

Last Mile & Middle Mile Grant Program FAQs

Updated 10/5/2023

Program Requirements

Q: How does TNECD define “middle mile infrastructure” under the Middle Mile program?

A: Middle mile infrastructure means any broadband infrastructure that does not connect directly to an end-user location, including an anchor institution, and includes— (i) leased dark fiber, interoffice transport, backhaul, carrier-neutral internet exchange facilities, carrier-neutral submarine cable landing stations, undersea cables, transport connectivity to data centers, special access transport, and other similar services; and (ii) wired or private wireless broadband infrastructure, including microwave capacity, radio tower access, and other services or infrastructure for a private wireless broadband network, such as towers, fiber, and microwave links.

NEW! Q: If building Middle Mile infrastructure, does the network have to be open access?

A: Open access networks are not required for middle mile projects; however, it is highly encouraged. Extra points will be awarded for open-access networks.

Q: If the goal is to provide high-speed internet to unserved or underserved residents in TN, why focus on the "middle mile" component?

A: High speed broadband must have a reliable backbone to ensure infrastructure remains scalable, as well as redundant in the event of weather events, etc. The middle mile portion is also important to support the areas lacking service, while helping navigate geopolitical or boundary constraints. Existing MM infrastructure can be leveraged as long as programs funded by CPF demonstrate a new or improved connection.

NEW! Q: If a qualified area does not currently have residents or businesses, can the grant request include fiber being installed in that area?

A: If the area is considered unserved and along the service route, laying this fiber could be justified in the application.

NEW! Q: For discrepancies related to lat-long data, if the correct fabric ID is reported, is there a margin of error for lat-long coordinates?

A: Yes, the lat-long coordinates can be reported with a margin of error if the fabric ID is correctly reported. It is most important that the number of homes is disclosed in the narrative.

Q: What if applicants are proposing to build in an area under the enhanced Alternative Connect America Cost Model (ACAM)?

A: Providers who are impacted by ACAM can notify TNECD during the public comment period tentatively scheduled for late October, early November of 2023.

Partnerships

Q: How does TNECD define “community anchor institution” under the programs?

A: A community anchor institution is an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, eligible faith-based institutions, or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.

Q: Please clarify the last mile partnership component of the Middle Mile grant. How are providers to stay within the rule if middle mile doesn't connect directly to end users?

A: The MM provider can work in partnership with a provider that offers last mile services. The applicant's construction and buildout plan should clearly state the nature of the partnership, and only the approved amount of funding can be used for the middle mile portion. The middle mile build out must also be justified in the narrative as necessary to reach the last mile portion. Applicants could propose builds where last mile may exist. We are not encouraging overbuilding for last mile services, but the focus is on a new or improved connection that must reliably meet or exceed 100/100 mbps.

Q: Is an infrastructure partnership (one MM provider partnered with a LM provider) required for project eligibility under either or both program?

A: A last mile partnership is required for the Middle Mile program. A middle mile partnership is optional for the Last Mile program.

Application Information

Q: Are applicants required to also submit information regarding anticipated speeds and costs post-build?

A: Yes. Please note that both LM & MM grant applications require submitted information regarding speeds and costs as it relates to what will be made available to passings in the grant project area should the applicant be awarded a grant contract. Please note these cost(s) will be directly taken into consideration for scoring, and should an award be made, the cost(s) will be a requirement for the term of the grant contract within the grant area.

NEW! Q: For the last mile grant program, which group of counties can be included in the list of counties served? Counties where middle mile fiber passes through, or only the counties that provided last mile services?

A: The counties served should primarily focus on the counties receiving last mile services. If these services and infrastructure positively impact other areas/counties, they should be included in the application write up describing the economic impact.

Q: We are partnering with another entity to apply for grant funding. Should we combine our budgets into one template?

