

CONNECT MT BROADBAND PROGRAM

ARPA & IIJA UPDATES



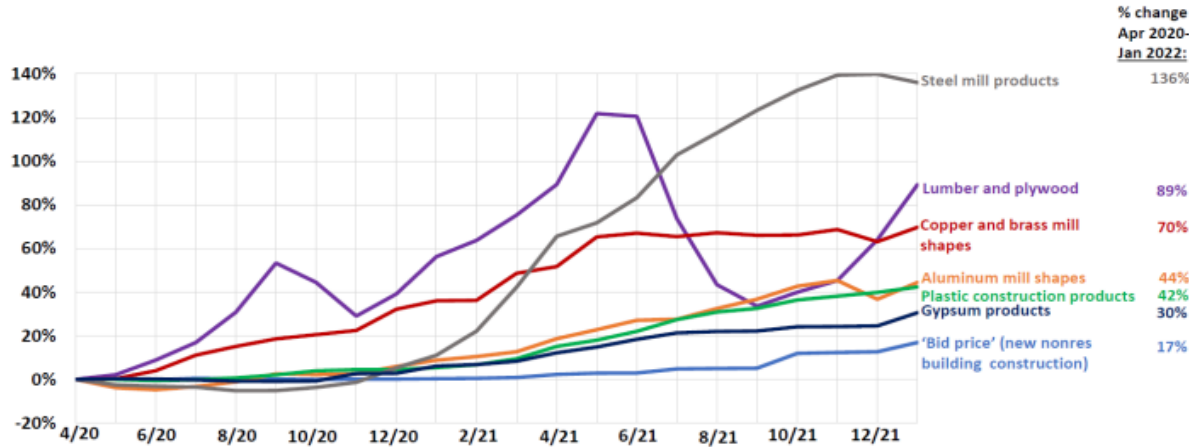
MORNING AGENDA

- ✓ **State of Construction Industry** *Russ Katherman*
- ✓ **ARPA Broadband Funding** *Chad Rupe*
- ✓ **Proposed Priorities for State Broadband Plan** *Misty Ann Giles/Chad Rupe*
- ✓ **ARPA / IIJA Timelines** *Chad Rupe*
- ✓ **Next Steps / Legislative Action** *Misty Ann Giles/Chad Rupe*



PPIs for construction bid prices and selected inputs

cumulative change in PPIs, April 2020 – January 2022 (not seasonally adjusted)



Trade Item	Lead Time Increase	Stop Light Status
Steel Beams & Decking	+167%	Yellow
Roofing Membranes	+750%	Red
Roofing Insulation	+667%	Red
Doors / Hardware	+233%	Red
HM Door Frames	350%	Red
Aluminum Panels / Glazing	+333%	Red
Drywall/Metal Studs	+200%	Yellow
Paint	+600%	Red
Plumbing and HVAC	+100%	Green
Switchgear	+150%	Yellow
Lighting and Controls	+100%	Green

● >= 100% lead time increase
 ● 100% > 200% lead time increase
 ● 200% < lead time increase

Sources: ENR, Multiple General Contractors' Q4 Reports, CBRE Cost Consultancy

Since February 2021:

<p>+80% last year lumber & plywood</p> <p>Slow down in residential multi-family construction is expected to level the pricings; but it is still highly volatile.</p>	<p>+105.0% last year steel mill products</p> <p>With limited or reduced imports from overseas and steady construction, steel costs remain at skyrocketed level.</p>	<p>+3% last 12 weeks ready-mix concrete</p> <p>Spiked cost due to increase demand in previous quarter is expected to level to trend downwards.</p>
<p>+35% last year copper & cabling</p>	<p>+55% last year rebar</p>	<p>+20% last 3 months cs/ss pipe & fittings</p>
<p>+5% last 15 weeks brick & block</p>	<p>+15% last 12 weeks formwork</p>	<p>+3% last 8 weeks pvc pipe & fittings</p>

* Source: BLS, Compass Reports, CBRE Cost Consultancy

Material	Lead Time
Steel Beams/Metal Decking	16-22 weeks
Open Web Joists	32-36 weeks
Roofing Membranes	32-34 weeks
Roofing Insulation	40-50 weeks
Doors & Hardware	18-20 weeks
HM Door Frames	16-18 weeks
Aluminum & Storefront	20-26 weeks
Drywall & Metal Studs	6-8 weeks
Flooring (Imported)	14-18 weeks
Granite	8-10 weeks
Paint	6-8 weeks
Metal Panels	18-20 weeks
HVAC Equipment	20-24 weeks
Electrical, Lighting & Controls	14-16 weeks
Generators	40-45 weeks

* Source: ENR, Aggregated Multiple General Contractors' Reports

Website Orientation

<https://connectmt.mt.gov/>



DEPARTMENT OF ADMINISTRATION

Broadband - Connect MT and Communications Advisory Commission

The 2021 Legislature passed and Governor Gianforte signed SB297 creating the ConnectMT Act. The Department of Administration (DOA) is responsible for establishing and administering the broadband infrastructure deployment program. The Department will be responsible for receiving and reviewing responsive proposals and awarding contracts. Before awarding any contracts, contracts will be reviewed by the Communications Advisory Commission created by HB632 to oversee Montana's American Rescue Plan Act dollars. The Governor will then approve any proposal recommended for funding by the Department. The Communications Commission's meetings will be noticed on this website.

