



Latah County
BOARD OF COUNTY COMMISSIONERS

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Idaho Broadband Advisory Board
c/o Ramón S. Hobdey-Sánchez, J.D.
State Broadband Program Manager
Idaho Department of Commerce
700 W. State Street, Boise, Idaho 83702

Thursday, March 2, 2023

Re: Capital Projects Fund Draft Guidelines
Feedback

Dear Idaho Broadband Advisory Board:

Please accept the below comments on the Capital Project Fund draft guidelines in response to the call for feedback:

1. U.S. Treasury guidelines require that the IBAB consider whether the broadband service options offered by applicants will be affordable to target markets in proposed service areas. However, Treasury does not set a definition for “affordable” in its program guidelines. **The IBAB seeks feedback on how affordability should be assessed. Please consider factors including, but not limited to, socioeconomic factors (income, education, age, etc.), geographic disparities, price and competition.**

Internet Service Providers (ISPs) should have at least one option that is *free*. This should be entirely possible with the requirement that they’re a participating Affordable Connectivity Program (ACP) provider. The ACP already has socioeconomic factors included in its eligibility requirements. So, if an ISP is an ACP provider and they offer a service within the covered cost of ACP enrollment (not more than \$30, including *all* fees), end users who qualify should be able to get connected for free, for as long as the ACP is funded. Requiring ACP enrollment – and marketing to customers – for providers, along with an offering that costs no more than \$30/month, should take care of affordability for now.

2. U.S. Treasury guidelines do not set requirements for minimum or maximum grant award amounts for this program. **For this \$125 million grant program, what are the minimum number of awards you think the IBAB should issue and is there an ideal range for the award amounts?**

The name Capital Project Funds suggests large infrastructure projects, not simply line extensions. To that end, IBAB should aim to fund 5 capital projects around \$25 million each. But a generally ideal funding range would be between \$5 million - \$25 million. Additionally, these projects should aim to build toward BEAD funding applications that not only connect un- and underserved locations but also establish future-proof infrastructure that’s built to last and scales for future needs – ensuring that the baseline investment is one that won’t need additional public funds for decades.

3. U.S. Treasury guidelines do not require the IBAB to include match requirements for this program. **The IBAB seeks feedback on what an appropriate level of matching funds may be for program applicants. For further context, the IBAB must require a 25 percent match for the Broadband Equity, Access and Deployment (BEAD) program that will be administered at a later date.**

Private providers should be required to include at least 25% match, with a higher percentage of match increasing their chance for possible points.

Public entities or applicants that can demonstrate and justify outsized public benefits should be encouraged to apply for a match waiver. BEAD provides context and direction for this exception:

As explained in Section III.B.5. of the NOFO, in evaluating requests for waiver of the BEAD Program's non-federal match requirement, NTIA will carefully balance the Program's various objectives. It is NTIA's policy to ensure that BEAD funds are used to bring affordable broadband to all Americans. Thus, the Assistant Secretary will generally seek to minimize the BEAD funding outlay on a particular project to extend the Program's reach, and expects to grant waivers only in special circumstances, when waiver is necessary to advance objectives that are critical to the Program's success. In order to be considered for a waiver, an Eligible Entity must submit a request that describes the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25 percent requirement.

If a waiver is not offered, IBAB should consider setting aside remaining no-strings-attached Idaho Broadband Funds as non-federal match for projects that demonstrate significant community support and serve the public interest to the greatest extent possible.

4. The IBAB has flexibility to determine the timeframe of the challenge period. **Is 21-days a reasonable amount of time for potential challengers to review proposed project areas and submit challenges?**

There should be no challenge periods – especially if it cuts down the open application period. If the state is compiling or has compiled a map that outlines existing assets, there should be no need to spend additional time and taxpayer dollars chasing down challenges. Further, if providers are working with communities and also doing their due diligence, there should have been ample time to communicate about projects and potential partnerships. Finally, any projects that have already been funded through other broadband programs with public funds are easily accessible for all to see and the Idaho Broadband Office should be able to verify and review any discrepancies on their own.

5. Discussions have been had as to whether grant administration costs should be allowable under the CPF program. **Should grant administration costs be allowable for awardees, and what amount for grant administration is reasonable?**

Absolutely. Similarly styled grant programs – particularly ones that fund infrastructure projects – allow grant administration costs between 5-10% of the total project cost.

One such existing state-run program is the Community Development Block Grant (CDBG) which allows up to 10% grant administration costs to be included in the budget and reimbursable with grant funding. And there are many other examples of broadband grant programs that allow similar grant administration percentage thresholds.

6. **Please provide any additional comments or suggestions regarding the program guidelines and application.**

For all proposed projects, costs and benefits should be weighed against and in favor of the longest-lasting infrastructure investments – not necessarily the most economical, as suggested in the Bonus Points section (xv.b.).

In other words, IBAB shouldn't balk at expensive proposals if they're anticipated to meet community connectedness needs for decades into the future. Do not prioritize proposals that extol the virtues of the low cost per connection – these projects will need additional investment in the near-term in order to keep pace with exponentially growing needs. Consider that building a core fiber network with future plans and options for fiber-to-the-premise builds scalable to multiple Gigabits symmetrical per location will cost much more up front but, if averaged out over the next 30-50+ years, the cost is significantly lower than the projects that propose to connect many homes and locations cheaply for the short-term. Further, these robust core fiber networks will enable rural communities to attract businesses and take advantage of economic development opportunities that have never been available to them because of lack of infrastructure.

Thank you for the opportunity to comment.

Sincerely,



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On behalf of the [Latah County Broadband Coalition](#): City of Potlatch, City of Bovill, City of Genesee, City of Kendrick, City of Juliaetta, City of Deary, City of Troy, City of Moscow, Latah County Library District, Moscow School District, Kendrick Joint School District, Genesee Joint School District, Potlatch School District, Troy School District, University of Idaho, Gritman Medical Center, Latah County, Highway Districts