

Frequently Asked Questions: ARPA Broadband Access Grant program

Note: The responses below to Frequently Asked Questions are the intended to provide useful information to individuals considering whether to apply for an ARPA Broadband Access Grant through the state of Wisconsin. The responses below do not and cannot limit the discretion of the Commission when it meets to decide which ARPA Broadband Grant applications should receive ARPA funds. To the extent that the responses below suggest policy choices different from the course of action the Commission ultimately adopts, the Commission's grant decision is controlling in all circumstances. In particular, one goal of the Commission at the beginning stages of this grant round is to encourage as many applications from as many different types of applicants as possible. Later, the Commission could well decide to prioritize certain types of applications over others in order to best distribute the available funds among the eligible grant applicants.

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A. ABOUT ARPA

1. What is the ARPA Broadband Access Grant Program?

On March 11, 2021, President Biden signed the American Rescue Plan Act.¹ This legislation provides funds to respond to the public health and economic impacts of the COVID-19 pandemic. The legislation created the Coronavirus State Fiscal Recovery Fund.² This Fund makes funds available for several eligible uses, including investment in broadband infrastructure.

The State of Wisconsin received federal ARPA funds allocated for state governments. Governor Evers allocated \$100 million of the money available for broadband expansion, and designated

¹ American Rescue Plan Act, Public Law 117-2, March 11, 2021 (ARPA).

² ARPA, Subtitle M of Title IX of Public Law 117-2 (amending Title VI of the Social Security Act (42 U.S.C. § 801 et seq.)).

the Public Service Commission as the agency responsible for administering the distribution of ARPA funds set aside for broadband expansion.

2. What is the status of the federal interim final rule implementing this program?

The U.S. Department of Treasury has released an Interim Final Rule (IRF) to implement the provisions of the Coronavirus State and Local Fiscal Recovery Funds.³ The Department of Treasury is currently accepting comments on the Interim Final Rule. Those comments are due July 16, 2021. Treasury will adopt a Final Rule finalizing the Interim Final Rule after reviewing the submitted comments. If the Final Rule is adopted by Treasury before the Commission completes its evaluation and decision funding the ARPA Broadband Grants, the Commission may request additional information and take any action required to comply with the Final Rule. If the Final Rule is adopted after the Commission has decided which of the grant applicants should receive an ARPA Broadband Access Grant, the Commission will communicate with the grant recipient and amend the grant agreement to comply with the requirements of the Final Rule, if necessary.

B. PROJECT TIMELINE

3. What is the due date for ARPA Broadband Grant applications? Where are the application instructions posted?

ARPA Broadband Grant applications are due no later than July 27, 2021 at 4:00 pm (CDT). Late applications will not be accepted. Applications must be uploaded to the Commission's Electronic Regulatory Filing system. Applications transmitted by e-mail attachment or mailed delivered by the U.S. Postal Service or the state mail system will not be accepted.

Applications instructions for the ARPA Broadband Grant cycle are posted on the Commission's website [Broadband grant page](#).

4. What is the allowable start date for incurred costs covered by Coronavirus State and Local Fiscal Recovery Funds?

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to cover limited costs incurred for eligible projects on or after March 3, 2021. The limited costs are only pre-engineering, purchase of materials, and community engagement. Construction that the applicant expects to be reimbursed for should happen after the Commission order date, which is planned for fall of 2021.

The PSC is not responsible for reimbursement of any expenses in the event that the PSC chooses not to fund the grant application.

³ U.S. Department of Treasury, "Coronavirus State and Local Fiscal Recovery Funds," 86 Fed. Reg. 26786, adopting Interim Final Rule, 31 C.F.R. § 35.1-35.12 (May 17, 2021)(Interim Final Rule).

C. ELIGIBLE APPLICANTS

5. Who may apply for an ARPA Broadband Grant?

To facilitate the distribution of the broadband funds, the Commission has decided to employ a competitive grant process similar to the one required by Wis. Stat. § 196.504 for the state Broadband Expansion Grant program. The following entities may apply.

- a. Any private organization, organized with either a for-profit or a not for profit purpose, is eligible to apply. This includes a telecommunications or electric cooperative.
- b. A Native American Tribal Nation or Community is eligible to apply.
- c. Any telecommunications utility certified to offer telecommunications services in the state is eligible to apply.
- d. Any county, city, village or town is eligible to apply. Under the state broadband expansion grant program, a political subdivision must partner with a private entity to be eligible; that is not a requirement to receive an ARPA Broadband Access Grant. However, such an applicant would have to meet the existing state rules for providing a broadband service in the state, and would have to advance a credible proposal to build and operate a broadband network.
- e. It is conceivable that an entity not listed above (a school district or an Extension county office, etc.) may wish to apply for an ARPA Broadband Grant. Such an application is not precluded by interim final rule or implementing federal regulations. The Treasury FAQs for this program provide that a state may transfer funds to a special-purpose unit of government that perform specific functions in the community. This could include a school district or extension office.

