideration to applications that address those factors. Prior grant award history in a given region of the state is not taken into consideration during the evaluation of grant applications.