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## Summary of the Enabling Middle Mile Infrastructure Program Notice of Funding Opportunity (NOFO)

In November 2021, President Biden signed a \$1.2 trillion bipartisan Infrastructure Investment and Jobs Act (IIJA) act into law. One of the major components of the IIFA was the \$1 billion Enabling Middle Mile Grant Broadband Infrastructure (MMG) Program. The MMG provides funding for this vital part of our nation's high-speed network and will reduce the cost of bringing high-speed internet to unserved and underserved communities. On May 13, NTIA released the [Notice of Funding Opportunity \(NOFO\)](#) outlining the program rules and launching the program. Page number references below are to the full text of the NOFO. More information is available at [www.internetforall.gov](http://www.internetforall.gov).

### Funding Amounts:

- Middle Mile Broadband Infrastructure Grant (MMG) Program provides \$980 million in funding for the construction, improvement, or acquisition of middle mile infrastructure
- Minimum award: \$5 million, Maximum award: \$100 million

### Key Dates:

- Application Window Opens – June 21, 2022
- Application Window Closes – September 30, 2022 at 11:59 pm EDT
- Expected Review and Selection Completion – February 16, 2023
- Rolling Award Announcements Expected to Begin – March 1, 2023
- Period of Performance – 5 years from the date on which the grant funds are made available to the eligible entity

### Eligible Entities Include (p. 5):

- State governments, political subdivisions of states, Tribal governments
- Technology companies, electric utilities, utility cooperatives, public utility districts, telecommunications companies, telecommunications cooperatives
- Non-profit foundations, non-profit corporations, non-profit institutions, non-profit associations, regional planning councils, Native entities, economic development authorities
- Any partnership of two or more of the entities listed above

### Applicant Qualifications:

- Must be capable of carrying out the proposed project in a competent manner, including a plan to attract, train, or retain an appropriately skilled and credentialed workforce; and
- Must have the financial, managerial, technical, and operational capability to carry out the proposed project and operate the resulting middle mile broadband network

### Prioritization of Applications:

The MMG Program will prioritize applications that meet at least two of the following five criteria (p. 13-14):

- The eligible entity adopts fiscally sustainable middle mile strategies
- The eligible entity commits to offering non-discriminatory interconnection to terrestrial and wireless last mile broadband providers and any other party making a bona fide request

- The eligible entity identifies specific terrestrial and wireless last mile broadband providers that have:
  - expressed written interest in interconnecting with middle mile infrastructure planned to be deployed by the eligible entity; and
  - demonstrated sustainable business plans or adequate funding sources with respect to such interconnection described in (i)
- The eligible entity has identified supplemental investments or in-kind support (such as waived franchise or permitting fees) that will accelerate the completion of the planned project
- The eligible entity has demonstrated that the middle mile infrastructure will benefit national security interests of the United States and the Department of Defense

#### **Connections to Anchor Institutions** (p. 14):

- Each applicant seeking an award to build middle mile infrastructure using fiber-optic technology shall certify that the proposed project will include direct interconnection facilities that will facilitate the provision of broadband service, at speeds not less than 1 Gigabit per second for downloads and 1 Gigabit per second for uploads to anchor institutions located within 1,000 feet of the middle mile infrastructure.
- NTIA may grant, a waiver of the requirements set out in the previous paragraph, in full or in part, to the extent the eligible entity demonstrates that the requirement is not technically or economically feasible

#### **Eligible Use of Funds** (p. 32-33):

- Construction, improvement, and/or acquisition of facilities and telecommunications equipment required to deploy middle mile broadband facilities
- Engineering design, permitting and work related to environmental, historical and cultural reviews
- Personnel costs, including salaries and fringe benefits for staff and consultants required for the implementation of the MMG Program (such as project managers, program directors, subject matter experts, grant administrators, financial analysts, accountants, and attorneys)
- Reasonable, post-NOFO, pre-application expenses in an amount not to exceed \$50,000.