6. The application indicated that successful grant recipients must comply with applicable federal statutes, regulations and executive orders. Where do I find those?

These will depend greatly on the type of applicant and the type of project. We do not have a comprehensive list available.

Please review the [preliminary sample grant agreement](#) for additional information.

D. GRANT ELIGIBILITY

7. What are the required eligibility elements of an ARPA Broadband Access Grant application?

The Interim Final Rule creates two required elements that every ARPA Broadband application must meet in order to be eligible. Both of these requirements are significantly different from the required elements of the state broadband program. To repeat: There are two requirements for the ARPA broadband grant program that must be satisfied by every ARPA grant application. An application that does not satisfy the required elements is not eligible to receive an ARPA broadband Grant.

The required elements for an ARPA Broadband Grant are:

- a. The application must propose to serve an un/underserved area. For purposes of an ARPA Broadband Grant, an un/underserved household or business is one that is not currently served by a wireline connection that delivers a reliable broadband service with a minimum speed of 25 Mbps download and 3 Mbps upload (25/3 Mbps).⁴
- b. The application must propose that, upon completion of construction, the project will provide a service to the project area designed to reliably meet or exceed a symmetrical speed of 100 Mbps download speed and 100 Mbps upload speed (100/100 Mbps). In instances where a 100/100 Mbps service is not practicable, the application may propose to provide a service designed to reliably meet or exceed a 100 Mbps download speed and between 20 Mbps and 100 Mbps upload speed, and be scalable to a minimum 100/100 Mbps as transmission capacity improves.

8. How is an un/underserved area determined?

With respect to the requirement that an application must propose to serve an un/underserved location, it is important to note that the definition of a served location is different from the state broadband grant program. The words are important: *one existing reliable wireline connection offering a 25/3 speed*. This definition would render ineligible most urban areas and rural areas served by cable system or a fiber system. However, the definition considers locations on a case-by-case basis. An application could request grant funds for a small project intended to address a service anomaly in an urban or suburban area that a provider has not been able to address to date due to cost.

The ARPA Broadband Access Grant program has no minimum project size. The project area can be as small as one house or business. A question below discusses the merit evaluation of grant applications. In that question and response, it is evident that the evaluation scheme favors larger projects that provide a high quality broadband service to a larger number of households or businesses. However, the project size goes to the question of merit, not eligibility.

The definition of served/unserved location focuses on whether there is an existing reliable service. The future plans of a competitor to build a 25/3 service in an area, no matter how imminent those construction plans are, do not affect the eligibility of a competing application.

⁴ Note 1: The use of "reliability" in the Interim Final Rule provides recipients with significant discretion to address whether the households and businesses in the area to be served by a project have access to wireline broadband service that can actually and consistently meet the specified thresholds of at least 25/3Mbps--i.e., to consider the actual experience of current wireline broadband customers that subscribe to services at or above the 25/3 Mbps threshold. Whether there is a provider serving the area that advertises or otherwise claims to offer speeds that meet the 25 Mbps upload speed threshold is not dispositive. [Treasury FAQ 6.24.21 6.11]

Note 2: The objective of the project is to provide service to unserved or underserved households or businesses. Doing so may involve a holistic approach that provides service to a wider area in order, for example, to make the ongoing service of unserved or underserved households or businesses within the service area economical. Unserved or underserved households or businesses need not be the only households or businesses in the service area receiving funds. [Treasury FAQ 6.24.21 6.9]

For purposes of eligibility, a 25/3 service is either in place and operating on date of the Commission Order or it is not. If it is not, the grant application is eligible.

Similarly, service availability on the power pole behind the house, apartment or business is not the same thing as an existing wireline connection. While connecting individual locations may be a lower priority for this program, an application will not be excluded from consideration simply due to the proximity of wireline facilities that could be connected but are not.

The definition of a served area requires a reliable 25/3 service. An internet service that is unable to connect customers because of limited modem space, or because the available facilities are otherwise fully employed by other customers, is not a reliable service. A reliable 25/3 service must be able to meet all reasonable customer demand for service in all but the most extraordinary operating circumstances.

