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Addendum #1 to NOFA #006
Written Responses to Questions
July 1, 2021

Q1. I have a project that we are getting ready to do - since the OCIO map is not available for review to see if this area is an area eligible for funds would we still be eligible to apply for grants funds if we have started the project?

A1. The Map will be published July 1 at which time Applicants will be able to identify eligible areas.

Purchases made prior to July 1 are not Allowable Expenditures, therefore projects cannot have begun prior to this date. See Notice of Funding Availability #006 (“NOFA”) § 1.2.3.2 for exceptions.

To be eligible to apply, an Applicant must be a Communication Service Provider, as well as the entity performing the work or has a substantial ownership interest. Projects must be within Iowa, Facilitate 100/100 or 100/20 Broadband service, and propose to complete the Project no later than April 30, 2025. See NOFA § 1.4.

However, grounds for disqualification or rejection include where a portion of the Project overlaps with an area in which any Communications Service Provider has already commenced construction or build-out (NOFA § 1.9.6) or has preexisting Broadband expansion commitments (NOFA § 1.9.7).

Additionally, Applicants are required to certify whether a project would not be completed without NOFA funding. Projects are subject to disqualification or rejection if the project is likely to proceed regardless of a grant award. See NOFA § 1.9.4.

Q2. Does NOFA 6 allow for progress billing reimbursements or does all reimbursement come at the end of the project?

A2. One reimbursement will be made at the time of the Certification of Project Completion. Please reference Exhibit E (Grant Agreement) § 3.1 and § 4.4 for terms and conditions regarding Project Completion and Payment Timing and Procedures. No exceptions will be made.

Q3. Can an awarded grant applicant receive at least some of the funds in advance of project completion? CARES grant awardees received 50% of the awarded funding at the halfway mark of

their grant projects. In general, contractors need to get paid as the project progresses for payroll and project costs. If a company would submit a grant application which includes multiple projects with multiple completion dates, the awardee would generally need to pay for “Project A” long before “Project B” is completed – especially if the grant application spans multiple years (the actual projects could be single year projects). Waiting for a grant award distribution until all projects are completed within a single application is not financially feasible for most applicants.

A3. See response to Q2.

Q4. Because of the above funding award distribution issues, is it advisable to submit multiple projects as separate grant applications? Note that on the webinar last Thursday, it was stated that the scoring formulas may rank projects higher that involve multiple “tiers” within the grant program. Submitting multiple projects separately (although more convenient to track and possibly obtain awarded funding sooner) may result in lower scoring and projects being rejected because of those low score rankings when compared to other grant application projects.

A4. An Applicant’s decision to submit a single application or multiple applications is entirely its own. Applicants may submit a single application or multiple applications, but each application should contain a discrete and stand alone project that can be completed on its own merits. The Office does not offer a recommendation concerning which approach Applicants should consider, however Applicants should be mindful that if multiple Applications are submitted, they are scored, ranked, and awarded independently. An award for one Application does not guarantee an award for any other Application submitted by an Applicant.

Projects proposing buildout in Tier 1 TSAs will receive more points than projects that do not propose to build out in Tier 1 TSAs. The higher proportion of Tier 1 TSAs making up the project, the more points will be given under NOFA § 1.6.3.3.

Q5. If an application is submitted to include multiple phases to be constructed over a two or three year period, will the company be allowed to submit phase completion for the grant funds or will all phases be required to be completed before the funds will be paid?

A5. No, reimbursement occurs at the time of final project completion, not upon completion of phases, and in a single lump sum. See also the response to Q2.

Q6. On the webinar on 6/17/21 it was indicated that the highest speed that could be reported in the Exhibit B was 1Gbps or 1,000 Mbps. We do have several clients that are deploying next generation PON technologies and have the capability to support up to 10Gbps service. We feel that

these networks could benefit in the scoring, specifically section 1.6.4.1 where overlapping projects would be awarded to the higher speed offered.

