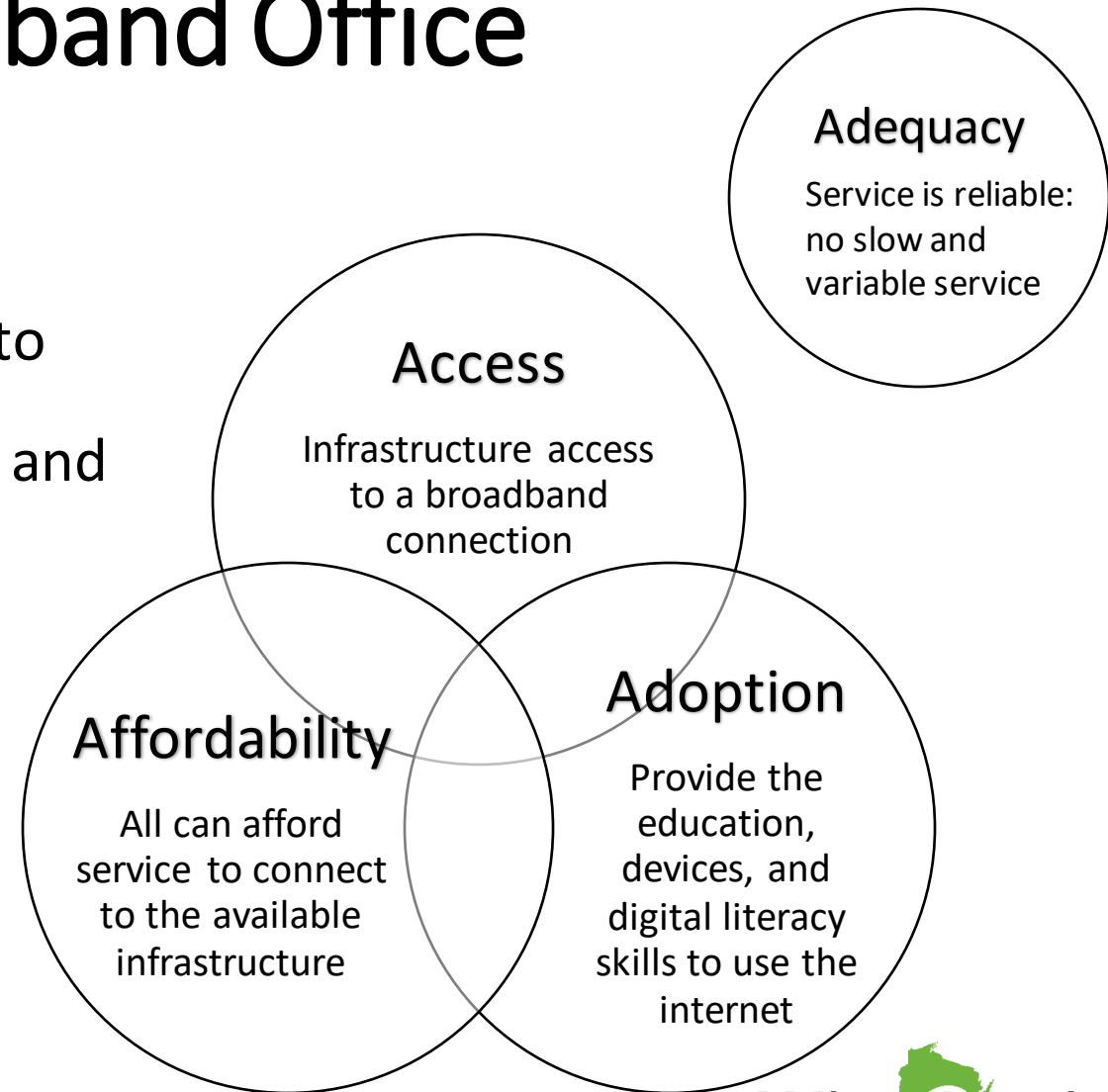# Wisconsin Broadband Office

Preparing for BEAD

Wisconsin Broadband Office

Vision

- All Wisconsinites will have equitable access to affordable broadband service and the capacity to fully engage in a digital society.
High-speed broadband will benefit all residents and communities.

Mission

- Make high performance broadband more accessible, resilient, competitive and affordable for all Wisconsinites.

Adequacy
Service is reliable: no slow and variable service

Access
Infrastructure access to a broadband connection

Adoption
Provide the education, devices, and digital literacy skills to use the internet

Affordability
All can afford service to connect to the available infrastructure

Program Updates

- **BEAD Challenge Process (Volume 1)**: PENDING APPROVAL

- **BEAD Allocation Process (Volume 2)**: PENDING APPROVAL

- **Wisconsin Digital Equity Plan**: **APPROVED** ☑

- **Digital Equity State Capacity**: Notice of funding opportunity expected Mar/Apr

- **Capital Projects Fund Infrastructure**: **AWARDED** ☑, build by 2026

- **Capital Projects Fund Digital Connectivity and Navigators**: Opening soon

Broadband Equity, Access, and Deployment Program

What?

