

Broadband Expansion Grant Program

Frequently Asked Questions

This FAQ provides answers to common questions regarding the state Broadband Expansion Grant Program. They are organized by the following topics:

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Introduction

1. What is the purpose of the Broadband Expansion Grant Program?

The purpose of the Broadband Expansion Grant Program is to encourage the deployment of advanced telecommunications capability in underserved areas of the state.

In the 2020 report on deployment of broadband service (for the reporting period ending 12/31/2018), the Federal Communications Commission (FCC) found that broadband deployment in Wisconsin continued to be slightly below the national average:

- 7.1% of the population in Wisconsin (or 410,000 people) lack access to at least one broadband service with a speed of 25/3 Mbps or better, compared to the national average of 5.6%; and
- 22.7% of Wisconsin residents living in rural census blocks (or 308,000 people) lack access to at least one broadband service, compared to the national average of 23.4% for residents living in rural areas. .

This report found that 94,200 Wisconsin residents improved to 25/3 Mbps access from the reporting period for the 2019 deployment report (ending 12/31/2017), an increase of 19%.

The state is devoting grant funds to programs intended to bring broadband service to unserved and underserved residents in Wisconsin. This disparity in access to high speed internet is mitigated to a small degree by the availability of a 4G mobile service. However, the FCC has found that a fixed broadband service with a speed of 25/3 Mbps and a 4G mobile wireless are not functional substitutes for each other. The higher price, lower speeds and significant data caps that are common with mobile services limit the utility of those options when compared to a fixed alternative.

In many areas of the state, the incumbent local exchange carrier and other telecommunications providers have determined that it is not possible to build an upgraded broadband service financed through monthly rates for service. Providers want a timely return on their investments in infrastructure that sparse and high cost areas are unable to provide. To address this issue, the state offers Broadband Expansion Grants to providers, local communities and organizations to subsidize construction of broadband facilities in underserved areas. These grants are intended to

subsidize the construction of broadband infrastructure in underserved areas but are not to subsidize the ongoing cost of providing communication service.

2. What are the common Broadband Service Technologies in use?

Broadband communications services are offered to subscribers using several alternative technologies. The more popular methods to connect to the internet include:

- Landline switched-access service

Internet access is still offered over the traditional analog landline facilities. Dial-up access to an internet service provider uses the voice portion of the telephone access line, preventing simultaneous or dual-use of the line. This technology provides a low-speed data rate that is increasingly disfavored for Internet communications and does not meet the definition of broadband.

- Digital Subscriber Line (DSL)

DSL transmits digital IP-formatted messages over standard telephone lines. The DSL service can be used simultaneously with the voice telephone service over the same telephone access line. This is possible because DSL uses higher frequency bands – the voice band range of the telephone line is 0 to 4 kHz, while DSL transmits signals in the range of 25 kHz to 1.5 MHz. A DSL modem is required to access the DSL signal. DSL provides continuous access to an internet service provider.

- Cable Internet

Cable internet service uses the hybrid fiber and co-axial cable frequently deployed by cable television companies providing television service. Cable provides continuous access to an internet service provider. Cable requires the provider to replace or bypass the existing copper telephone facility with a second wireline network. A cable modem is required with this technology choice as well.

- Fiber-to-the-Home/Premises (FTTP)

FTTP is a means to provide communications service by connecting a business or residence to the switch entirely by an optical fiber from an optical network interface at the point of entry at a residence or business. The optical fiber replaces the existing copper telephone line to a residence. As with cable internet, FTTP requires the provider to replace or bypass the existing copper telephone facility. Currently, FTTP service provides much faster connection speeds than DSL or cable internet service.

- Fixed wireless

Fixed wireless connects a subscriber's home or business to a serving antenna by radio link. In the past, fixed wireless has been popular in rural areas because it can be installed without incurring the cost of a wireline network. The frequencies for fixed wireless are generally limited to line of sight. The coverage area can also be limited depending upon whether the broadcast spectrum in use is licensed or not (unlicensed fixed wireless must operate at lower power levels

than licensed spectrum). Transmission speed for fixed (and mobile) wireless also depends upon the transmission technology. Third generation (3G) WiMAX provides an IP-formatted signal with a download speed of up to 6 Mbps while Fourth generation (4G) LTE provides a similar IP-formatted signal with a download speed of up to 300 Mbps. The introduction of wireless 5G service began in 2017.