A6. Speed declarations provided by Applicants should be consistent with the definition of Facilitate set forth in Iowa Code Chapter 8B.1(5). Consistent with this definition, Facilitated speeds declared by Applicants should be those speed levels that can be provided by the Applicant within a commercially reasonable time and at a commercially reasonable price. Generally speaking, the Office interprets this requirement to support the Applicant's declaration of the fastest speed levels that will be offered to a typical consumer within the project area upon project completion. While many network technologies are capable of speed levels above 1 Gbps, it is less common to encounter such speed levels in a typical consumer (i.e., residential) use case. Thus, the Office had capped speed level declarations at the 1 Gbps/1000 Mbps level for this program.

Q7. Will there be any requirements for affordability? There are several companies out there making dubious claims of speed that are not even advertised on their website. These are often available via "custom pricing" or business pricing which is substantially more than the federal affordability guidelines. Additionally, how are add-on fees such as installation fees and required equipment rentals viewed in the scoring criteria is impacted by the recent RDOF auction given that these are provisionally awarded and the long form applications have not yet been certified by the FCC. This comes to mind in two specific scenarios:

A7. The NOFA does not reference requirements for affordability; however, please reference Q6 above for guidance on commercially reasonable pricing. Add-on fees such as installation fees may be identified in the project budget if they are directly related to the installation of broadband infrastructure. See NOFA § 1.2.3 for Allowable Expenditures. To review how budget impacts scoring, please review NOFA § 3.1.2 (Efficiency) and § 3.1.7 (Budget Composition)

Q8. If provider A has not received any RDOF funds for a given eligible area, but provider B has received funds for some or all of a project area, would provider A be eligible to receive NOFA 6 funds for the project area?

A8. An RDOF award in any given area does not, in itself, disqualify that area from eligibility under this program. Eligible project areas (i.e., United States Census Blocks) are identified as Tier 1, Tier 2, or Tier 3 Targeted Service Areas on Broadband Availability Map ("Map") Version 4 ("V4") published to the OCIO website on July 1, 2021.

Targeted Service Area determinations set forth on Map V4 turn solely on whether broadband was offered or Facilitated within a census block as of July 1, 2021 based on underlying data sources made available to the Office including but not limited to carrier attestations solicited by the Office, FCC 477

data, and other sources. Targeted Services Area determinations are not based on whether the block is a part of any prior federal award. Thus, the Office did not remove any census blocks from eligibility on the basis of their inclusion in an RDOF awarded project. Census blocks that are a part of any prior federal federal grant program award, including RDOF, may be eligible (Targeted Service Areas) or ineligible (non-Targeted Service Areas) based solely on the conditions of broadband service that were reported to exist as of July 1, 2021.

Q9. Section 1.6.4.3 states that “Where a portion of the Project overlaps with an area in which any Communications Service Provider has preexisting Broadband expansion commitments.” That such applications can be partially or fully thrown out. We would like to inquire how this is impacted by the recent RDOF auction given that these are provisionally awarded and the long form applications have not yet been certified by the FCC. Or would those areas need to be cut from the overall application?

A9. The contribution of federal funds to a Project submitted as part of an Application to this NOFA is generally viewed favorably by the Office consistent with the evaluation criteria established in Iowa Code 8B.11(4)(a)(2). However, in reviewing Applications that propose to include federal funds, such as RDOF or CAF II, the Office will consider the likelihood that such projects will be able to proceed without the contribution of state funds (in accordance with NOFA § 1.9.4).

All Applicants, regardless of whether they possess federal funds or not, must certify to the Office, as part of an Application to this program, that the proposed Project is unlikely to proceed without the contribution of state funds. Applications that indicate that a Project is likely to proceed regardless of whether state funds are provided may be rejected by the Office without further evaluation.

To the extent that an Applicant to this program has also been selected to receive an award under RDOF—so long as the Applicant has not withdrawn its application from consideration by the FCC or had its application rejected by the FCC—it is the Office’s interpretation that such a circumstance is highly suggestive that the Applicant’s project will be constructed without the need for state funds. This includes RDOF applications that are still undergoing long form review by the FCC.