Allocate: $1 billion for broadband infrastructure

Goal: At least 100/20 for all homes and businesses

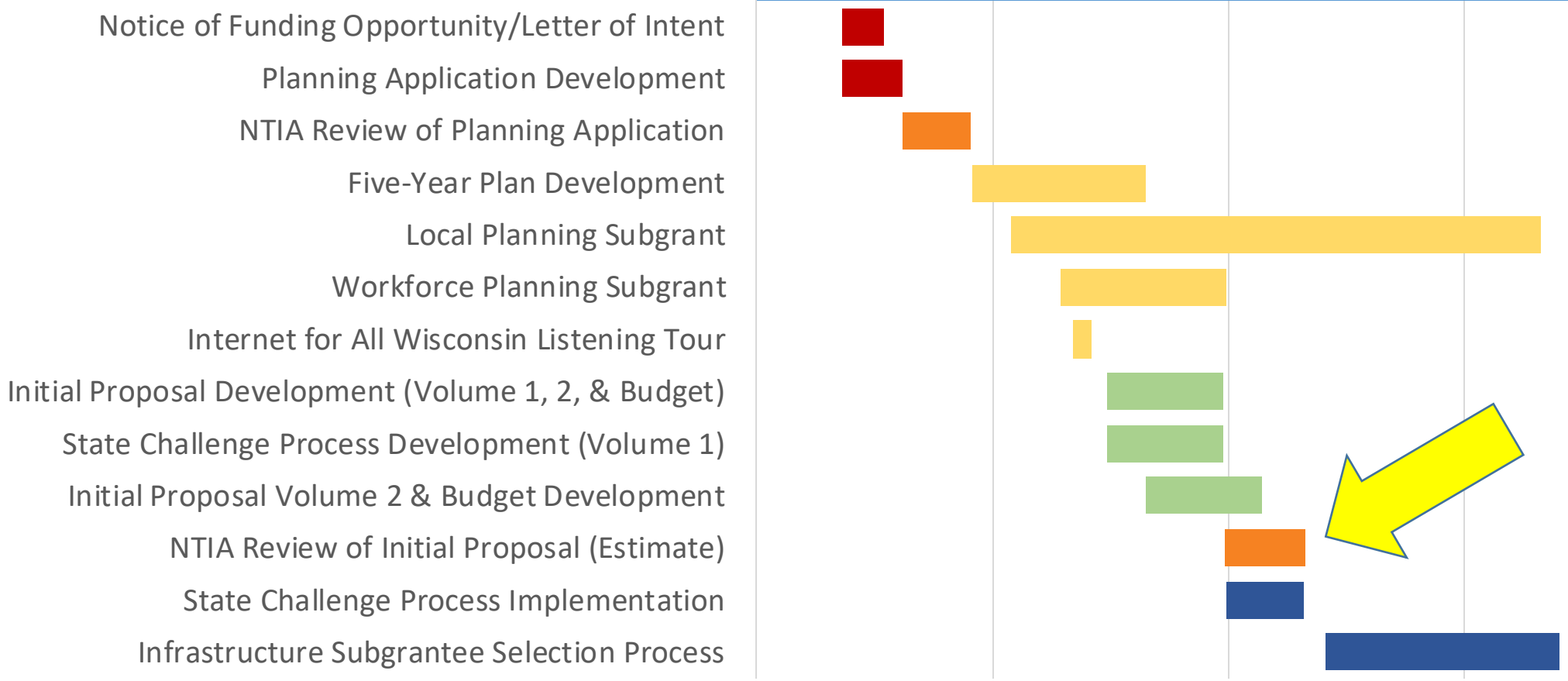**Priority:** Homes and businesses lacking 25/3

Who?