The DOA is currently building the state's broadband program. Working with the Commission and the Governor's Office, DOA will develop the open process for submission of proposals for funding required in SB297. Eligible providers may be awarded funding for projects in unserved, underserved or frontier areas. DOA will hire broadband deployment experts to staff the Broadband Task Force within the department.

SB 297 defines Frontier and Unserved areas, and HB632 defines Underserved areas:

Advisory Commission Members

- Senators Dan Salomon
- Jason Ellsworth
- Janet Ellis
- Representatives Mike Hopkins
- Ed Buttrey
- Katie Sullivan
- Director Misty Ann Giles
- Director Scott Osterman
- Director Scott Sales

Website includes:

- FAQs
- Information about the statewide broadband map, federal resources, announcements, events, webinars, forms, and guides
- Application link and guidance
- Project challenge process
- Awards
- Auditing and reporting
- Contact information



Connect MT Map Overview

Powered by LIGHTBOX 2022 Montana Broadband Availability Map

Locations

- Frontier
- Served
- ◆ Underserved
- Unserved

FCC Rural Digital Opportunity Fund (RDOF)

- Served

USDA ReConnect Loan and Grant Program

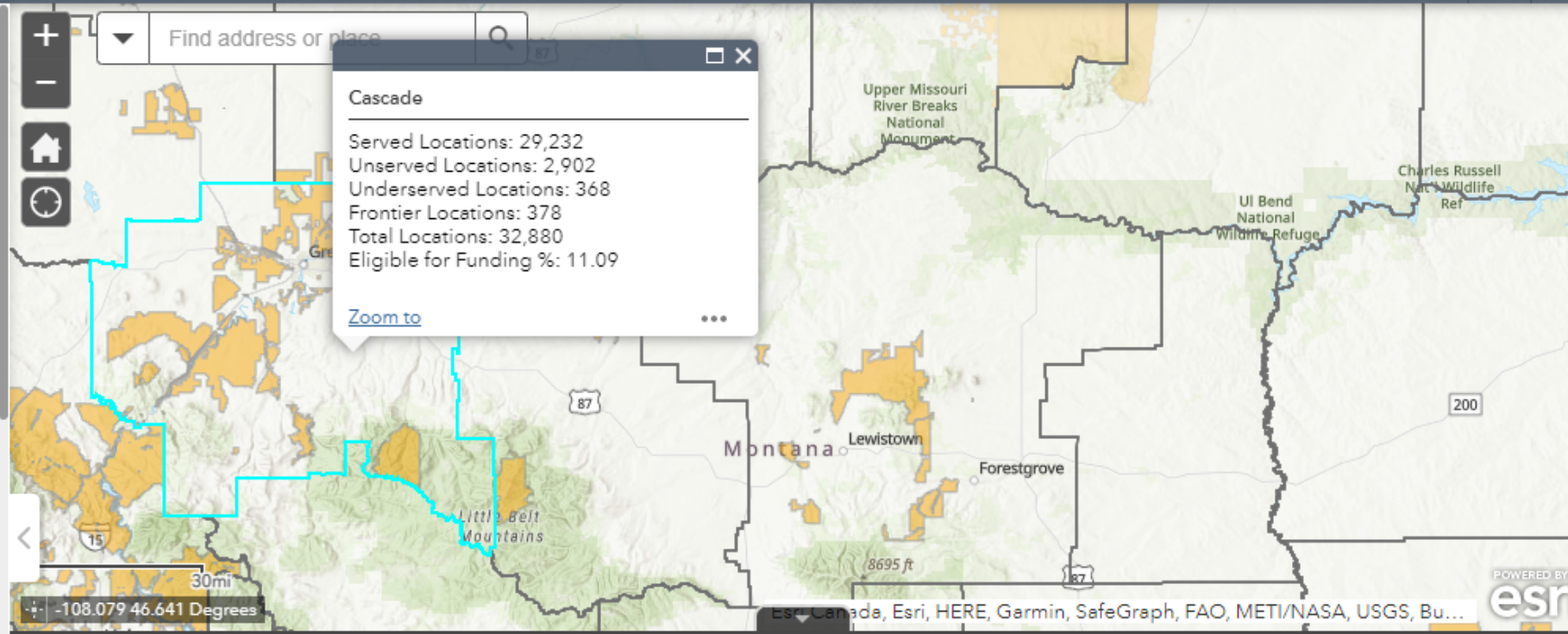
- Served

FCC Connect America Fund (CAF)

- Served
- Unserved

Description

The map portrays broadband statistics for the State of Montana. Additionally, this map includes "served" locations which have been updated based on ISP information or they were awarded with USDA ReConnect, FCC RDOF funding, or CAF funding for terrestrial based broadband.