If a successful Applicant to RDOF (*i.e.*, an applicant selected by the FCC to receive an award under RDOF and which applicant has not withdrawn its RDOF application or had its application rejected by the FCC), as a condition of receiving an award of RDOF funds, represented to the FCC that it will build out in a census block(s) that is also included in the same Applicant’s NOFA 006 application, and the same Applicant also certifies to the Office that the Project is unlikely to be completed without state funds, the Office may at its sole discretion reject the Application. In making such a determination, the Office may contact the Applicant for clarification and may also contact the FCC regarding the Applicant’s RDOF winning bid and the discrepancy presented therein.

In the event that an award is made pursuant to this NOFA to an Applicant who has been the recipient of any federal funds, the Applicant is required to comply with terms of the Office's offer of funds, including minimum build out speeds and maximum project completion deadlines, regardless of any other commitment the Applicant holds with a federal granting agency.

Q10. Can a provider combine NOFA 6 funds with RDOF support to speed deployments and/or reduce the overall amount of funding needed from NOFA 6?

A10. See response to Q9.

Q11. Section 3.1.6.2 discusses the "Internet Speed Test Tool". Could you please elaborate on how latency will be tested? Is this something like an Ookla/Google speed test or something more in line with the FCC's performance testing criteria?

A11. The iowapeedtestcustom.com site referenced in the NOFA is an Ookla speed testing tool. Accordingly, latency is measured consistent with the parameters established by Ookla.

Q12. Regarding the NOFA #006; with awards being announced in September, can you tell me what the project completion deadline will be?

A12. Projects must be completed by April 30, 2025.

Q13. I was registered for the Broadband pre-application conference, but had to leave to attend another meeting. It was mentioned that it would be recorded. Will you be emailing out the link for the recording? If not, where will I be able to find it?

A13. The recording for the pre-application conference can be found here: <https://ocio.iowa.gov/empower-rural-iowa-broadband-grant-program-notice-funding-availability-006>

Q14. I was wondering if there will be information at the ISAC conference in August on this program or if there are future webinars as I was not available for the June 17th one.

A14. No, there will not be a presentation on this program at the ISAC conference this year.

Q15. I am working with a city on a potential #6 grant application for the OCIO dollars. They have a large project, but do not really know which avenue to apply for:

- Buy equipment for the project – from plant to premise equipment

- **partnership share – the City is working with a provider who will provide the services as a municipal telecom**
- **build a plant – a partial plant is already built due to METornet being in existence, but have to build out more for the premise portion.**

Could you tell me which one would be best? It would be nice to apply for all three in phases though. And could you tell me what the timeframe is on this grant? That might answer my question on the project funds as well.

A15. The Office cannot advise Applicants regarding how “best” to proceed with Project design for the purpose of submitting an Application to this NOFA. There are a variety of acceptable strategies that could be employed by Applicants. However, in designing a Project, Applicants must consider the provisions of the NOFA that may have bearing on project design, including the following:

- Your Total Project Costs may only comprise Allowable Expenditures. Examples of permissible categories of Allowable Expenditures are defined in NOFA § 1.2.3, in the Core Application Budget Plan, and to the extent applicable, the Outside TSA Infrastructure Worksheet.
- NOFA § 1.4.1 states: Persons eligible to submit Applications in accordance with this NOFA include any Communications Service Provider as defined by Iowa Code chapter 8B, including but not limited to private sector carriers, local governments, utilities, and other entities that provide or intend to provide Broadband service.
- NOFA § 1.4.2 states: Persons submitting Applications *must be the entity that will be performing the proposed work, or an entity with a substantial ownership interest in the entity that will be performing the proposed work.* (Emphasis added.) While Applicants may hire or work with consulting firms to prepare their Applications, an Application may not be presented or framed as work to be performed by a consulting firm or other third party, and may not be signed by a representative of any party other than the entity performing the proposed work. Instead, the Application must be presented and framed as work to be performed by an appropriate Applicant and signed by an Applicant’s Authorized Official. The Office interprets this to mean that the Applicant is not acting as a passthrough entity.