PSC operates allocation process: reviewing, scoring, and selecting recipients

NTIA oversees to ensure compliance, approves proposals & final allocation

Recipients are entities that will construct, own, and operate broadband infrastructure
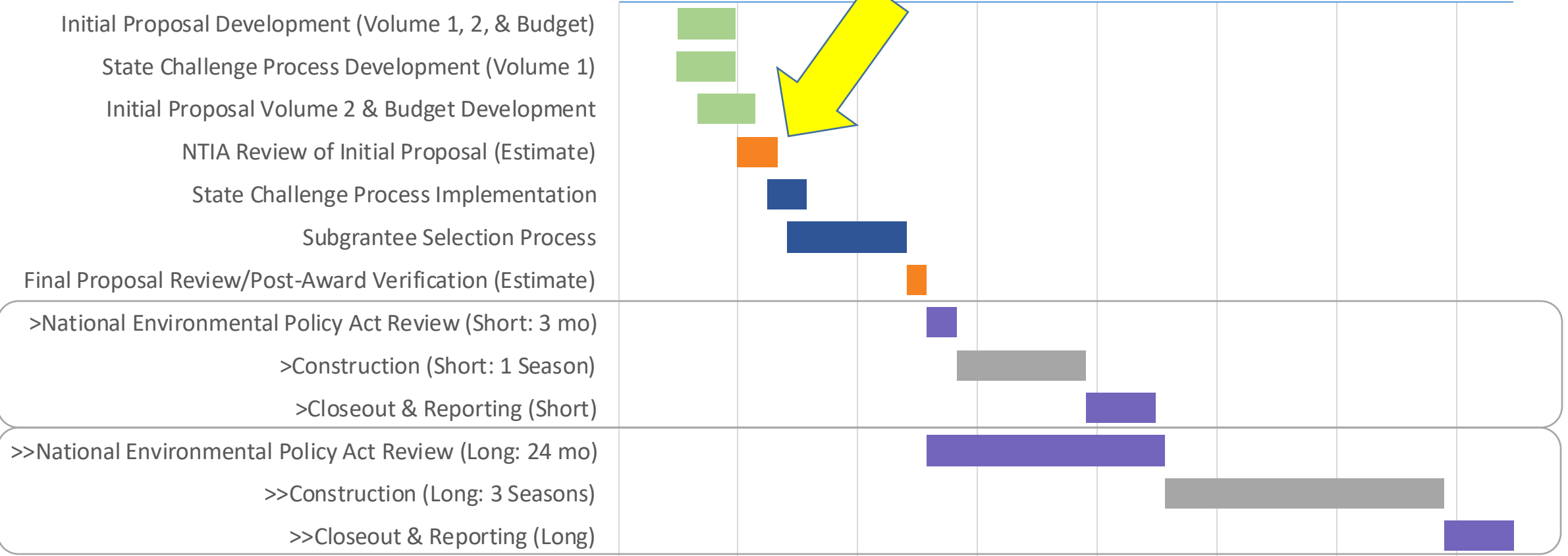
Where have we been?

Where are we going?

Where are we going?

Task		Start Date	Duration (Days)	End Date
Initial Proposal Development (Volume 1, 2, & Budget)		6/30/23	180	12/27/23
State Challenge Process Development (Volume 1)		6/28/23	180	11/3/23
Initial Proposal Volume 2 & Budget Development		8/29/23	180	12/27/23
NTIA Review of Initial Proposal (Estimate)		12/28/23	125	4/1/24
State Challenge Process Implementation (Estimate)		4/1/24	120	7/30/24
Subgrantee Selection Process (Estimate)		6/1/24	365	6/1/25
Final Proposal Review/Post-Award Verification (Estimate)		6/1/25	60	7/31/25
>National Environmental Policy Act Review (Short: 3 mo)		7/31/25	92	10/31/25
>Construction (Short: 1 Season)		10/31/25	396	12/1/26
>Closeout & Reporting (Short)		12/1/26	211	6/30/27
>>National Environmental Policy Act Review (Long: 24 mo)		7/31/25	730	7/31/27
>>Construction (Long: 3 Seasons)		7/31/27	854	12/1/29
>>Closeout & Reporting (Long)		12/1/29	211	6/30/30

Program Development   NTIA Review   Subgrantee Selection   Construction   Compliance
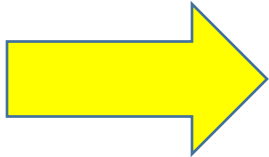
Availability Status

as of June 30, 2023

- 2,300,000 locations in Wisconsin

- 200,000 underserved (blue)
  - 25/3 to 100/20 from wired or licensed fixed wireless

- 225,000 unserved (orange)
  - Lack 25/3 or no service, or only unlicensed fixed wireless