Applications will be reviewed by an evaluation committee for eligibility. An applicant must submit information in its response that demonstrates that it meets the eligibility requirements. Commission staff will prepare a summary briefing memorandum for the Commission's consideration, and will identify in that briefing memo any application that in the opinion of the evaluation committee or Commission staff does not meet the eligibility criteria set forth in guidance found in the Interim Final Rule, Department of Treasury, "Coronavirus State and Local Fiscal Recovery Funds," 86 Fed. Reg. 26786 (May 17, 2021). *All applications determined to be eligible by the Commission will be considered for funding.*

9. If one location in a census block does not currently receive reliable broadband speeds of 25/3 is the entire census block or just the one location in the census block un/underserved?

"The Interim Rule defines unserved and underserved households or businesses as one or more households and businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed." Unserved and underserved definition is based on location – not census block or area.

The Broadband Office has provided a guidance map and this is mostly based on census blocks reported by providers to the FCC and PSC. The map is just a guidance tool, an applicant is welcome to provide documentation that a location or location(s) don't receive the 25/3 service and/or that the service is not reliable.

If the census block appears eligible on the map, the whole block is eligible. If the census block appears served, additional documentation is required. One un/underserved household in a census block does not mean every household in a census block is eligible, it means that particular location is un/underserved.

The application does not need to provide documentation by household or by census block, it needs to provide sufficient documentation and evidence for the proposed project. This will vary by the size of the project and the existing service.

E. GRANT PRIORITY

10. What are the priority elements used to rank and evaluate the ARPA Broadband Grant applications?

The Interim Final Rule identifies priority factors that warrant preference over other applications:

- a. The Commission will give preference to applications that propose to invest in fiber optic infrastructure.
- b. The Commission will give preference to applications that propose to provide a “last mile” connection or a physical broadband connection to customer locations requesting service.
- c. The Commission will give preference to applications that propose to support broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives.
- d. The Commission will give preference to applications that integrate affordability options into their program design.
- e. The Commission will give preference to applications that propose to serve locations that do not have existing agreements to build reliable wireline service with a minimum speed of 100/20 Mbps by December 31, 2024.

Applicants eligible for priority consideration should state that fact clearly in the application. An applicant should clearly identify each priority item for which it believes it is entitled to credit.

A DSL or coaxial service that builds a fiber network part of the way to a household, business or farm is not entitled to preference for fiber infrastructure. The ARPA Broadband Access Grant program is offering significant funds to projects offering fiber optic last-mile connections. Applicants may consider whether to use this program to shift a portion of its network to fiber optic infrastructure.

The ARPA Broadband Grant program does not ease the restrictions that create significant barriers to local governments planning to offer telecommunications service. Local governments may wish to review [Wisconsin Statutes §66.0422](#) to better understand these restrictions. A local government planning to offer service should provide a clear project proposal that provides all the information requested in the application.

Several local governments have worked closely with broadband service providers to reach businesses and residents within their respective jurisdictions. The key question is, what level of participation is required to qualify as a “broadband network affiliated with a local government or non-profit organization.” In the past, the Commission has received some grant applications that simply would not have gone forward but for the decision of the local government to contribute significant matching funds. Those projects and networks are ‘affiliated with a local government’ for purposes of this ARPA Broadband Access Grant program. On the other hand, applications that simply identify a local government as a participating partner, or even use the local government as the principal grant applicant, may not (after review) reach a level of

participation that the Commission would decide meets the ‘affiliated with a local government’ standard for purposes of this program. Applicants are encouraged to describe in detail the level of participation that a local government is providing to the project.

The preference for applications that propose to integrate affordability options into the program design is new with this grant round. The Commission is generally aware that some providers have developed plans along these lines. Other applicants may use this grant opportunity to formalize ideas on affordability that have until now been in discussion. The Commission is not looking for one particular approach at this time. Rather, the Commission invites applicants to share the range of options the applicants would use to increase subscribership for its broadband service among customers from low-income households, customers with a physical limitation that makes the standard broadband service difficult to use, or customers that are otherwise hard to serve.

The Commission expects to discover providers with existing agreements to build reliable 100/20 Mbps wireline service in a project area by December 31, 2024 using its scheduled objection period in August 2021. In order to deny an applicant credit for this preference point, it is necessary for the objecting party to show that all the elements of this item are present. In other words, the objecting party must show there is an existing agreement, a plan to build a reliable 100/20 Mbps wireline service, and good reason to believe it will be complete and in operation by December 31, 2024. Interested parties should note that this is a preference only, and does not address eligibility. A location is eligible for a grant if it is not served by an existing wireline service with a minimum speed of 25/3 Mbps.