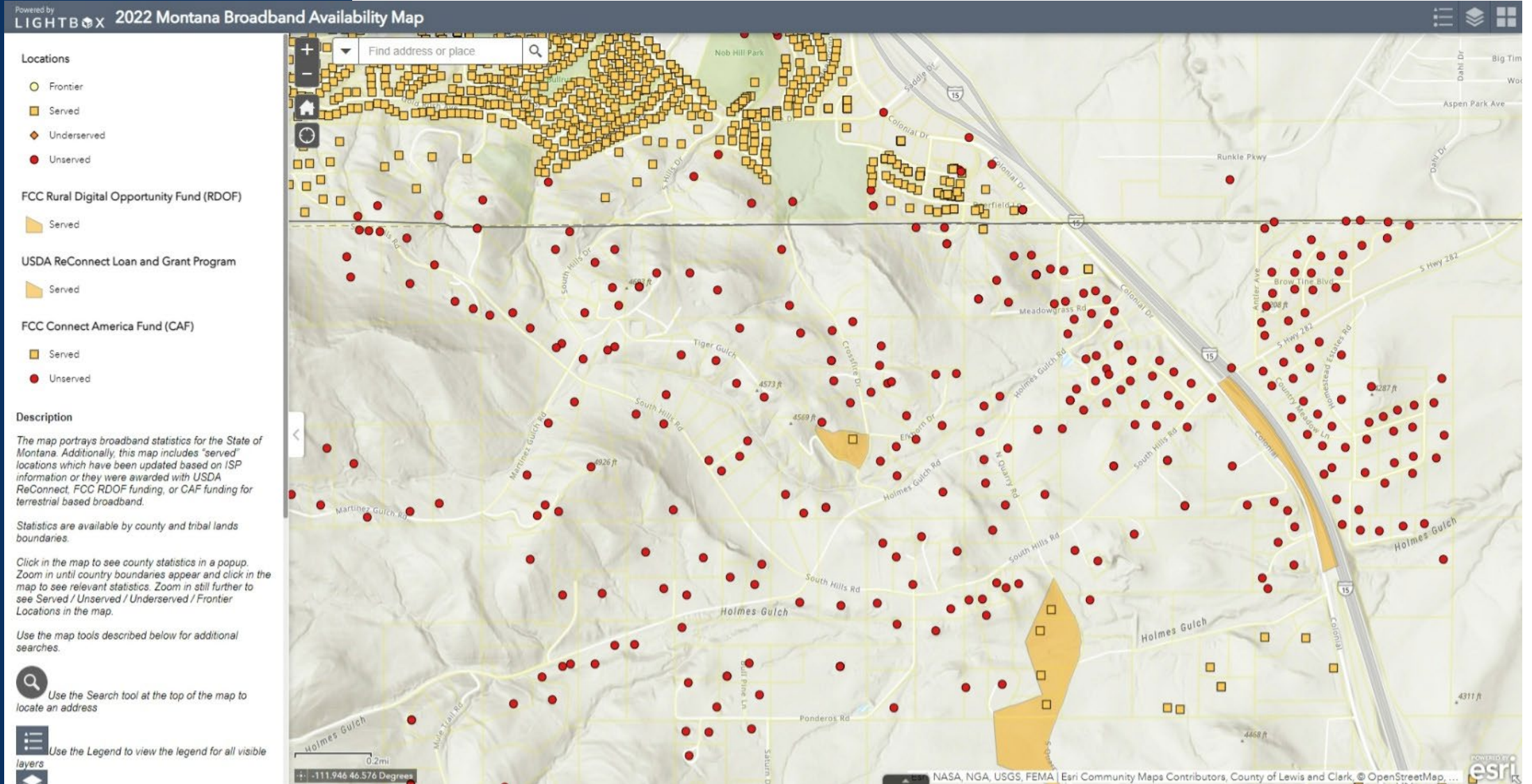
Locations Counties Tribal Lands Building Footprints Parcel Boundaries FCC Rural Digital Opportunity Fund (RDOF) USDA ReConnect Loan and Grant Program