100+ Mbps Download/20+ Mbps Upload

Between 25/3 and 100/20 Mbps

Less Than 25/3 Mbps

Even Mix of Speeds

No Coverage

No Broadband Serviceable Locations (BSLs)
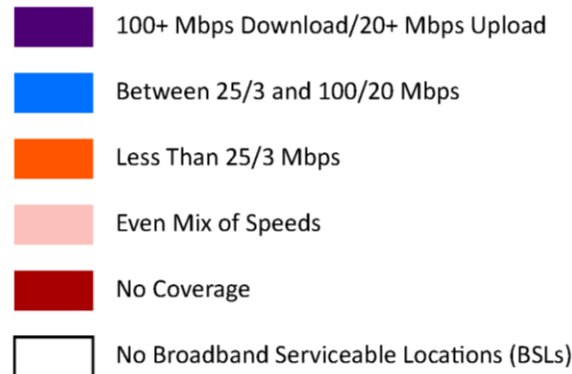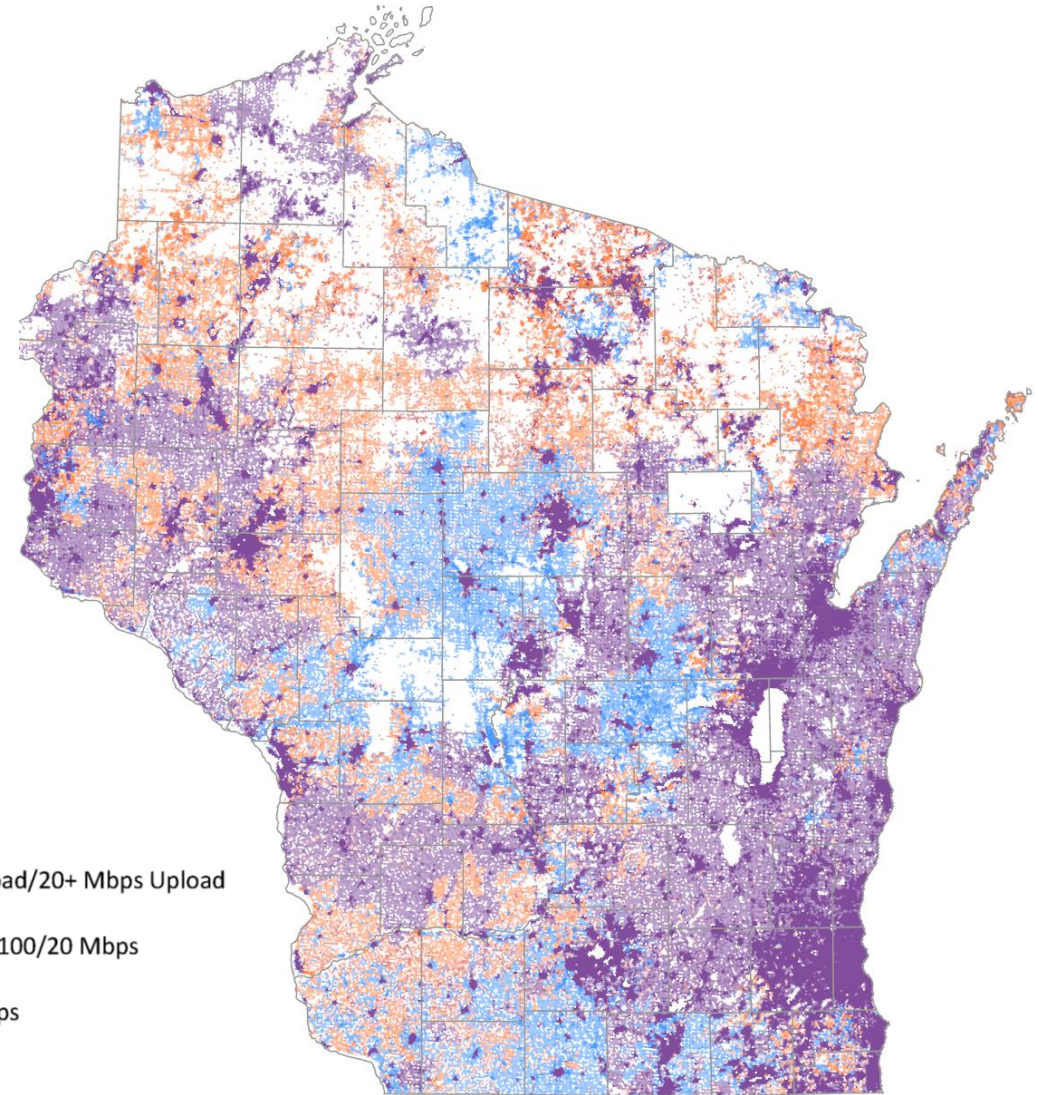
BEAD Challenge Process

- **Purpose:** Determine what locations & CAIs are eligible for BEAD

- **Eligible participants:** local units of government, internet service providers, 501(c)(3) and 501(c)(6) nonprofits, community anchor institutions

+	425,000 unserved and underserved locations
–	"Enforceable Commitments" (state & federal funding awards)
+	Pre-challenge modifications (DSL & certain locations where advertised ≠ actual)
–	Verified planned private builds by June 30, 2024
+/–	Locations that are challenged
???	Locations eligible for BEAD

BEAD Challenge Process

- **Participate:**
  - Review data & submit challenges
  - Consider Cost Quest license (ask staff)

