



Public Service Commission of Wisconsin

Ellen Nowak, Chairperson
Phil Montgomery, Commissioner
Mike Huebsch, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

August 27, 2015

From: Wisconsin State Broadband Office

To: Persons Interested in the Broadband Expansion Grant Program

Re: Fiscal Year 2016 Broadband Expansion Grants 5-BF-100

Clarification 1 to the Application Instructions for the Fiscal
Year 2016 Broadband Expansion Grants

On August 5, 2015, Governor Walker announced that the state is now accepting applications for Fiscal Year 2016 Broadband Expansion Grants. Since that announcement, the Broadband Office has received some inquiries that indicate there is some confusion regarding the application requirements for the Wisconsin grant opportunity and the requirements for some concurrent federal grant and loan programs. The purpose of this clarification is to highlight the requirements for the Wisconsin program and provide internet links for the federal programs that we are aware of.

1. To satisfy the eligibility requirement for the Wisconsin Broadband Expansion Grant program, the applicant must show that it is one of the following:
 - a. An organization with either a profit or non-profit purpose,
 - b. a telecommunications utility, or
 - c. A city, village, town, or county that has established a legal partnership or joint venture arrangement with an otherwise qualified organization or telecommunications utility, and as such meets the eligibility requirements set forth in Wis. Stat. § 196.504(1).
2. A private entity is eligible to submit an application without a public partner. It is only a public entity that must have a private partner to be eligible.
3. **The Broadband Expansion Grant program does not require that applications meet a minimum transmission capacity to be funded.** Federal grant and loan programs may require that construction projects satisfy a specific standard for download and upload transmission speeds. The Wisconsin Broadband Grant program has no such requirement.
4. The Broadband Expansion Grant program is a competitive grant opportunity. The Commission expects to receive more applications than it can fund. The application instructions identify the procedure the Commission will use to select proposed projects for a grant award.

The Commission's evaluation of applications will be conducted in two steps. First, a screening panel will review the applications submitted for this grant cycle. The screening panel will consider both eligibility and merit. The panel will measure the merit of an application in terms of five priority factors identified in the authorizing statute. At this point in the process, each factor is given equal consideration. No factor is weighted above the others. Those priority factors are:

- a. Matching funds.
- b. Public-private partnerships.
- c. Existing broadband service.
- d. Project impact.
- e. Scalability.

The package of applications, the comments and ranking of the screening panel, and any other comments submitted by interested persons will then be forwarded to the Commission for its consideration and decision. At this second step in the process, the Commission can weight one or two factors ahead of the others, or identify other concerns that serve to distinguish one application from another.

5. There is no required amount or required percentage for matching funds. Rather, the Commission has stated that an application will receive a higher priority in the Commission's evaluation based on the amount and type of matching funds the applicant proposes to invest in its project. Thus, a commitment to invest matching funds in a project is not required, but is one way that an applicant can enhance its application and succeed in the competition for funds.
6. The Commission has said it will give preference to applications that propose to serve an area with no existing broadband service. To assess the broadband service in a proposed project area, the Commission will use the definition of broadband service adopted by the Federal Communications Commission in February 2015 - a communications service providing to end users, at a minimum, two-way data transmission with speeds of at least 25 mbps for download transmission and 3 mbps for upload transmission. This is a change from last year's grant program. The Commission expects this change in definition will expand the areas within the state that may apply for funds and increase the number of applications that the Commission will have to choose from. **However, the Commission has not changed its determination to use this program to extend broadband service to areas in the state that are unserved or underserved at the present time with those areas more underserved receiving the higher priority.** This remains the principal focus of the Broadband Expansion Grant program.

Applications for Broadband Expansion Grants are due and must be uploaded to the PSC's ERF system by Wednesday, **September 30, 2015**, at 4:00 pm Central Time. The application

instructions for the Wisconsin grant program may be found at:

<https://psc.wi.gov/utilityInfo/tele/broadband/grants/bbGrantApplicationPage.htm>.

There are two federal programs that may also provide funds for construction of broadband facilities in Wisconsin:

1. USDA Rural Broadband Loans. Application Materials may be found at: <http://www.rd.usda.gov/programs-services/farm-bill-broadband-loans-loan-guarantees>. An application guide to assist in preparation of the application may be found at: http://www.rd.usda.gov/files/UTP_FarmBillBroadbandLoanApplicationGuide.pdf.
2. ConnectAmerica. Information regarding the FCC's program to expand broadband service availability may be found at: <https://www.fcc.gov/document/connect-america-fund-expand-broadband-nearly-1-m-rural-americans>

Administrative and process questions may be addressed to Dennis Klaila at (609) 267-9780 or at dennis.klaila@wisconsin.gov. Questions and concerns about the content of the application or the meaning of any provision of the application instructions should be addressed to the state broadband office as provided in the Instructions at s. 1.5.

Sincerely,

Dennis J. Klaila
Program and Policy Analyst
Division of Business & Communications Services

DK:DL:01262393