Options Zoom to Clear selection Refresh

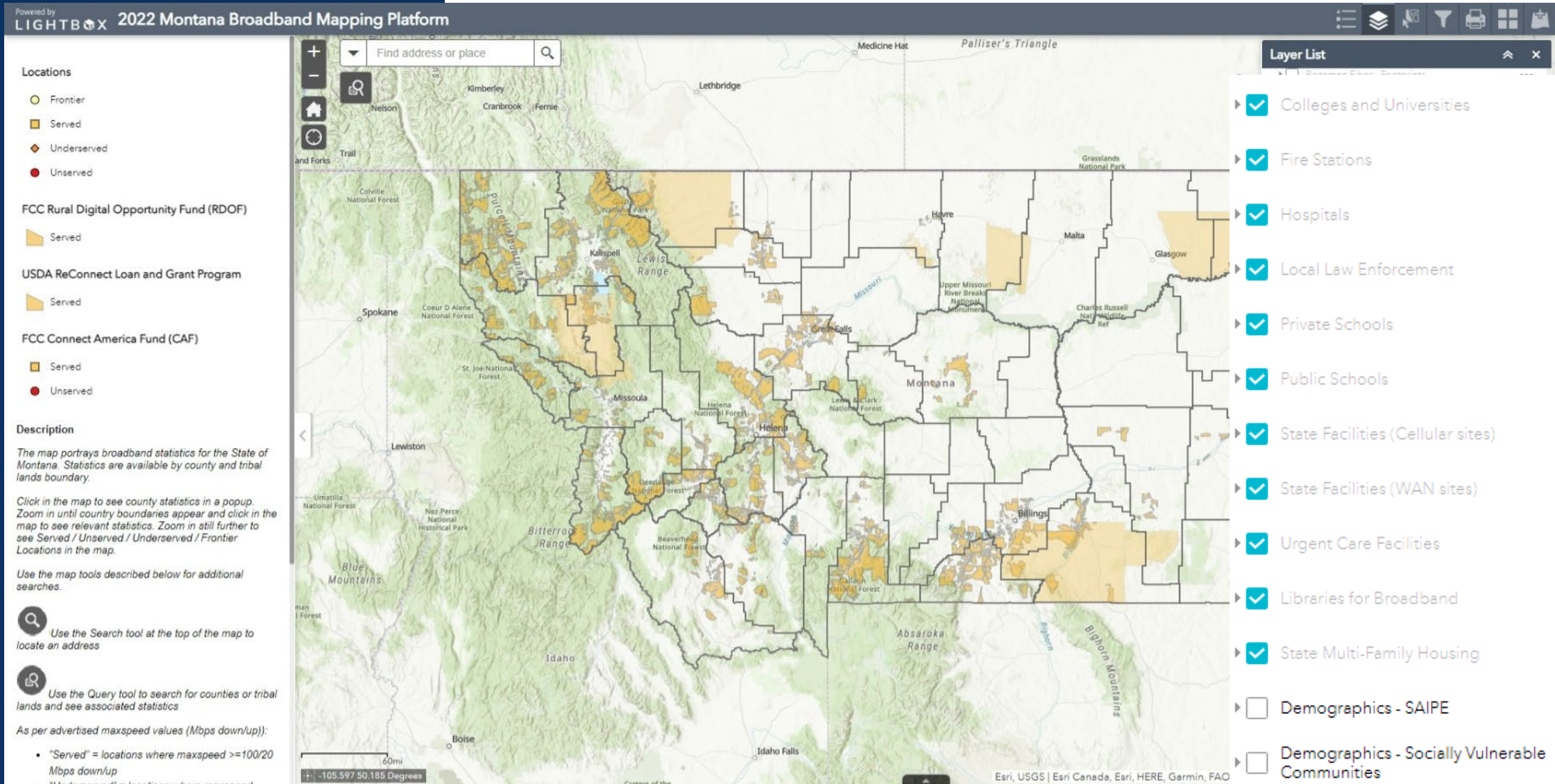
ZIPCODE	BUILDING	COUNTY	CLASSIFICATION	ASSESSMENT LAND USE	FEDERAL GOVERNMENT PROGRAM (FCC RDOF)	FEDERAL GOVERNMENT PROGRAM (USDA RECONNECT)	FEDERAL GOVERNMENT PROGRAM (FCC CAF)	SERVICEABILITY	FULL ADDRESS
59032-8078		Fergus	Unknown/Other	Exempt (full or partial)			Served	Served	202 E 4TH ST GRASS RANGE MT 59032



Data and Mapping: Smart Agile Project Management Approach



Data and Mapping: What is Behind the Firewall?



CONNECT MT APPLICATION

<https://connectmt.mt.gov/>

The screenshot shows the top navigation of the Montana.gov website. In the top left, it says "MONTANA.GOV OFFICIAL STATE WEBSITE". In the top right, there are links for "SERVICES", "AGENCIES", "LOGIN", and a search bar labeled "SEARCH MONTANA.GOV". Below this is a dark blue banner with the Great Seal of the State of Montana in the center and the text "CONNECT MT". Underneath the banner is a navigation bar with links: "Home", "Information", "Apply", "Awards", and "Auditing & Reporting". The main hero section features a background image of a mountain landscape. On the left is a "FAQS" button, in the center is the text "Welcome to the Connect MT website" and "One Stop Broadband Resources", and on the right is a red "CONTACT US" button.

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APPLICANT ELIGIBILITY

- ✓ Has authorization to do business in the state.
- ✓ Has demonstrated that it has the technical, financial, and managerial resources and experience to provide broadband service or other communications service to customers in the state.
- ✓ May only be a nongovernment entity with demonstrated experience in providing broadband service or other communications services to end-user residential or business customers in the state.
- ✓ Shall commit to paying a minimum of 20% of the project costs and may not provide a minimum matching amount from any funds derived from government grants or subsidies, except for federal funds designated for broadband deployment.
- ✓ May not receive funds under any other federal or state government grant or loan program where government funding supports 100% of the proposed project's capital costs.



ELIGIBILITY (CONT.)