- **Timeline:** 30/30/up to 30 days, starting shortly after approval.
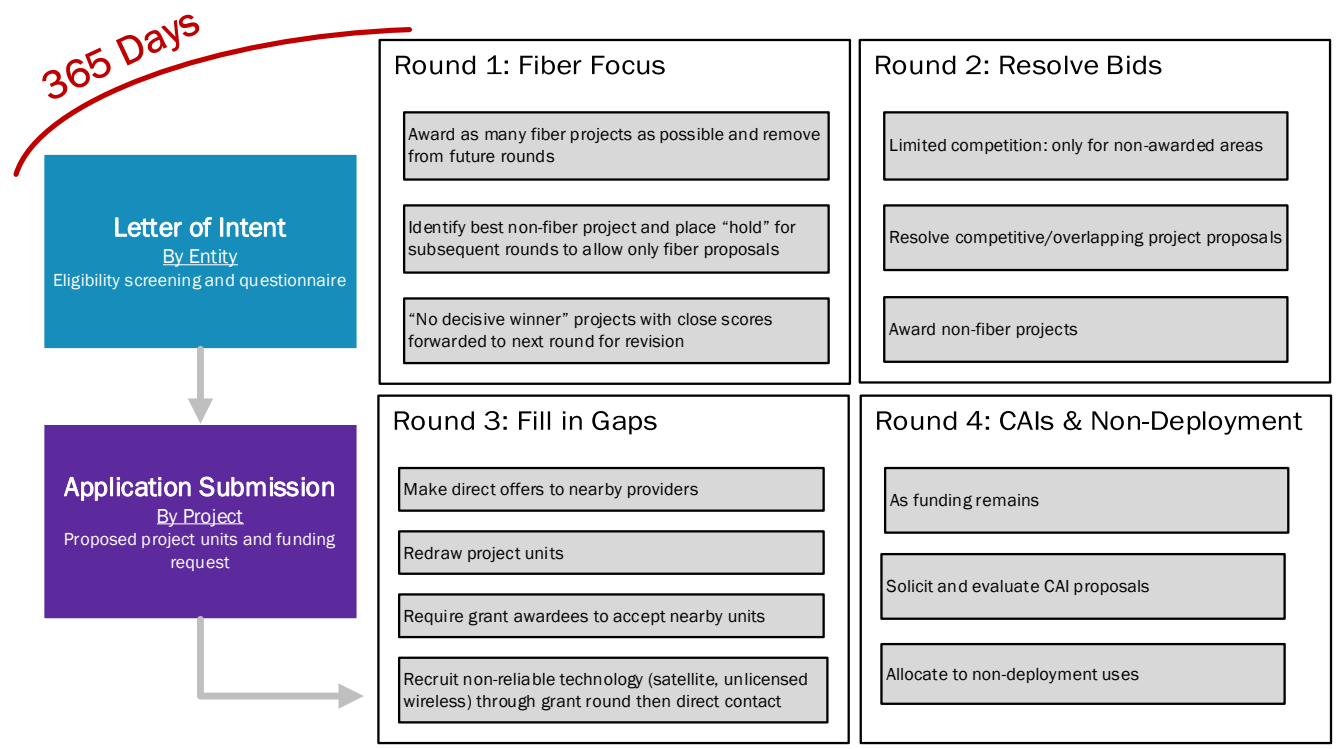
- Learn more: https://psc.wi.gov/Pages/ServiceType/Broadband/BEADChallenge.aspx

- Stay up to date:
  - Attend our BEAD Challenge webinar (to be scheduled)
  - Subscribe to docket 5-BCH-2024: https://apps.psc.wi.gov/ERF/ERF/ERFhome.aspx
  - Subscribe to WBO newsletter: https://lp.constantcontactpages.com/su/Uz6GZis

BEAD Implementation

1) Qualifications: Letter of Intent

2) Grant rounds

3) Filling gaps through negotiation

4) Approvals:
   - Final Proposal (NTIA)
   - Permitting (fed, state, local)

5) Construction

365 Days

Letter of Intent
By Entity
Eligibility screening and questionnaire

Application Submission
By Project
Proposed project units and funding request

Round 1: Fiber Focus
- Award as many fiber projects as possible and remove from future rounds
- Identify best non-fiber project and place "hold" for subsequent rounds to allow only fiber proposals
- "No decisive winner" projects with close scores forwarded to next round for revision

Round 2: Resolve Bids
- Limited competition: only for non-awarded areas
- Resolve competitive/overlapping project proposals
- Award non-fiber projects

Round 3: Fill in Gaps
- Make direct offers to nearby providers
- Redraw project units
- Require grant awardees to accept nearby units
- Recruit non-reliable technology (satellite, unlicensed wireless) through grant round then direct contact

Round 4: CAIs & Non-Deployment
- As funding remains
- Solicit and evaluate CAI proposals
- Allocate to non-deployment uses

Watch our webinar and read the slides

What is the role of local government in BEAD?

