



# Tennessee Emergency Broadband Fund

## Frequently Asked Questions

### 1. What is the Tennessee Emergency Broadband Fund?

The Tennessee Emergency Broadband Fund (TEBF) utilizes a portion of the State of Tennessee's federal aid known as the Coronavirus Relief Fund (CRF) to enhance broadband infrastructure and access to individuals and families affected during the COVID-19 pandemic by the lack of broadband access in their area. The CRF was authorized by the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act.

### 2. How much funding is available?

The total amount of funding dedicated to this program will be determined by the TN Financial Stimulus Accountability Group, based on availability of funds and quality of applications received.

### 3. What projects or expenses are eligible?

Projects must be necessary for the community's response to challenges presented by the COVID-19 pandemic.

Types of projects may include but are not limited to:

- Complete project costs comprising of shovel-ready infrastructure deployment where planning and engineering design have been completed and necessary permits are executed. Expenses could include construction, materials, equipment, and service delivery validation.
- Partial project costs necessary to serve end users in areas where infrastructure already exists but service is not yet available to specific grant locations. Expenses could include but are not limited to service drops, optical network terminals, modems, fixed wireless customer premise equipment and antennas, satellite equipment and other end user equipment.
- Public Wi-fi access. Expenses could include but are not limited to construction of infrastructure necessary to provide Wi-Fi connection or Wi-Fi access points at community locations.

Eligible expenses are capital costs necessary to make broadband service available to eligible locations including construction and materials. Operating costs are not eligible.

Existing inventory will be eligible for reimbursement if:

- The inventory was purchased after March 1, 2020
- The expenses did not serve a location prior to the date of the Notice to Proceed letter recipients will receive in August 2020. For instance, if a service drop was purchased and installed so that

service was available to a specific household prior to August 21, that service drop and equipment would not be eligible for reimbursement. This location would be “served” at the time of the applicant’s TEBF application and would no longer be an unserved, eligible location.

Essentially, if the service was provided to the location prior to the applicant’s application submission, this service was not dependent on TEBF funding. However, for projects that are incomplete or where an applicant has purchased inventory (after March 1, 2020) but service has not yet been provided, these expenses are eligible if utilized to provide service in the grant area.

#### **4. What areas are eligible for grant funding?**

Locations that lack a terrestrial, fixed service of at least 25Mbps download speed and 3 Mbps upload speed.

#### **5. How will location eligibility be determined?**

Providers must identify unserved areas or projects where individual locations are lacking a fixed, terrestrial 25mb/3mb connection.

An eligibility map or a list of eligible census blocks based on the FCC Form 477 will not be provided to applicants for the TEBF because it would not correctly indicate all eligible locations. For example, eligible projects may include the cost of drops, electronics and other equipment where infrastructure is in place but broadband service is not available to an individual household. In these cases, fiber, cable or other broadband infrastructure could be constructed but individual locations are not connected to it. The FCC Form 477 data is collected based on the areas lacking the infrastructure, not the individual locations. In this example, the FCC Form 477 would incorrectly indicate this area as served and ineligible for the TEBF.

Given the expedited timeline and the critical nature of these funds, applicants will self-certify that broadband service is not currently being delivered to individual grant locations. Applicants falsifying location eligibility may be subject to grant rescindment.

To ensure transparent use of funds, a brief public comment period will allow broadband providers an opportunity to comment on TEBF applications received. The public comment period is explained below in Questions 11-12.

#### **6. Can an applicant apply for the same or overlapping areas as other federal/ state funding programs?**

TEBF application areas overlapping with announced and funded USDA ReConnect areas (100% grant, 50/50 grant/loan) and Tennessee Broadband Accessibility Grant areas are not eligible.

FCC Rural Digital Opportunity Funds (RDOF) areas are eligible and will not be a deciding factor for the TEBF for the following reasons:

- The ineligible federal/state areas above are those that have been announced. RDOF will commence in October 2020 after the TEBF funding date. At the time of the TEBF award, the RDOF

awarded areas will not be known. TEBF cannot base its funding decision on the unknown possibility that an area may or may not be served with RDOF.