- ✓ Must be enrolled as an Affordable Connectivity Program (ACP) Provider
- ✓ Show evidence of Good Standing with Montana Secretary of State
- ✓ Provide Federal Employer Identification Number
- ✓ SAM.gov enrollment



ELIGIBLE REIMBURSEMENTS

- ✓ Scalable to speeds of at least 100 Mbps
 - Exceptions explained further in Section 6.5
- ✓ Funds may not be used to support noncapital expenses including:
 - general operations of an eligible provider
 - nonbroadband services
 - marketing or advertising
- ✓ 20% match required

Eligible Costs can only be incurred after the award contract is granted

- No pre-application expenses



AREA ELIGIBILITY

- ✓ Frontier: no or extremely limited access to terrestrial broadband services
- ✓ Unserved: 10% with no access to broadband service at or above 25/10
- ✓ Underserved: 10% with no access to broadband service at or above 100/20

RDOF areas are NOT eligible

- ✓ The Proposed Project as a whole may serve non-eligible areas
- ✓ Federal allocation funds can only be used for eligible areas.

Applicants will need to clearly delineate this in the application.



CAPACITY + SCALABILITY

Does your solution provide 100Mbps/100Mbps?

Proposed solutions that do not meet this capacity threshold will require the following:

- Substantial narrative detailing the technical barriers to providing 100Mbps/100Mbps service
- Cost justification for the lower capacity service (*on a per location basis*)
- Identification of the steps required to upgrade the proposed solution to the desired 100Mbps/100Mbps service

Demonstrate Scalability to 100Mbps/100Mbps

- Documentation must be provided to show the proposed solution provides 100Mbps/100Mbps or can be scaled to meet these speeds
- This includes the appropriate specifications and narrative for the review team to assess
- This documentation must be certified either by the equipment manufacturer or a registered Professional engineer



PERMITTING

Identify What Permitting is Required for the Deployment of your Project

Remember to make sure permitting timelines are accounted for in the presented project timelines

Environmental Compliance and MEPA Checklist

The checklist can be found on the forms and guides section of the website connectmt.mt.gov

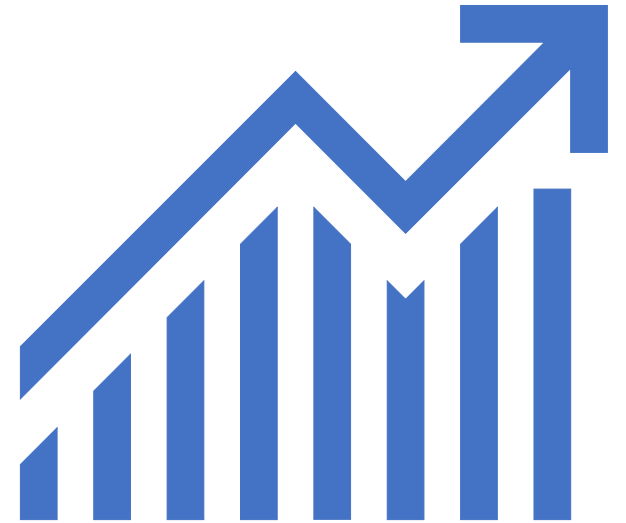
FINANCIAL REQUIREMENTS, 1 of 2

- ✓ Balance Sheets, Income and Cash Flow Statements, or equivalents
- ✓ Provide 3 years of unqualified historical financial statements

OR

- ✓ 2 years of unqualified comparative historical financial statements

All historical financials must be CPA compiled, reviewed, or audited



FINANCIAL REQUIREMENTS, 2 of 2

Pro Forma Requirements

Supplemental Information

- Most recent year of federal tax returns
- Independent audit

Proposed Budget

- See Sample Budget Table



INFRASTRUCTURE LEGISLATION (IIJA)

- ✓ NTIA broadband grants (\$42.45 billion) to states that then subgrant to providers by awarding funding first to unserved areas (80% without 25/3), then underserved areas (80% without 100/20), then anchor institutions that lack “gigabit-level broadband service”
 - *No preference for types of providers*
 - *Providers must deploy at least 100/20 capable networks within 4 years*
 - *Each state to receive at least \$100 million*
 - *States may award funds for broadband deployment, data collection, mapping, and other purposes*
 - *25% match required but ARPA and other federal resources can supply match*

- ✓ \$1 billion for middle mile network deployment

- ✓ \$2.75 billion to states for furthering broadband adoption and digital literacy



STATE BROADBAND FUNDING

INFRASTRUCTURE ACT* CREATES ~\$65B IN BROADBAND FUNDING

NTIA will administer ~\$48B of this new funding				FCC to administer ~\$14B
BEAD	DIGITAL EQUITY	TRIBAL	MIDDLE MILE	\$14.2B <i>For Affordable Connectivity Program, which will replace the EBB program</i>
\$42.45B	\$2.75B	\$2.00B	\$1.00B	USDA to administer \$2B
Title I - Broadband Equity, Access & Deployment Program	Title III - Digital Equity Act	Title II - Tribal Connectivity Technical Amendments	Title IV - Enabling Middle Mile Broadband Infrastructure	\$2.0B <i>Via the Rural Utilities Service</i>
Formula-based grant program for U.S. states and territories. BEAD aims to close the access gap for unserved & underserved areas of the country.	Three programs, established for planning & implementation of programs that promote digital equity, support digital inclusion activities, and build capacity related to the adoption of broadband.	Furthers current Tribal Broadband Connectivity Program by investing an additional \$2B to fund broadband adoption and infrastructure projects.	Provides funding to extend middle mile capacity to reduce cost of serving unserved and underserved areas and enhance network resilience.	Private Activity Bonds \$600M \$600M <i>Authorizes State/local gov'ts to use private activity bonds for rural broadband</i>