1) Local knowledge
   a) Understanding gaps [challenge process]
   b) Understanding needs [project planning]

2) Incentivize partnerships that meet community needs
   a) Cash & in-kind match
   b) Right of way access, permitting assistance, make ready

3) Formal endorsement: choosing the ISP that's best for your community

4) Accountability:
   a) Keeping projects on-time
   b) Ensuring no members of community are left behind
   c) Assisting in compliance and monitoring

Typical Broadband Construction

Costs ≤ Revenue

Construction
- Labor, equipment, supplies
- Make ready, right of way access
- Planning and engineering

Operations
- Network maintenance, technicians
- Marketing, finance, customer support

Return on Investment
- Financing (cost of interest on debt)
- **Provider profit (reasonable risk-adjusted return on capital investment)**

Expected Customer Revenue
- Installation, equipment fees
- Monthly internet subscription
- Ancillary subscriptions (TV, phone)
- * Adjust for subscription rate (lower in competitive areas)

Grant-Funded Broadband Construction

Excess Cost = Subsidy

Excess construction costs
- Due to geography, remoteness, etc.

Compliance
- Permitting, NEPA, Buy American
- Reporting, monitoring costs
- Attorneys, legal fees

Local priorities and enhancements

BEAD Grant Award

Local Partnership Match OPTIONAL
- Cash
- Loans (BCPL)
- Bonds (conduit, general obligation)
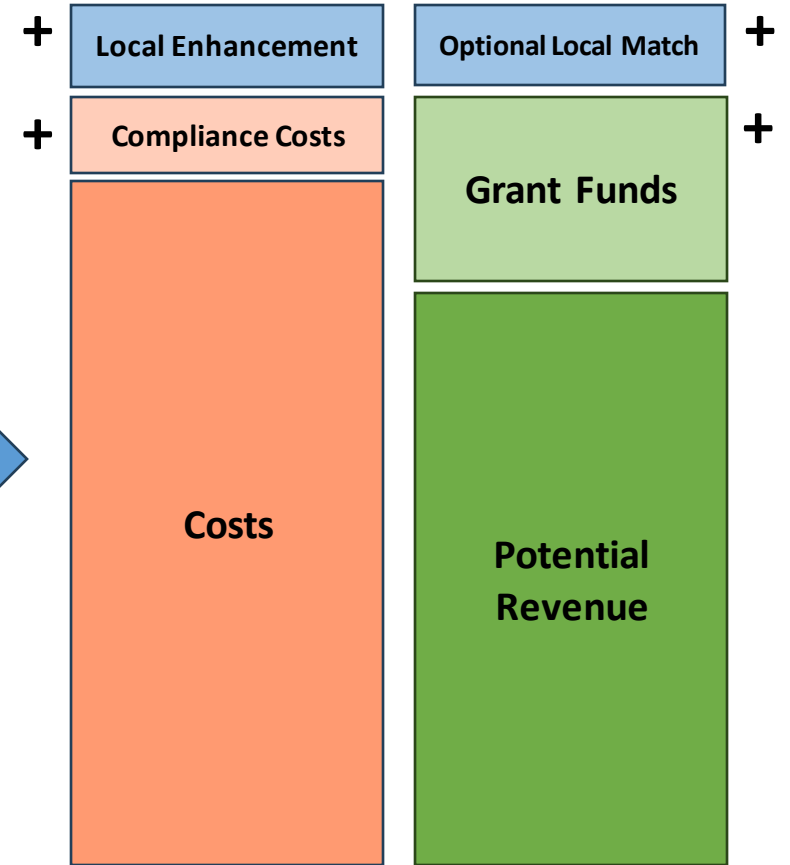- In-kind (permit fees, ROW access, etc)