A: Partners applying together should submit one budget template and budget narrative. The lead partner will be responsible for submitting a complete budget template and budget narrative for all project expenses. During implementation, the lead partner will also be responsible for submitting invoices on behalf of the partners.

ECD will draft the scope of services contract to explicitly state that the Grantee or their partners may incur expenses. However, ALL PAYMENTS WILL BE MADE TO THE GRANTEE. The Grantee is responsible for disbursing those payments to the proper party. Invoices should show proof of payment made by the grantee; or in the event of an invoice incurred by an identified partner, proof of the funds being paid back to the grantee will be required as part of the proof payment. Any payments arising under the partnership between two or more entities should be addressed solely between the partner entities.

NEW! Q: If a grant application is submitted in SmartSimple by the October 16 deadline, can revisions be made to the application?

A: Revisions can be made to applications up until the submission deadline of October 16.

Attachments

NEW! Q: Can community letters of support be emailed in?

A: No. Please upload all letters of community support directly into SmartSimple. If you receive a letter of support after you've submitted your application but *before the deadline of October 16*, please email us at ECD.Broadband@tn.gov with your application number. We can reopen the application to enable you to upload any additional letters of support.

NEW! Q: Can letters of community support be added to the grant application during the completeness review period?

A: Yes. If you submit your application by the October 5 completeness review deadline, additional community support letters can be added up until the deadline of October 16. Please email ECD.Broadband@TN.gov with your application number. We can reopen the application to enable you to upload any additional letters of support.

NEW! Q: When should the Payment Form be mailed to TNECD?

A: The following three documents will be required once an applicant is awarded a grant:

- The Grant payment setup form – *can be submitted with the application* in SmartSimple
- W-9; and
- Supplier direct deposit authorization form.

TNECD will notify the awardees when and how they are required to submit the documents.

NEW! Q: Is a network diagram required with the application?

A: A network diagram is not required but it does give TNECD insight into the Last Mile and Middle Mile locations and makes the overall adjudication easier. TNECD will protect all application documentation with confidentiality. PPI and/or propriety information will not be shared.

Q: Can we use our inventory in lieu of a bank statement?

A: Applicants must submit documentation demonstrating that they have the financial capability of covering all costs including construction associated with the grant prior to reimbursement. In-Kind matching funds are not an allowable cost and could not be considered as part of your application budget. Please refer to page 7 of [the application guidebook](#).

Q: In the past, we were able to provide resume and documentation for experts that were not PEs to approve the application. Will that still be available?

A: No. For the CPF Last Mile and Middle Mile Grants, a Professional Engineer certified in the state of Tennessee must sign that they reviewed and certified the plans using the blank form provided by TNECD.

NEW! Q: If a field is required in the document upload and submission section, can the grant application be submitted without completing the field if it is not applicable?

A: A blank or filler document may be submitted if the section does not apply to the project. If there is a concern about documents or attachments, please submit the grant application by the completion review deadline of October 5, 2023.

NEW! Q: Does the grant application require an attachment for infrastructure provisions?

A: The grant can be submitted without the infrastructure provisions documentation. If there is a concern about documents or attachments, please submit the grant application by the completion review deadline of October 5, 2023.

Budget

Q: Is the last mile requirement for the MM grant a minimum of 30% of total project costs or a maximum of 30% of total project costs? And if it is a maximum, then is there a minimum percentage of total project costs?

A: The last mile component of the project should not exceed 30% of the total project costs. There is no minimum percentage of total project costs, but a last mile partnership is required for the Middle Mile program.

Q: We estimate our middle mile cost is below \$100k and the PSFA is estimated at \$1.3 Million. Is that ineligible for the middle mile grant?

A: No more than 30% of the total project funds may be allocated to the last mile component of a Middle Mile project.

NEW! Q: What percentage of the budget should be used for project contingency?

A: Between 10 to 15% of the total project funds should be used for project contingency. No more than 15% of the total project funds should be used for project contingency.

Q: How should applicants account for contingency funds in the expense differential?