11. What other information will the Commission use to rank and evaluate the ARPA Broadband Grant applications?

Once the grant applications are sorted using the priority factors above, the Commission will use additional information to rank the grant applications in a final merit order. Among the additional information the Commission might use are the following:

- a. Matching funds
- b. Existing broadband service need
- c. Internet Access or digital literacy assistance
- d. Applicant capacity and performance
- e. Technology plan and budget
- f. Other relevant information, including the supporting comments of potential customers and local officials interested in the project

The list of relevant additional information is drawn from the Commission’s past practice with the state Broadband Expansion Grant program. The factors will divide the applications into a few categories and certainly identify the leading candidates for an ARPA Broadband Grant.

Applicants can use all funds contributed to a broadband project as match funds unless expressly prohibited by the terms of the grant.

Counties and Tribal Communities may be eligible to receive ARPA funds directly from Treasury through the Coronavirus Local Fiscal Recovery Fund. An applicant has the option of using those funds as match to improve the application's score. However, an offer of matching funds limits the financial commitment the Commission will make to a project. The Commission will reimburse expenses up to the limit of the grant award, and the balance of the project will need to be paid by the applicant regardless of the source of matching funds.

The question of existing broadband service has been discussed twice above, once in the context of eligibility and a second time in the context of priority credit for the application. It is listed here for a third time because it may be important for the applicant to comment that the project area is without any broadband service, even the wireless broadband services that are left out of the analysis above.

The request for additional information is the applicant's opportunity to explain the importance of the project to the residents of the project area. Applicants are encouraged to answer all the questions and advocate for the importance of the project. The information provided should be complete and clear.

12. Is it preferable to the Commission to have one large application if areas are not contiguous, or several smaller applications?

The Commission has no preference. In the past staff have suggested smaller projects may be more likely to get funded. But the ARPA grant round is a different application process and substantially more money. The applicant may decide how many applications to submit and the amount of money to request.

F. BUILDING IN RDOF OR OTHER GRANT BUILD-OUT AREAS

13. Will an application be disqualified if it proposes extending service into RDOF award areas, or will it be up to the RDOF award winner to demonstrate their intention to have service available at a location by December 31, 2024?

No, an application will not be disqualified. RDOF awards are still being reviewed by the FCC and while the winning locations have been selected the funding has not yet been authorized by the FCC. In addition, the RDOF buildout timeline extends beyond the December 31, 2024 date.

Applications should provide any information that the applicant has undertaken to avoid proposing broadband infrastructure projects where another project has an agreement to build in that area before December 31, 2024. This may include engaging the local community or reviewing past Commission Broadband grant awards.

RDOF Phase 1 results map <https://maps.psc.wi.gov/apps/Rdof/>

RDOF Phase I results map direct from the FCC:

<https://www.fcc.gov/reports-research/maps/rdof-phase-i-dec-2020/>

Flag Map of Commission Grant Awards 2014 – 2019

<https://psc.wi.gov/Documents/broadband/Awardee%20Map%20FY2014-2019.pdf>

Flag Map of Commission Grant Awards 2020

<https://psc.wi.gov/Documents/broadband/Awardee%20Map%20FY2020.pdf>

Flag Map of Commission Grant Awards 2021

<https://psc.wi.gov/Documents/broadband/BbExpG43.pdf>

14. Are ACAM II areas excluded from eligibility?

No, the PSC has already approved applications that fund infrastructure on ACAM funded areas. Nothing in the Interim Final Rule prohibits this.

If there was a previous PSC grant capable of meeting those requirements (reliable service of at least 100 Mbps download and 20 Mbps upload by December 31, 2024), the Commission could interpret its prior grant award as an existing agreement to provide a 100/20 or better service in the project area by December 31, 2024.

G. BUDGET

15. Can we use project estimates for the application in order to submit by the July 27, 2021 deadline?

Yes, an applicant may use project cost estimates for the application. However, the grant award amount will be based on the budget included in the application. A grant recipient will not be allowed to request an increase to their grant award if actual project costs exceed the estimates included in the application.

16. May recipients use funds for pre-project development for eligible broadband projects?

Yes, as long as the costs are incurred on or after March 3, 2021. Pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project. For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project (e.g., broadband mapping for the purposes of finding an eligible area for investment).

17. Is there a minimum or maximum percent the budget can be off at the end of the project?

If the project is under budget, the grant reimbursement will be limited to actual costs and a grant agreement amendment will not be required. For all other projects, a grant agreement amendment may be required to correct or align the budget if actual expenses deviate from the Commission-approved budget by more than 10% of the total project cost.

