

Appalachian Regional Commission

POWER Initiative

Broadband Application Information for Pennsylvania

On 2/22/22, at 2:22 pm, ARC released its POWER Initiative 2022 Request for Proposals (RFP). The RFP outlines the 2022 program and contains the necessary information needed to submit grant proposals. Most of the requirements are the same as previous years with just a few additions. Below are some program highlights as they pertain to broadband projects.

- There is a virtual workshop on 3/10/22 which you should plan on attending if you intend to submit an application.
- Letters of intent (LOI) are due 4/4/22
- Full applications are due 4/29/22.
- The 2022 POWER initiative will make approximately \$25 million available for grants funding. Up to one-third of this amount will be available for broadband deployment projects. While the initiative will fund projects up to \$1.5 million, the cap for broadband deployment projects will be \$2.5 million. This is to recognize the capital-intensive nature of broadband deployments.
- Consistent with last year, to qualify for broadband deployment funding, at least 65% of the project budget must be related to the physical deployment of broadband infrastructure. This is to prevent projects that have a small broadband component to apply for the 33% broadband set aside.
- Planning grants are also available for broadband feasibility studies. These grants can be up to \$50,000 and will not be funded out of the broadband deployment set aside.
- The RFP contains the usual information regarding application process, who is eligible to apply, matching requirements, justification of coal impact, the scoring process used for application, etc. This information is self-explanatory and should be easy to follow for grant submissions.
- Applicants should reference the findings of local or regional engineering studies, feasibility studies or other relevant analysis to substantiate the need for broadband services.
- In the application, it will be necessary to explain how your project will tie in with the ARC Strategic Investment Goals, the POWER Investment Priorities and the states economic development plans. This should not be hard to do for broadband projects – just make sure you do it.
- Partnerships are very important and make sure to identify and include your partners. For broadband projects, this should include major anchor institutions and businesses that will benefit from the projects. Schools, libraries, community colleges and municipal governments are all important partners.
- Also consistent with last year, it is vitally important to keep your state ARC office aware of your intentions. You must have their support for your application to be successful.
- There are some special requirements related to broadband deployment projects. These requirements are included in Appendix B of the RFP. Review these carefully and make sure your application will be in compliance.

- Key here will be the requirement to notify all existing service providers in the area you intend to serve of your intentions to seek a federal grant to provide service. This must be done IN ADVANCE of your application and the application must include proof of your notification. Pay close attention to the adequate service thresholds and make sure your application demonstrates why the existing service offerings (for underserved areas) is inadequate. This is much easier to do with fiber deployment projects as the thresholds are high (100/100) for businesses. The threshold for wireless projects is much lower (25/3) and areas that received CAF II funding from the FCC should be at or above that threshold.
- You also need to determine if the area you are trying to serve is already teed up to receive federal funding from another agency. There is still a great deal of RDOF funding in the works so you need to be sure you are not trying to secure ARC funds for an area that is slated for RDOF or other federal funding.
- Provide a detailed budget that lists all funds and in-kind contributions as well as their sources and uses. Check and doublecheck figures to ensure everything adds properly. It is also important that match letters state the date that funds will be available to support project costs.

Some additional things to consider:

- The recently passed Infrastructure Bill has a significant amount of funding (\$65 billion) going to broadband. The majority of this funding will be through a grants program administered by NTIA. Each state is expected to receive at least \$100 million for broadband projects. The newly established PA Broadband Authority will work in conjunction with NTIA on the grants program for this funding. This funding will primarily support fiber deployment projects. While there will be significant timing issues (the NTIA program will not be released in time to impact the POWER grant submissions) and the new FCC broadband maps used to determine unserved and underserved areas will not be available until a later date, you still need to figure out how this may impact what you are trying to do with an ARC POWER grant application.
- ARC has a new requirement to coordinate broadband grants with other federal agencies. The purpose is to avoid duplication of service area assistance with multiple federal agencies. It will be really important to communicate what you are trying to do with the other providers and provide evidence of this coordination in your application.
- While the rules and regulations for the NTIA program have not been released, I fully expect service providers will be eligible for their grants. ARC has run into problems in the past with ownership issues (unless the provider was a cooperative or a non-profit, they were not an eligible grant recipient and could not own the infrastructure purchased with the grant funding).
- Also keep in mind the need for a basic federal agency. Because of all the funding available through the numerous grant programs, it may be difficult to find an agency willing to administer the grant. Your application requires you to identify your basic federal agency – so work this issue (along with the notifications to the existing service providers) as soon as you figure out what you intend to do with the grant application.

- The Pennsylvania Department of Community & Economic Development (DCED) is a designated Registered State Basic Agency (RSBA) and can administer construction grants for projects that have a municipality, county or unit of local government as the applicant. If interested, an RSBA Request form must be submitted to Neil Fowler, Pennsylvania ARC Program Manager.

This checklist was created by Mark DeFalco as a resource for potential ARC POWER broadband applicants. Please contact Jennifer Lench at the PA Department of Community and Economic Development (DCED) jlench@pa.gov with any questions.