Generally speaking, in circumstances where a local government is interested in expanding broadband service for its residents without having to perform the buildout itself, but rather prefers to encourage a Communications Service Provider to build, own, and operate a network to meet a community’s broadband needs, such Applications should be submitted by the Communications Service Provider and not the local government. In such a circumstance, the local government may enter into a separate partnership agreement, if desired, with the Communications Service Provider to address any supplemental considerations relating to the

proposed buildout, such as in-kind (*i.e.*, non-monetary) or financial contributions made by the local government to the Communications Service Provider to support the project. See response to Q23 for information on how in-kind and financial contributions from local governments should be treated in such circumstances in the context of local match declarations in response to this NOFA generally and NOFA § 3.1.7.2 specifically.

Q16. We are seeking clarity in Section 1.9.4: We are looking for verification on whether or not an RDOF winner that has commitments of 100 Meg/1 Gig networks to build out under the RDOF program. They are required to build out thus ‘likely to proceed regardless of whether funds are awarded’ from the NOFA 006 program. How does the above referenced section apply to an already funded project with required build out milestones? They are obligated to build out regardless, would this be a redundant NOFA award if the RDOF winner is already receiving funding to build out the same area? Section 1.9.4 -The Applicant indicates that the Project is likely to proceed regardless of whether grant funds are awarded to the Applicant for the Project.

A16. See responses to Q8 and Q9.

Q17. The other section we are seeking clarity is: Section 1.9.6 - Where a portion of the Project overlaps with an area in which any Communications Service Provider has already commenced construction or build out. The question here is whether a company has commenced building out their RDOF projects. They have mapped, leased land and towers, surveyed and in some cases installed equipment to begin to meet their milestone commitments as required by the RDOF Program. Does this qualify as an example of a project already started?

A17. Yes, this would be considered a project that has already begun and therefore may be disqualified or rejected per NOFA § 1.9.6, as well as perhaps § 1.9.4 and § 1.9.7.

Q18. The first paragraph in section 3 of the NOFA states that an addendum identifying the specific point values assigned to each evaluation factor set forth in Section 3.1 (Quantitative Factors), will be posted, but it states that it will not be posted until immediately prior to the Application due date, which would be 5:00 p.m. on 7/28/2021. Does this mean the addendum will be posted the day of the due date, or a day, or a few days, prior to the due date? Is the scoring rubric still being worked on? If not, what is the reasoning for not releasing this addendum sooner?

A18. The exact date and time for posting the scoring rubric has not yet been determined. To receive notification when the scoring rubric is posted, please be sure you are subscribed to the Broadband Grants Updates on our site at <https://ocio.iowa.gov/broadband-grants>. Delaying posting the scoring rubric ensures that Applicants provide thorough answers and information to all questions or inputs

elicited through this application process, instead of focusing only on those areas that may be weighted most heavily.

Q19. For OCIO’s broadband mapping purposes and its process of designating areas as either a Tier 1, Tier 2, or Tier 3 Targeted Service Area, how many locations/units within a census block must be at the relative Tier speed minimums before the census block is not considered a Targeted Service Area under any of the respective Tiers?

A19. Iowa Admin. Code r. 129-20.1 as amended by 2021 Iowa Acts, House File 848 defines materially underserved as “a broadband block within which less than 10 percent of the *geographic area* comprising the broadband block is facilitated with broadband service exceeding Tier 1 upload and download speeds.” (Emphasis added.)

Q20. Section 1.2.5 of the draft NOFA #6, page 4, in addressing the “Broadband Availability Map” states that the Map, in part, identifies “whether a census block is Materially Underserved or that Broadband service is Meaningfully Available therein” What criteria, standards or thresholds is the OCIO currently applying for its broadband mapping and grant process purposes to determine whether a geographic census block area, specifically, is considered “materially underserved” and/or is an area where broadband service is not “meaningfully available”?