18. Is there any specific competitive process we must use when contracting services or work related to our broadband project, or are we able to follow our county Procurement Policy/Purchasing Policy?

The Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule indicates the funds will be subject to the federal Uniform Guidance (2 C.F.R. Part 200), which is the general guidance that the majority of federal awards are subject to. This guidance includes specific procurement requirements. If the applicant's purchasing policies are in compliance with these requirements, you may follow them.

19. What level of detail is the Commission looking for on equipment?

An applicant should provide sufficient detail for the Commissioners and screening panel to understand the project, the costs, and the technology. Do not list every single item, but do list substantial items, large quantities, and significant cost. The details should provide a clear picture of the budgeted costs.

H. SALARY/PAY

20. May recipients use funds to cover the costs of consultants to assist with managing and administering the funds?

Yes, recipients may use funds for administering the Coronavirus State and Local Fiscal Recovery Fund program, including costs of consultants to support effective management and oversight, and consultation for ensuring compliance with legal, regulatory, and other requirements.

21. How do we account for the cost of benefits like health insurance and employers contributions to pension?

Direct payroll and fringe benefit costs actually incurred by a grant recipient are allowable. Standard fringe rates, loaded labor rates and/or other cost averaging methods are not allowable. For example, if the grant recipient pays \$10,000 towards a specific employee's health insurance and the employee spent 10% of his/her time on the grant project, 10% of the health insurance cost, or \$1,000, can be charged to the grant. The grant recipient may not use the entity's average insurance cost of \$12,000 per employee and charge 10% of the average, or \$1,200, to the grant.

A grant recipient must maintain, and have available upon request, detailed support of payroll and fringe benefit costs. This may include payroll system records and/or invoices as well as information on the number of hours spent on the project and documentation detailing the associated cost calculations.

For purposes of the application budget, all labor and fringe is on a single line so the salary and health insurance costs would be added together. There is no need to provide additional detail.

I. MATCH

22. Can additional county/township ARPA funds be used as a match?

Yes, additional county/township ARPA funds can be used as match but should be described in the application. Please refer to section 3.7 Budget Discussion of the application instructions for more information.

J. RECORDKEEPING AND REPORTING

23. What records must be kept by governments receiving funds?

Financial records and supporting documents related to the award of ARPA funds must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later.

24. What reporting will be required, and when will the first report be due?

All grant recipients should expect the grant agreement will impose a requirement on individual grant recipients for timely reports on the use of ARPA funds and the progress on ARPA-funded construction projects throughout the performance period and upon project completion. The timing and frequency of the reporting will be communicated to grant recipients at a later date. Reporting requirements may change over time and may vary by project.

25. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 C.F.R. Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. However, Treasury may specify in later guidance which provisions do not apply, if any. Further questions regarding those requirements will be addressed when the grant agreements are prepared for signature.

K. AFFORDABILITY and DIGITAL LITERACY

26. Would this grant cover providing monthly internet service fees?

This grant would not cover paying for a current subscribers' internet service.

The affordability of service is a consideration for merit. An applicant could build infrastructure and then provide service at affordable rates or provide a targeted voucher to ensure access to low-income households. It would be up to the applicant to integrate affordability.

L. MISCELLANEOUS

27. Do governments need to pre-authorize receipt of successful grant awards?

The Commission does not require a pre-authorization.

28. Is there an award ceiling?

No, there is no award ceiling. \$100 million is available in total.

29. To whom should letters of support be addressed?

Letters of support must be included within the application document and uploaded to erf in the same file as the application.

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M. ADDITIONAL RESOURCES AND INFORMATION

[Letter to interested persons](#)

[ARPA Broadband Access Grant Application](#)

[ARPA Broadband Access Grant Budget and Income Summary Form](#)

[ARPA Budget Categories Reference](#)

[ARPA Broadband Access Grant Map](#)

[ARPA Broadband Access Grant Eligibility Guide Mapping Files - Updated June 30, 2021](#)

[ARPA Broadband Access Grant Sample Grant Agreement \(Preliminary Draft\)](#)

[Wisconsin Broadband Map](#)

[NTIA's Indicators of Broadband Need](#)

[ARPA Broadband Access Grant Information and Overview Webinar Slides](#)

[How to Map Your Broadband Grant Project Slides](#)

[Department of the Treasury 31 CFR Part 35 Coronavirus State and Local Fiscal Recovery Funds](#)

[Interim Final Rule](#)

[Coronavirus State and Local Fiscal Recovery Funds FAQ June 24, 2021](#)