The Commission has approved projects that use TV White Space and Citizens Radio Broadband Service.

- Mobile wireless

A variety of mobile wireless carriers offer internet access using the 3G, 4G and 5G LTE transmission technologies. In rural areas, antennas are located to facilitate communication while travelling along roads. Some locations away from major roads in the northern portion of the state lack access to a mobile wireless signal. Mobile wireless internet service can have significant monthly data limits.

- Satellite Internet service

Satellite-based communications services offer an attractive telecommunications alternative for individuals that are located in remote areas. Subscriptions to satellite services are generally driven by the demand for television service in rural areas that lack a cable television service provider. This technology is affected more than the others by adverse weather and network congestion. Traditional satellite internet access can have significant monthly data limits, and also suffers from high latency (the time it takes for a transmission signal to make a round trip between originating and terminating ends of the calls). High latency diminishes the utility of Voice over IP communications, interactive on-line gaming and remote control device applications. A number of low-orbit satellite services may be offered in the future and may have higher speeds and lower latency than previous technology.

Grant Application Information and Requirements

3. Who is eligible to apply for a broadband expansion grant?

The statute contains two eligibility requirements that each application must satisfy.

- First, an applicant must be either an organization operated for profit or not for profit, a telecommunications utility, or a public entity that has entered into a partnership with an eligible organization or telecommunications utility.
- Second, the statute authorizes the Commission to make grants to eligible applicants to construct broadband infrastructure in underserved areas. This would eliminate applications proposing to build in areas regarded as served.

With respect to the first eligibility requirement, the Commission has interpreted the requirement that public entities obtain or include a private party in the application to mean more than simply submitting a letter of support at the time of the application. The Commission has accepted a range of approaches, including a formal joint venture agreement or equivalent, a partnership agreement specifically tailored to the broadband grant program, co-applicants on the grant application filing, and a statement from the parties indicating the level of participation each partner will contribute.

A telecommunications utility is eligible to apply for a grant, even if that telecommunications utility is municipally-owned. A municipally-owned telecommunications utility pays the Commission's remainder assessment, telecommunication relay service assessment, telecommunications trade practices assessment and universal service assessment in the same proportion as other telecommunications utilities. The Commission affords a municipally-owned telecommunications utility the same benefits and privileges that come with that status as well. There is no distinction made in state law between the traditional carriers that in the past provided telephone service as a regulated entity, and the newer carriers that have entered the local exchange market after the state and federal government decided to eliminate exclusive telephone franchise boundaries. The distinction between incumbent local exchange carrier (ILEC) and competitive local exchange carrier (CLEC) that is found in federal law does not exist in state law. Thus a variety of ILECs and CLECs are eligible to apply for a broadband grant as telecommunications utilities. Certification under state law does not depend upon geography or exchange boundaries. The state certifies a company based upon the telecommunications service the company offers for sale to customers.

The Commission has ruled in three instances that an applicant was ineligible to apply for a grant under this first eligibility requirement. In each instance, the applicant was a public entity that was found to lack a private partner.

4. Which geographic areas of the state may receive a broadband grant?

The second eligibility requirement concerns the geographic area to which the Commission may award a grant. The purpose of the Broadband Grant program is to encourage the deployment of advanced telecommunications services in underserved areas of the state. For this reason, state grant funds are limited to construction projects proposing to build broadband facilities in unserved and underserved areas of the state.

The grant program defines the following two terms:

- *Underserved area* means an area of this state that is served by fewer than 2 broadband service providers providing a broadband service with a speed of 25 Megabits per second (Mbps) for download transmission and 3 Mbps for upload transmission. For purposes of eligibility, this definition does not include a commercial mobile radio service or a broadband service in which a stand-alone satellite provider connects directly to the end user with a satellite connection. An eligible underserved area can also include an area where an applicant has shown it to be underserved notwithstanding the fact that the proposed service area lies within a census block that has been designated as served in the Broadband Coverage Map.
- *Unserviced area* means an area of the state that is not served by an internet service provider offering an internet service that is all of the following:
 1. Fixed wireless service or wired service.
 2. Provided at actual speeds of at least 5 Mbps for download transmission and 600 Kbps for upload transmission.

5. The state broadband map is not accurate with respect to my address / neighborhood / community. How much weight will the state broadband map be given in the grant application process?