- The TEBF eligible expenses include only capital costs to deploy infrastructure such as construction and materials. The RDOF funds are intended to provide operating support and therefore, serve a different purpose.

#### **7. What is the project completion deadline?**

TEBF projects must be completed by December 15, 2020. The US. Department of Treasury requires Coronavirus Relief Funds (CRF) to be expended by the end of 2020. Broadband projects, in particular, must be complete with broadband service available. The grant contract end date for TEBF recipients will be December 15, 2020 to allow for any minor delays.

#### **8. Does the presence of infrastructure capable of supporting 25/3 speeds automatically exclude an area from eligibility?**

Not necessarily. The presence of infrastructure alone does not disqualify an area from the grant process. An area is excluded if service is available at terrestrial, fixed 25/3 speeds at specific locations. For example, fiber for residential service may be constructed in an area but service is not yet available to specific locations, ie. the location is lacking a service drop. Additionally, fiber might run through an area but not be available for residential services along that route (e.g. to service a cell tower, back haul).

#### **9. The application must be reviewed by a professional engineer or other qualified individual. What does this mean?**

Grant applicants are scored on ability to build the project and maintain the network beyond the grant period. Grant applications are required to be reviewed by a professional engineer (PE) or other qualified individual. It is preferred that the review is conducted by a PE. However, another qualified individual may review the application if they can clearly confirm the applicant's understanding of the project. This may be an in-house employee of the applicant who is not a PE. In this case, the applicant must include the credentials of the individual who prepared the certification.

This review provides confirmation that project planning has occurred, and a qualified individual has reviewed the technical details of the application prior to submission. These details include number of locations to be served, budget, business model, proposed service area map and other information. The review provides reassurance of the applicant's ability to provide the proposed solution.

All applications must include a completed "Engineer Application Review Form" signed and dated by appropriate individual. A required blank form is located in the application on the relevant question. Applicants must submit this exact form for the application to be considered complete.

If submitting multiple applications, a separate review form is required for each project.

#### **10. The application asks for proof of financing. What kinds of documents are required here?**

The TEBF will be distributed to awarded grantees upon project completion as certified by a professional engineer (PE) or a third-party consultant approved by the State of Tennessee. The application requires a letter from the applicant's financial institution outlining the financial standing of the applicant or an

annual financial report. A statement of “good standing” is not sufficient. The letter must clearly demonstrate the applicant’s ability to fund the project whether on its own or in conjunction with other local grants, investments, etc. If applicable for a subsidiary, the applicant may include a letter demonstrating the parent’s financial standing. If an entity plans to fully fund the project with cash reserves, an official bank statement will also work if it clearly demonstrates the applicant’s ability to provide the match funds as well as pay upfront project costs due to the reimbursable nature of the grant. Please remove/redact all confidential information including bank account numbers.

**11. If I am not an applicant, but an application is submitted for my area, how do I provide my feedback on this area?**

Applicants and non-applicant stakeholders may voice their feedback on an application during our *public comment period*.

**12. How will the public comment period work?**

TNECD will post a description of the applications received including the proposed service area. From August 11 through August 12, comments may be submitted online regarding any pending application. All comments collected during the public comment period may be subject to public disclosure, except for the specific location of infrastructure assets.

Where evidence demonstrates that individual locations are currently served, grant applicants will be disqualified. Providers who comment may be asked to provide additional information and/or work with TNECD to validate service availability. Comments with insufficient evidence or documentation will not be considered.

**13. When will you announce the awards?**

Tentatively, award recipients will be notified on August 21, 2020 with a Notice to Proceed letter that will permit project construction to begin prior to the grant contract start date. Specific locations with access to 25mb/3mb as of the Notice to Proceed letter date are not eligible.