Grant-Funded Broadband Construction
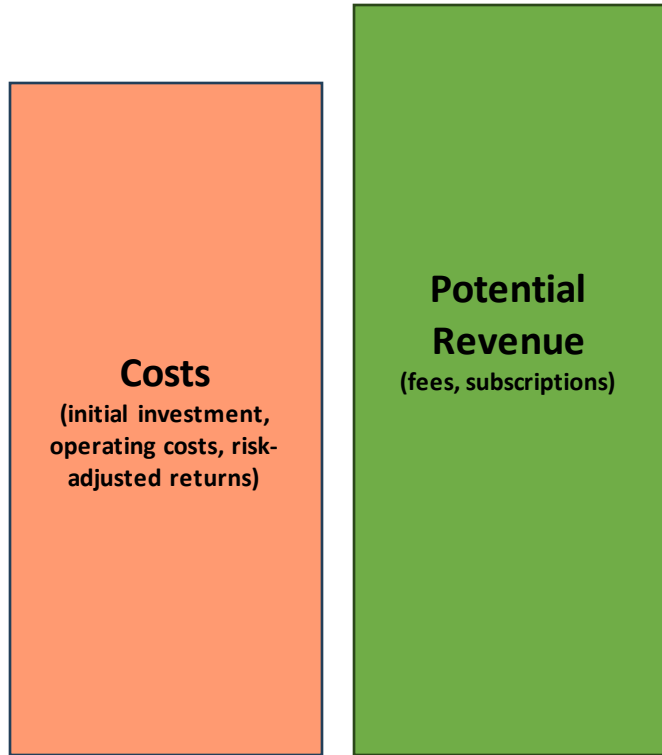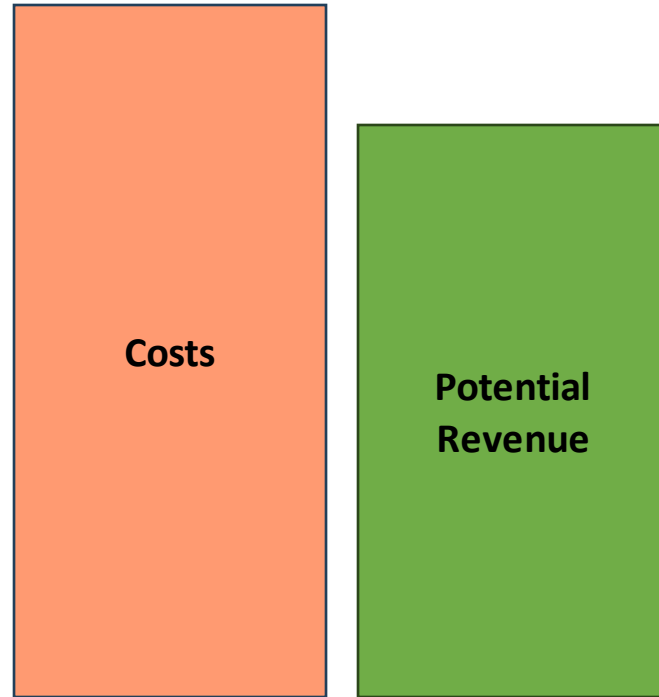
Why Contribute Local Match?

Local government match is <u>not required</u> but could enhance a project:

- Not all networks are the same
  - Adequacy (reliability, bandwidth)
  - Affordability of service

- Customer experience, preferences

- Encourage "whole municipality" solutions

- Ensure bids in your area

- Ensure fiber project
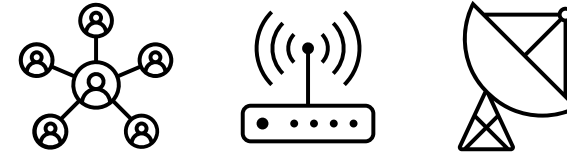
If a project is not financially viable (private share <25%) it may not receive bids, or only receive fixed wireless or satellite proposals

Permitting & National Environmental Policy Act

What does NEPA do?

- Determines whether a Proposed Action and Alternatives have the potential to **significantly impact the environment**

- Requires the **preparation of environmental documentation** when federal funds, permits, lands, and/or rulemaking are involved

- Addresses **requirements under other environmental and historic preservation laws, regulations, and Executive Orders** without the need for duplicative analysis

- Requires that **environmental effects be considered as decision points** along with technical, economic, and other factors

- Requires **early consideration of the environmental effects** of a Proposed Action

- Provides **interdisciplinary analysis of the effects of a Proposed Action and Alternatives** on the human environment