The Broadband Office uses data collected by the Federal Communications Commission (FCC) for the most of its coverage mapping. Some providers have selected to provide more granular data that is reflected on the map. The FCC collects data, including coverage speeds, technology types, and other connectivity information, from providers of broadband service using its Form 477. There is an important convention underlying the data reported by Form 477. Most of the coverage data from the Form 477 is provided by census block. A provider indicates coverage over a census block when at least one customer is served within that area. Thus, while coverage data, maps and related tools attempt to highlight areas of the state that have internet access, there exists a degree of inaccuracy due to this reporting convention. The maps produced by the Broadband Office may overstate the extent of broadband availability in some areas as a result.

Where the broadband map indicates that a proposed grant project area is underserved, the Commission will accept the map as sufficient evidence of the actual broadband service in place;

But where the map indicates an area is served by two broadband services providing 25/3 service, the applicant is permitted to provide additional information to show that the broadband map is not accurate with respect to the proposed project area.

6. How do you determine what broadband services and broadband service providers are in place in an area?

The state Broadband Map is a good resource to answer this question as well. The data the FCC collects from Form 477 identifies the providers of broadband service in each census block. PSC staff has access to the FCC data and prepares the state Broadband Map from that data. The map

displays for each census block the name and service details for each provider that has indicated that it provides service in a given census block.

On occasion, the PSC staff will survey customers and providers to determine or verify information regarding broadband service status in a given area of interest.

7. When is the next broadband grant cycle? How will the Commission inform interested persons that it is accepting grant applications?

The Commission will post on its website, <http://psc.wi.gov>, information on upcoming broadband grant opportunities as details become available. Commission staff will also send out an announcement by e-mail when the next grant cycle officially kicks off. Anyone wishing to receive the broadband grant announcement should send a short (one-sentence is enough) message to the State Broadband Office at PSCStateBroadbandOffice@wisconsin.gov, requesting that his or her name be added to the e-mail address list.

The schedule for the FY 2021 Broadband Grant cycle has been announced:

DATE	EVENT
Sep 1, 2020	Date of issue of the application instructions
Nov 1, 2020	Last day for submitting questions and requests for clarification
Nov 30, 2020, 4PM CT	Last day to request uploading assistance
Dec 1, 2020, 4PM CT	Applications due from applicants (deadline for uploading to ERF). Applications are public.
Dec 2, 2020	All applications are posted on ERF under docket number 5-BF-2021 and available for public inspection (including objections) immediately upon filing.
Jan 14, 2021	Last day for submitting an objection to a grant application
Jan 21, 2021	Last day for submitting a response to an objection

To submit a grant application, a prospective grant applicant should first download the grant application instructions posted on the website, <https://psc.wi.gov/Pages/Programs/BroadbandGrants.aspx> and create an application that conforms to those instructions.

8. What resources are available to assist an individual preparing a grant application?

Staff at the State Broadband Office are available and willing to provide assistance to any individual preparing to submit an application for a broadband grant. Staff will **NOT** help write the application nor discuss with individuals how proposed application content might be treated by an evaluation committee or the Commission in a subsequent review. The grant application instructions provide a specific process for obtaining a clarification regarding the required application content.

Inquiries into the state broadband office often ask for the links to the following three items:

- State Broadband Map

The coverage map discussed above is available at the following link:

<http://www.broadbandmap.wisconsin.gov/> . When the page loads, a user may select the map layers of interest by toggling the various layers on or off using the check boxes to the left of the map.

New this year the Wisconsin Broadband Office created a listing of grant eligible census blocks in the state with the eligibility status for each block listed. Blocks are shown as underserved or unserved or partially unserved. The downloadable data is on the Broadband Expansion Grant website. <https://psc.wi.gov/Pages/Programs/BroadbandGrants.aspx>

The file name is Unserved and Underserved Areas Mapping Data (Includes Census block listing with grant eligibility status.)

- CAF II and CAF A-CAM Maps

Maps showing the coverage areas for the Connect America Fund are available at the following links:

- Coverage map for the CAF II area in Wisconsin:
<http://www.broadbandmap.wisconsin.gov/SimpleCaf/>
- Coverage map for the CAF A-CAM area in Wisconsin:
<https://maps.psc.wi.gov/apps/Acam/>

- Grant applications from prior grant cycles

In preparing a grant application, a grant writer might find it useful to review the applications submitted in prior grant cycles. The grant applications and other documents and correspondence related to the Broadband Expansion Grant program are available through the PSC's ERF (Electronic Regulatory Filing) system:

To search for applications from prior grant cycles, go to the homepage of the PSC's website, <https://psc.wi.gov/Pages/Home.aspx>, and select 'Docket Search.'