A: We recommend the applicant factor in a potential expense differential when creating their cost contingency plan (amount). This could be calculated as a percentage of the base project cost estimate.

New! Q: What data needs to be entered into the budget feasibility table?

A: For blended pricing – please input your monthly rate times 12. Please note your monthly rate in the budget narrative. Funded eligible expenditures are all expenses associated with the grant project allocated for each year.

NEW! Q: When itemizing budget cost, are items such as splitters that cost about \$1,000 each (do not meet the capital purchase threshold of \$5,000) most appropriately detailed in the construction line item?

A: Yes, these items should be included under the Construction budget category.

Q: If the project will deploy a residential gateway to provide customer Wi-Fi, can providers assume that cost would be included in the match calculation (since the grant funding cannot be used for anything past the ONT)?

A: Only eligible expenses (including only expenses up to the demarcation point) can be included as part of the match. Match funds are required to be expended upfront at the same rate as federal funds.

Eligible and Ineligible Expenses

Q: There are a number of costs associated with getting a site ready such as tree trimming or pole replacements. Are those eligible costs?

A: Tree-Trimming is an eligible make-ready expense if it is directly associated with the infrastructure buildout in the grant area. Pole replacements are eligible make ready expenses as they are directly associated with the infrastructure buildout in the grant area.

Q: Is an Indefeasible Rights of Use (IRU) an eligible expense?

A: IRUs are eligible expenses as they are directly associated with the infrastructure buildout in the grant area. However, these are limited to one-time payments. As most IRUs are 20-year terms if that is made as a one-time payment it will be eligible. Recurring payments are NOT eligible for reimbursement. IRU costs should be reflected in the capital purchases line item in the budget.

Q: Are Grant/Project Administration costs an eligible expense for LM and MM programs?

A: Grant/Project Administration costs will not be eligible for reimbursement in the LM & MM grant program.

Q: Are Customer Premise Equipment (CPE) eligible costs?

A: Yes, CPE is eligible for the *Last Mile Grant Program* and the *Last Mile component* of the Middle Mile Grant Program as long as the equipment, upon installation is owned by the ISP and not the customer. CPE funding only covers up to the demarcation point (e.g., network interface device (NID) or optical network terminal (ONT). All-in-one devices may be eligible at the demarcation point (a router/modem combo, an ONT/Router combo, etc.) if they are manufactured in house within the allowable project timeframe or are purchased for the purpose of installing at the consumer’s home.

Replacing current CPE within a household already served and outside of an application area is not allowable. Please include a narrative detailing the importance and necessary costs associated with the device.

Additional Information

Q: Is location/address level data available for download in reference to the eligibility maps?

A: The State utilizes the NG 911 dataset that can be found on our website in Geodatabase format. We are currently working to provide county-level breakdowns for the Last Mile program by “subdivision”, as well as a comprehensive dataset for the Middle Mile program. Please be aware that these files are large and may not load or may crash your program.

NEW! Q: Is there a be-all/end-all 911 set?

A: No, the information TNECD has does not impact broadband data nor does the data providers may have developed at the consumer level.

Q: Are all electronic sites along a proposed middle mile route at various POPs covered regardless of service availability status?

A: Along the middle mile route, ONLY electronics associated directly with the proposed middle mile infrastructure are eligible. Please note, this project is not designed to fund last mile infrastructure along middle mile routes. Last mile infrastructure and electronics may only be built in areas lacking 100/20 mbps and must be identified within the grant proposal.

Resources

Q: Will the ineligible and eligible items be posted online?

A: Yes, they are posted on our website at tn.gov/broadband under the grants tab.

NEW! Q: What is the link to TNECD's Economic Impact Report 2022?

A: The Economic Impact Report shows how much money has been disbursed for broadband across TN and its economic impact. Here is the report: https://tnecd.com/wp-content/uploads/2023/06/BB_Rural_Impact_2023.pdf.