A20. In developing Broadband Map V4, the Office calculated the geographic coverage of broadband service as reported to it by providers. Where less than 10% of the area was covered, the census block was deemed Materially Underserved and thus classified as a Targeted Service Area. This methodology was developed to conform with Iowa Admin. Code r. 129-20.1 as amended by 2021 Iowa Acts, House File 848, which defines Materially Underserved as “a broadband block within which less than 10 percent of the geographic area comprising the broadband block is facilitated with broadband service exceeding Tier 1 upload and download speeds.” Meaningfully Available is defined as broadband service that is facilitated to consumers on a commercially reasonable basis and without significant interruption or delay. *Id.* In determining whether broadband service is meaningfully available on a commercially reasonable basis, the office may consider product or delivery attributes or characteristics such as availability in terms of average uptime and downtime or latency or delays in the transmission of data. *Id.*

Q21. At the top of page 22 of the NOFA, in addressing scoring methodology, it is indicated that “an addendum identifying the specific point values assigned to each evaluation factor . . . will be posted immediately prior to the application due date”. Is this correct, does it mean that no publication of the point values will be available until after the close of the application window on July 28?

A21. Weightings will be published prior to the close of the Application window. See also response to Q18.

Q22. When will we see the instructions for the challenge process to the map v4?

A22. Information regarding the Statewide Broadband Availability Map V4 challenge will be made available when the Map is published on July 1 and can be found at <https://ocio.iowa.gov/broadband-availability-map-version-4>.

Q23. Would a partnership with a local government which provides an in-kind contribution be included in 3.1.7.2 for matching funds?

A23. Applicants should not include in-kind contributions when identifying federal, local, or other match in response to this NOFA.

Q24. I have a question regarding the reimbursement of grant funds should an application be awarded. Specifically, would an applicant, who is proposing a total grant project area that covers a handful of eligible areas, submit a single application and break out the total project area in to phases, whereby as one phase is completed in full, a request for grant reimbursement could be made for that phase before the full project is complete?

As an example, a total grant project area is proposing to bring 1G service to four different rural areas. The total area would be identified as Phase 1, Phase 2, Phase 3 and Phase 4. Once Phase 1 is built out in full and the households are being served with 1G service, the awardee would be able to submit a request to the OCIO for the grant portion of the Phase 1 construction cost. It would then be starting construction on the next Phase and would follow a similar reimbursement process until the entire project is completed in full.

Or, if they submit one application for multiple areas, the OCIO would require all areas to be built in full before reimbursement of grant funds would be allowed?

A24. See responses to Q2 and Q4.

Q25. First, The question is whether or not census blocks won in the RDOF auction or other federal/state/local grant program will be eligible for funding in this round of Iowa funding and for scoring purposes as “external matching funds”?

In section 3, Scoring Methodology, specifically Section 3.1.7, it indicates that projects with external matching funds will be scored higher than projects without. There appears to be a conflict between this section, specifically 3.1.7.2, and section 1.9.4, where it is noted that projects are that are deemed “likely to proceed regardless of whether grant funds are awarded to the Applicant for

the Project,” may be “rejected outright and not evaluated, or an applicant disqualified.” (section 1.9 heading) We are seeking clarification specifically in regards to prior funding that has a specific build commitment already in effect, per the award, such as RDOF.

A25. See response to Q8.

Q26. Second, in order to adequately review “Relative Need” (section 3.1.8) will the state be providing location mapping data identifying anchor institutions, schools, businesses, libraries, crop operations, etc. as part of the 7/1/2021 map release?

A26. No, it is the responsibility of the Applicant to identify such institutions within its project area.

Q27. Third, What is the penalty for missing your “build by” date? Is the penalty the same regardless of whether you commit to sometime sooner than the maximum possible completion date, or will it be contingent on completing by the maximum possible completion date (4/30/2005) as indicated on the 6/17/21 call?

A27. A Grantee’s failure to meet its obligations as proposed in its Application may be determined to be a breach which may result in Grantee forfeiting funds awarded under this program or becoming ineligible for future grant programs offered by or through the State. See Grant Agreement § 5.2. A Grantee will be held to the completion date it proposes in its Application but no later than April 30, 2025.