In the three boxes to the left under the caption 'Search,' type in the docket number for the prior grant cycle, and click on 'Search.' When the docket name comes up, select the tab for 'Documents.' This should bring up a list of documents on file for that docket number. The grant applications are usually among the documents filed earliest, and will

be found toward the bottom of the list of documents. The docket numbers for the prior grant cycles are:

- FY 2020: 5-BF-2020
- FY 2019: 5-BF-2019
- FY 2018 (Rounds 1 and 2): 5-BF-2018
- FY 2017: 5-BF-2017
- FY 2016: 5-BF-100
- FY 2015: 5-GT-100
- FY 2014: 5-GF-237

Other questions related to the administration of the broadband grant program may be addressed to staff of the State Broadband Office by sending an email to:

PSCStatebroadbandoffice@Wisconsin.gov.

9. What has changed about the FY 2021 Grant Application requirements?

The Wisconsin Broadband Office has made a listing of eligibility by census block available.

The FY 2021 application must be filed publicly. We will not accept confidential application filings.

The questions about the proposed download and upload speeds have been changed to ask about minimum and maximum speed for both the project and the speeds that will be available for purchase.

Projects must identify the number of unserved and underserved locations that they intend to provide service.

An application question regarding if the Lifeline discount will be available in the project area has been added.

An application question regarding if there are any low-cost programs or discounts for low-income households has been added.

The instructions provide a naming convention for the file description.

‘BB App [insert name], [insert project]’

There is now a 30 page limit for the application. The application includes the cover page, grant summary, budget and narrative.

There is now a 10 page limit on the additional information that will be reviewed by the screening panel. An applicant may include as many pages as they like but only the first ten pages will be reviewed in developing the merit list. Curate these ten pages and put the most important pages at the front.

Additional points for project impact and existing broadband service, reaching unserved locations.

Less points for scalability and effect on broadband service to adjacent areas.

More opportunity and flexibility for applicants to provide information about their financial capacity.

10. The FCC will periodically release updates to its broadband coverage data. How will the Commission treat this updated data if it is released in the middle of a broadband grant cycle?

The Commission will consider the eligibility of a grant application on the day of the open meeting when it meets to discuss and decide which grant applications should be funded. To determine whether a grant application is eligible, the Commission will use the best data available, including the latest updates of the FCC broadband coverage data. As it is available the Commission will use information about the Rural Digital Opportunity Fund auction results to inform their decision.

11. How does the Commission evaluate the grant applications and decide which applications should be funded? Besides the priority factors, what other information does the Commission consider when awarding broadband grants?

Wis. Stat. § 196.504 gives the Commission authority to establish criteria for evaluating grant applications. The statute requires that the criteria adopted by the Commission give priority to applications that include any of seven priority factors listed in the statute.

The Commission usually appoints a panel to review the grant applications and provide a summary report comparing the relative merit of each application. The reviewing panel will rank the grant application under review in order of merit. Prospective grant applicants should consult the grant application instructions to find definitions, point allocations and additional explanatory comments regarding the application scoring criteria.

The record before the Commission consists of the grant applications, comments in opposition to the grant proposals, responses to comments in opposition, the evaluation panel's ranking of the grant applications, and a briefing memorandum from staff discussing the grant process, eligibility and other issues pertinent to the Commission's decision. In its review and decision, the Commission is free to give more weight to one or two of the priority factors, or give weight to other information provided in the application. The Commission may review past performance on other grant funded projects.

The Commission has also taken into account the fact that some applicants are requesting more than one grant award in a grant cycle. On occasion, the Commission has elected to limit the number of multiple awards a single provider may receive in a given grant cycle.

12. Will the Commission schedule a comment period after the grant applications have been submitted? Do the Commissioners see these comments before deciding which grant applications should be funded?

The Commission will provide a six-week period after the grant applications have been filed in which interested persons may submit written comments in opposition to one or more applications under review. The comments must be posted on ERF under the docket number for the current grant cycle, and must be filed by the due date stated in the instructions. An objection must be filed publicly. An objection must identify and discuss an error of fact, or policy or statutory requirement that the grant application has contravened. Late filed comments objecting to an application will not be accepted nor given weight during the review process.