* Infrastructure Investment and Jobs Act, Division F, Pub. L. 117-58 (Nov. 15, 2021)
Note: funding amounts inclusive of all administrative set-asides



PROPOSED PRIORITIES FOR STATE BROADBAND PLAN

Access: Close the Digital Divide with both last mile and middle mile connectivity

- 130,100 locations without service at 100 mbps symmetrical (22% of about 588,000 broadband serviceable locations in Montana lack service)
- 88,300 locations unserved (less than 25/10)
- 32,800 locations underserved (less than 100/20)
- 9,000 locations frontier (less than 4/1)

Affordability: Increase eligible enrollments by 42,000 households in Affordable Connectivity Program

- 12.4% are in poverty in Montana (approximately 64,000 of 519,000 households in Montana)
- As of February 14, 2022: 21,248 enrollments in Affordable Connectivity Program in Montana
- 65% are for mobile broadband, 35% are fixed broadband (national average)
- As of December 31, 2021: 9.62% of eligible households enrolled in Montana (Ranked 42nd of 50 States)

Adoption: Support providers and workforce development with community-based programs

- Digital Literacy Training, Cybersecurity Awareness, Workforce Development focused on veterans, low-income homes, elderly, disabled, incarcerated, minorities, rural populations



ARPA DEPLOYMENT TIMELINES

ARPA funded ConnectMT Program Application Window Closes	April 29
Publish Executive Summaries and Maps of Each Application	May 5
Challenge Window	May 6 - 31
Department Review of Challenges	May 6 - June 14
Department review of ARPA applications	June 1-July 8
Communications Advisory Commission Reviews ARPA projects	July 19
Governors Office Approval of ARPA Projects	July 29
Update State Broadband Map to reflect ALL federal awards in MT	July 30
Obligate and begin servicing \$266 million in ARPA awards	August



IIJA PLANNING . . . UPCOMING TIMELINES

NTIA releases NOFO on BEAD and Middle Mile Programs	May 16
NTIA releases NOFO on Digital Equity Programs	June 1
State submits Letters of Intent to participate in each NTIA program (BEAD & Digital Equity State Planning Grant)	June (TBD)
Receive \$5 million in planning funds from NTIA for BEAD program	July
Conduct Statewide Community Engagement/Prepare State Broadband Plan (BEAD and Digital Equity)	Fall 2022
FCC Releases Updated Broadband Data Collection Map	Late 2022
<i>2023 Montana Legislative Session</i>	



IIJA PLANNING . . . UPCOMING TIMELINES

Submit Initial Plan to NTIA for BEAD funding/Submit Digital Equity Plan	May 2023
NTIA releases 20% of state allocation for BEAD funding	June 2023
Apply for Digital Equity Capacity Program	June 2023
Conduct Application Window for NTIA BEAD funding	Summer 2023
Conduct Application Window for Digital Equity Capacity Program	Summer 2023
Submit Final Plan to NTIA for BEAD funding	Fall 2023
NTIA releases 80% of state allocation for BEAD Program	Fall 2023
Obligate NTIA BEAD funding	Fall 2023
Receive NTIA Funding Approval/Implement Digital Equity Capacity Program	Fall 2023



MONTANA LEGISLATION IMPACTS ON IJA IMPLEMENTATION

SB 297 Modifications - Need to Align State Law with Federal Rules for Participation

Discussion of Hot Topics:

- ✓ access: eligibility, terrestrial service, mobile vs. fixed, wireless vs. wireline
- ✓ adoption: digital equity topics: workforce development; digital literacy



QUESTIONS



Contact Us:

