Last Mile Grant Program FAQs
Updated 2/26/2024.

Program Requirements

Q: If building Middle Mile infrastructure in the Last Mile Program, does the network have to be open access?

A: Open access networks are not required for middle mile projects; however, it is highly encouraged.

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. Please note, applicants will need to justify and demonstrate why this route is necessary for connecting the locations that are currently unserved at 100/20mbps.

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 April 2024.

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

A: 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 <u>LM</u> 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.

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.

Q: If a grant application is submitted in SmartSimple by the April 6 deadline, can revisions be made to the application?

A: Revisions can be made to applications up until the submission deadline of April 6.

Attachments
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 April 6*, 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: 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.

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 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. Inventory incurred prior to the award is an eligible expense as long as the costs are incurred after March 15, 2021, and the applicant has an inventory charge out report available once the grant contract has been signed. Please refer to the ECD Broadband's webpage for 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 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.

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 contact ECD Broadband prior to the application due date of April 6, 2024.

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 contact ECD Broadband prior to the application due date of April 6, 2024.

Budget

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.

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.

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 programs?

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

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

A: Yes, CPE is eligible for the *Last 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: For Round 2 Last Mile Program only, The State moved to a BDC data set to provide eligible locations lacking 100/20 mpbs. The state has provided location data (by county) for each eligible location in the Last Mile program on TNECD Broadband website. Please be aware that these files are large and may not load or may crash your program.

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

A: For Round 1 programs, TNECD initially leveraged their Next-gen 911 dataset, though providers were free to leverage BDC for their planning purposes. Many providers also leveraged power meter locations, Pitney Bowes data, or mailing lists. For LM Round 2, the state will use BDC data to confirm eligible locations. No, there is no be-all end-all in terms of the 911 data.

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.

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.