The Commission will provide a one-week period in which a grant applicant may respond to any opposition comments that have been filed. Responsive comments must be posted on ERF under the docket number for the current grant cycle, and must be filed by the due date stated in the instructions. Late filed responses will not be accepted nor given weight during the review process.

The Commission will also accept comments in support of a grant application. However, **all** supportive comments must be included as a supporting document within the application and therefore be submitted at the same time the application is filed. Comments in support of an application received by separate letter or e-mail message before or after the application is filed will be regarded as not responsive to the application instructions, and will not be accepted nor given weight during the review process. The Commission has made this change because of the substantial increase in the number of applications in recent grant cycles. This does not mean the Commission is discouraging supportive comments. This change is undertaken to reduce the amount of administrative process required to accept and file comments. The Commission remains interested in all points of view regarding grant proposals, and will include in the record any supportive comments that are submitted with the grant application in accordance with the application instructions.

13. How long does a successful grant applicant have to complete the construction of the broadband facilities?

The order awarding grants will provide a specific date on which the grant award will expire and the unused grant balance will be returned to the general grant account for disbursement to future projects. In prior grant cycles, the Commission has set that expiration date for the grant award at the end of the 24th month after the month in which the Commission awards the grant. The Commission can extend this two-year window for construction for good cause. An applicant would need to apply to the Commission for an extension before the expiration.

14. How does the Commission announce the grant winners?

The Commission will decide which applicants should receive a grant award at a regularly scheduled open meeting of the Commission. An open meeting decision is a tentative determination. The Commission will finalize the determination of grant recipients with a written Order awarding grants in the appropriate proceeding. The Order will require that each grant recipient enter into a grant Agreement with the Commission. The Order will also specify certain terms and conditions that the Commission finds appropriate and necessary for the administration of the approved grant projects. The project performance period begins on the date of the order and grant recipients are allowed to begin work on the order date.

The grant Agreement will confirm the grant award, including the amount of the grant award, the percent match, the scope of work and the terms and conditions ordered by the Commission. The grant award is not final until the applicant signs and returns the grant Agreement. Beginning with the FY 2020 grant cycle, a signed grant Agreement is due to the Commission no later than 60 days following the date of issuance of the grant agreement to the applicant. Failure to complete and return the grant Agreement by the due date may result in cancellation of the award.

A copy of the Sample Grant Agreement (DRAFT) proposed for the for the FY 2021 Broadband Grant cycle is posted at: <https://psc.wi.gov/Pages/Programs/BroadbandGrants.aspx>.

Post Award Grant Administration

For each grant cycle, the program requirements applicable for the grant cycle are found in either of two documents:

- The Order of the Commission awarding grants.
- The grant Agreement for each grant recipient.

The Order awarding grants and the grant Agreement are complementary, and together constitute the entire agreement of the state and the recipient. The Order and a completed grant Agreement together supersede any representation, commitment, condition, or agreement made orally or in writing prior to the issuance of the Order. In particular, the Order and grant Agreement supersede any past practice used by staff and grant recipients during a prior grant round.

15. Can the grant Agreement be amended?

The grant Agreement format was adopted in part to implement a simple amendment process. In recent grant cycles, fiscal staff have used the budget in a grant application to evaluate a request for payment from that grant award. Accordingly, it is important to keep the budget and other details of the project up to date as the grant project evolves during construction.

An amendment of the grant Agreement may be required if a line in the project budget varies significantly (An amendment is required to extend the performance period beyond the original expiration date. An amendment is also required if the scope, design, or location of the project changes significantly. Please see section 11.0 Amendment of the grant agreement for this requirement.

16. 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 submits payment requests and 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.

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

An interim Project Status Report shall be prepared and submitted based on the schedule on the Project Status Report form until the project is complete and until the Grant Recipient submits a final Request for Payment.

A final Project Status Report and final Request for Payment are due no later than 30 days after the end of the performance period.

18. 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. 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.

19. Where can you find a list of the approved grant applications?

The grant applications that correspond to each approved grant award are posted on-line at <https://psc.wi.gov/Pages/Programs/BroadbandGrants.aspx>. Also, see Question 8 for instructions for locating grant applications from prior years in the PSC's ERF system.