1.844.406.ARPA(2772) or visit connect.mt.gov

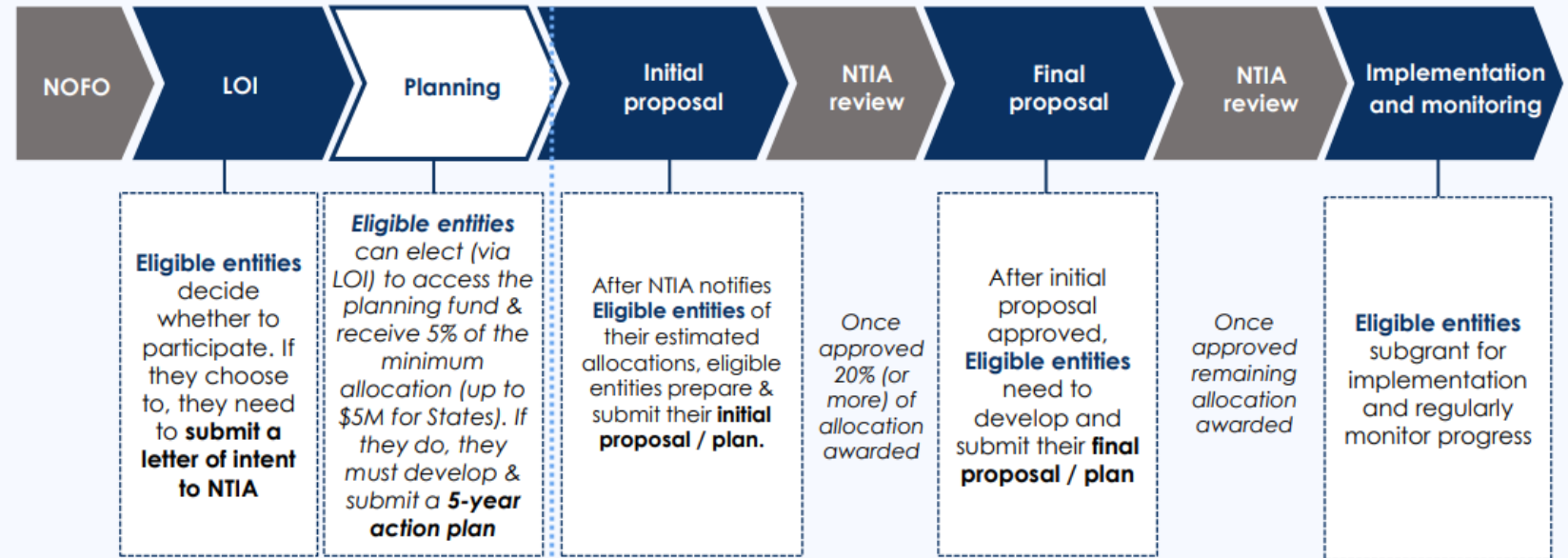
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NTIA TIMELINES ON ACCESS PRIORITY

BEAD (III/III) | THERE ARE THREE KEY (AND ONE OPTIONAL) STEPS FOR ELIGIBLE ENTITIES TO RECEIVE FUNDING ALLOCATION



FCC DATA MAPS
RELEASED

Key: ■ Eligible entity activity ■ NTIA activity

Note: funding amounts inclusive of all administrative set-asides

KEY PRIORITIES . . . BETWEEN NOW AND NOFO RELEASES

DIGITAL EQUITY (I/V) | THE DIGITAL EQUITY ACT CREATES 3 SEQUENCED PROGRAMS TO PROMOTE DIGITAL INCLUSION

OVERVIEW

Official name: Title III – The Digital Equity Act

Funding pool: \$2.75B

Programs' objective: support the closure of the digital divide & promote equity and digital inclusion, so that "individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States."

PROGRAM/S PRIORITIES

- **Veterans**
- Individuals living in households **earning at or below 150% of the poverty line**
- **Aging** individuals
- **Incarcerated** individuals
- Individuals with **disabilities**
- Individuals with a **language barrier**
- Individuals who are members of a **racial or ethnic minority group**
- Individuals who primarily reside in a **rural area**

PROGRAMS CREATED

State program

State Planning Grant Program (\$60M)



State Capacity Grant Program (\$1.44B)

Comp. program

Competitive Grant Program (\$1.25B)

Created once state implementation grants begin being awarded

Note: funding amounts inclusive of all administrative set-asides



NTIA MIDDLE MILE ACCESS

MIDDLE MILE (I/II) | \$1 BILLION ALLOCATED TO MIDDLE MILE GRANT PROGRAM TO SUPPORT EXPANSION OF NETWORKS

OVERVIEW

Official name: Enabling Middle Mile Broadband Infrastructure

Funding pool: \$1.00B

Type of program: Direct competitive grant on technology-neutral basis

Program objective: "Encourage the expansion and extension of middle mile infrastructure to reduce the cost of connecting unserved and underserved areas ... and to promote broadband connection resiliency"

PROGRAM PRIORITIES

- 1 For eligible entities meeting **at least two of five conditions:**
 - Adopt "fiscally sustainable middle mile strategies"
 - Commit to offering non-discriminatory interconnect
 - Identify specific, documented and sustainable demand for middle mile interconnect
 - Identify conditions/resources to speed up project
 - Demonstrate benefits to national security interests
- 2 **Eligible entities must also:**
 - Agree to prioritize connecting to unserved areas, connecting to non-contiguous trust lands, or offering wholesale carrier-neutral service at reasonable rate
 - Offer interconnection "in perpetuity ... on reasonable rates and terms"

Note: funding amounts inclusive of all administrative set-asides

AFFORDABLE CONNECTIVITY PROGRAM

Provides a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Tribal lands.

Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute more than \$10 and less than \$50 toward the purchase price.