- Aids in **decision making**

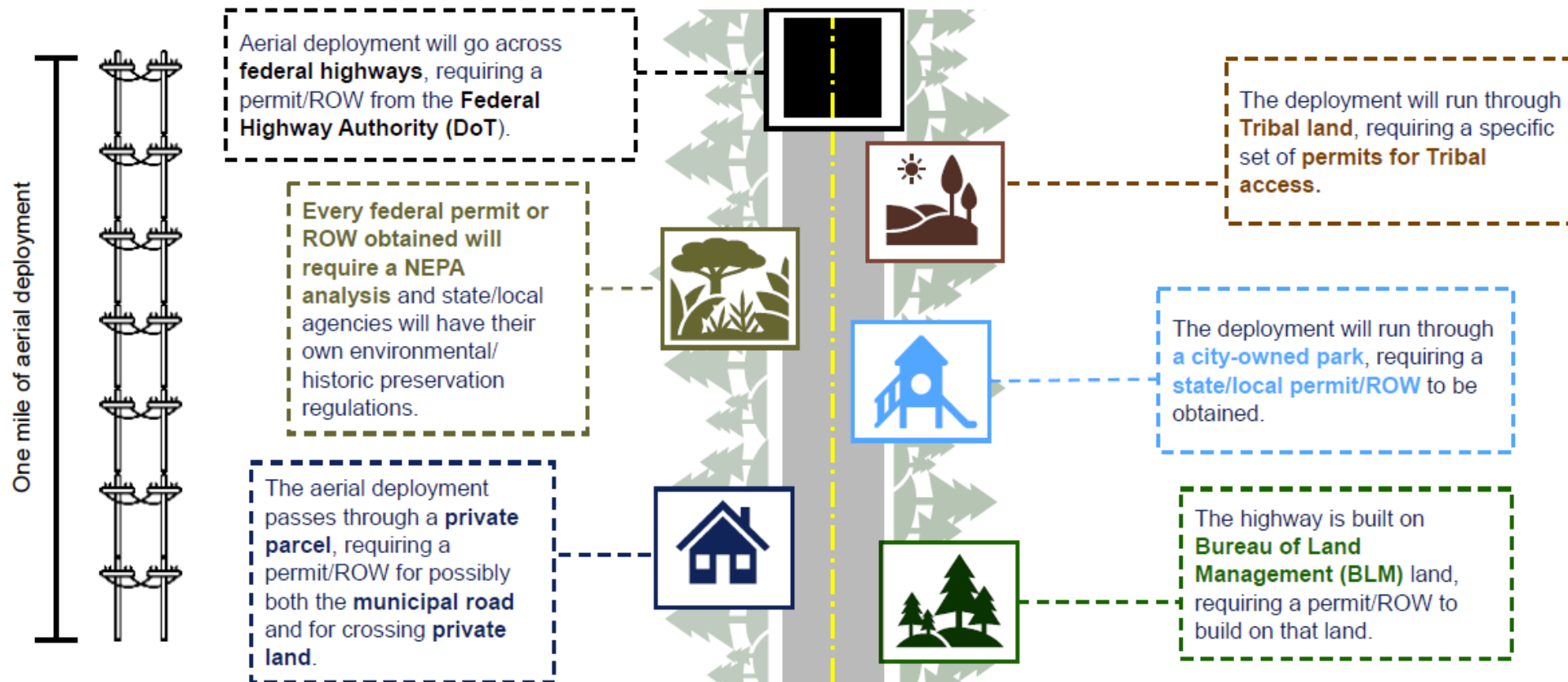- Requires **public involvement**

TYPES OF ASSETS

- State/Locally-Owned Land
- Privately-Owned Land
- Federally-Owned Land
- Tribal-Owned Land
- Railways
- Bridges/Overpasses
- Poles and Towers (Aerial Deployment)
- Ducts and Conduits (Buried Deployment)
- Federal Road/Highways

*Slide compliments of NTIA

*Slide compliments of NTIA

Permitting: The Bottom Line

- **Planning:** consider as you design projects

- **Timing:** permitting starts after grant awards

- **Roles:** all levels of government influence permitting

- **Process:** State will facilitate process, federal govt approves NEPA documents

- **Help:** Every case is unique, we have expertise to help navigate

TYPES OF OWNERS

- Internet Service Provider
- Federal Government
- State, Local, or Tribal Government
- Telecommunications Company
- Private/Personal Ownership
- Utility Company
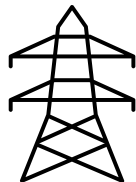
WBO is here as a RESOURCE

Ask us about…

- BEAD Challenge process
- Mapping & data collection
- Federal guidance
- BEAD timelines
- Partnerships with ISPs
- County profiles
- What ISPs are in your area

- How to host outreach events
- Digital inclusion
- Grant reimbursement
- How to use the Wisconsin Broadband Planning Map
- Leveraging WISER

Check out our data:

- County profiles
- Broadband Planning Map
- Lists of:
  - Lists of unserved, underserved locations
  - Enforceable funding commitments

Wisconsin Broadband Office

Contact Us: PSCStateBroadbandOffice@wisconsin.gov

Website: https://psc.wi.gov/Pages/ServiceType/Broadband.aspx

Subscribe to our Newsletter! https://lp.constantcontactpages.com/su/Uz6GZis

Alyssa Kenney – Alyssa.Kenney@wisconsin.gov, 608-267-9138

Rory Tikalsky – Rory.Tikalsky@wisconsin.gov, 608-206-4397

Engagement & Formal Endorsement

- Tip the scales

- Formal Endorsement: 7 Points
  - Official action by county board and/or Tribal government
  - Example: county board resolution

- Community Engagement: 5 Points
  - Public meetings
  - Letters of support
  - Conversation w/ community orgs

DRAFT: Pending Approval

Primary Criteria	Points	Description
Minimum BEAD Outlay	40	Based on % of the reference BEAD match threshold, cost model for the technology and quality of the network for the cost
Priority Affordability	18	Based on the total non-promotional cost of 1 Gbps / 1 Gbps service
Fair Labor Practices	17	Based on prior compliance record and future workforce plans

Secondary and Additional Criteria	Points	Description
Speed to deployment	1	Points for enforceable deployment plans faster than 36 months
Local and Tribal Coordination Support and Engagement	5	Points for demonstrated community support and local and/or Tribal coordination
Endorsement by local government and/or Tribe	7	Points for formal endorsement by County and/or Tribal government through public action
Affordability middle class and low-cost plan	10	Based on cost of service to the customers and reach of required low-cost plan
Community Anchor Institutions	2	Based on inclusion of CAIs without a symmetrical gig of service.

Local match does not influence engagement/endorsement scoring