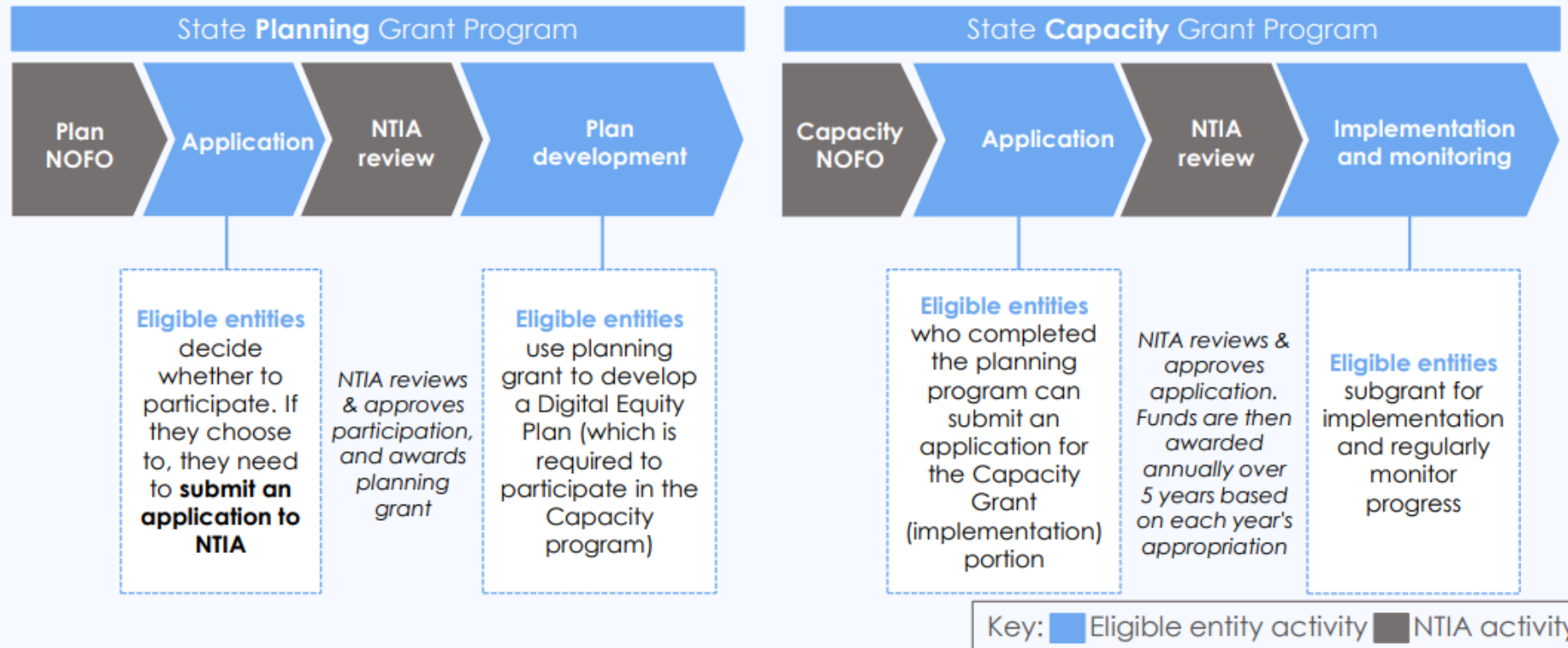
ELIGIBILITY:

- Household income is at or below 200% of the [Federal Poverty Guidelines](#), or if a member of the household meets at least *one* of the criteria below:
 - Received a Federal Pell Grant during the current award year;
 - Meets the eligibility criteria for a participating provider's existing low-income internet program;
 - Participates in one of these assistance programs:
 - SNAP
 - Medicaid
 - Federal Public Housing Assistance
 - Supplemental Security Income (SSI)
 - WIC
 - Veterans Pension or Survivor Benefits
 - or [Lifeline](#);
 - Participates in one of these assistance programs and lives on [Qualifying Tribal lands](#):
 - Bureau of Indian Affairs General Assistance
 - Tribal TANF
 - Food Distribution Program on Indian Reservations
 - Tribal Head Start (income based)



ADOPTION PRIORITY

DIGITAL EQUITY (II/V) | STATE PROGRAM HAS TWO DISTINCT FUNDING STREAMS - COMPLETING THE FIRST IS KEY FOR SECOND



PLANS FOR LOCAL COORDINATION

PRIORITIES | THE DIGITAL EQUITY ACT ALSO ESTABLISHED PROGRAM PRIORITIES OR 'COVERED POPULATIONS'



PROGRAM/S PRIORITIES

- 1 Individuals living in households **earning at or below 150% of the poverty level¹**
- 2 Individuals who are members of a **racial or ethnic minority group**
- 3 Individuals who primarily reside in a **rural area**
- 4 Individuals with a **language barrier²**
- 5 **Aging** individuals
- 6 Individuals with **disabilities**
- 7 **Incarcerated** individuals³
- 8 **Veterans**

Note: Numbers do not represent a ranking

1. Poverty level as determined by using criteria of poverty established by the Bureau of the Census, 2. Including individuals who are English learners and individuals who have low levels of literacy, 3. Other than individuals who are incarcerated in a Federal correctional facility



FCC BROADBAND DATA COLLECTION + MAPPING

Updates and Next Steps:

- Fabric Contract Award issued on Nov. 9 to CostQuest
- FCC Speed Test App Contract Modifications for Mobile Challenge, Crowdsource Updates
- Contracts Expanded for Technical Assistance Resources
- IIJA Rule Revisions
- Additional outreach to States and other filers/entities
- Other Contracts (e.g. wireless RF engineering resources)
- Open Submission Window
- Process Data + Publish Maps/Data
- Begin Challenge + Verification Process

Ways to Participate:

- Challenges
 - Provider data: direct challenges or through assistance to consumers
 - Fabric: geolocate locations within your jurisdictions
 - Submit Primary Data
 - Must meet technical requirements
 - Submit Crowdsourced Data