#### **Definitions of Underserved & Unserved:**

The term “underserved,” with respect to an area, means an area (p. 7)

- That is designated as a Tribally underserved area through the process set forth in Section III.G.2 of this NOFO; or
- that— (i) is of a standard size not larger than a census block, as established by the Commission; (ii) is not an unserved area; and (iii) as determined in accordance with the FCC fixed broadband map, does not have access to broadband service with— (I) except as provided in (II) — (aa) a download speed of not less than 100 megabits per second; and (bb) an upload speed of not less than 20 megabits per second; or (II) minimum download and upload speeds established as benchmarks by the Commission for purposes of the Act after the date of enactment of the Act, if those minimum speeds are higher than the minimum speeds required under (I)

The term “unserved,” with respect to an area, means an area (p. 7)

- that is designated as a Tribally underserved area through the process set forth in Section III.G.2 of this NOFO; or
- that— (i) is of a standard size not larger than a census block, as established by the Commission; and (ii) as determined in accordance with the FCC fixed broadband map, does not have access to broadband service with— (I) except as provided in (II)— (aa) a download speed of not less than 25 megabits per second; and (bb) an upload speed of not less than 3 megabits per second; or (II)

minimum download and upload speeds established as benchmarks by the Commission for purposes of this Act after the date of enactment of this Act, if those minimum speeds are higher than the minimum speeds required under (I).

**Cost Sharing/Match (p. 12):**

- The amount of a middle mile grant awarded to an eligible entity through this program may not exceed 70 percent of the total project cost
- Matching funds may be in the form of either cash or in-kind contributions
- Except for grants made to Tribal Governments and Native entities, no waiver of the matching requirement will be contemplated

**Applicants must fulfill a number of requirements, including:**

- Irrevocable Letter of Credit (LOC) valued at no less than 25% of requested award (LOC similar to that required for the FCC's RDOF auction) (p. 9-10)
  - The amount of the LOC can be reduced commensurate with build out obligations.
- Audited Financial Statements (p. 10)
- Description of Managerial Capability (resumes for management and key personnel) (p. 11)
- Certification of Technical Capability & Network Design Diagram (p. 11)
- Capital Investment Schedule (p. 11)
- Certification of Applicant's Operational Capability, filing of Form 477 and submission of Broadband DATA Act (p. 12)
- Submission of required operating or financial reports is required (if applicant has operated only as an electric transmission or distribution service) (p. 12, 46)
- Ownership Information (p. 12)
- Buildout benchmarks (p. 13)
- Connections to anchor institutions within 1,000 feet of the middle mile infrastructure (see above)
- Fair Labor Practices (p. 15)
- Equitable Workforce Development (p. 17)
- Climate Resilience (p. 19)
- Civil Rights and Non-discrimination Law Compliance (p. 21)

**Merit Review of Proposed Projects:**

**Project Purpose and Benefits (60 points) (p.36):**

- Extent to which the project will either (a) facilitate deployment of high-speed broadband networks to currently unserved or underserved areas or (b) improve affordability in already-served markets (e.g., by reducing interconnection costs for last mile providers or providing opportunities for competitive providers to offer last-mile service). (20 points)
- Whether the project will offer non-discriminatory interconnection in perpetuity, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties. Such interconnection must include both the ability to connect to the public internet and physical interconnection for the exchange of traffic. (10 points)
- Whether the provider commits to offering access to the funded middle mile infrastructure, in perpetuity, on an open access basis. (10 points)
- Extent to which the project will otherwise benefit the proposed service area, including, but not limited to, by (a) facilitating development of carrier-neutral interconnection facilities; (b) improving the redundancy or resiliency of existing middle mile infrastructure; or (c) including direct interconnect facilities that will facilitate the provision of broadband service to anchor institutions located within 1,000 feet of the middle mile infrastructure at speeds of at least 1 Gbps symmetrical. (10 points)

- Comprehensiveness and appropriateness of the proposed technical solution for meeting the community’s needs, considering the offering’s capacity and performance characteristics. Reviewers will consider the proposed network’s ability to serve anticipated last mile networks, and to meet the increasing needs of the households, businesses, and anchor institutions in the areas linked by the middle mile facilities at issue. Reviewers will score favorably construction projects that are “shovel ready” and capable of completion within a two-year period. (10 points)

**Project Sustainability (40 Points) (p.37):**

- Applicant’s organizational capability to complete the specific project proposed. (5 points)
- Reasonableness of the applicant’s proposed budget. (10 points)
  - Reviewers will evaluate the reasonableness of the budget based on (a) its clarity, level of detail, comprehensiveness, appropriateness to the proposed technical and programmatic solutions, (b) the reasonableness of its costs, (c) whether the allocation of funds is sufficient to complete the tasks outlined in the project plan, (d) *the extent to which the project will leverage existing rights-of-way, assets, and infrastructure*, and (e) the extent to which the applicant has secured reduction in permitting or other regulatory barriers.
- Project’s fiscal sustainability beyond the award period. (10 points)
- Applicant’s commitment to contribute a non-federal cost share of more than 30 percent of the total eligible project costs as reflected in the proposed project budget. (5 points for non-federal share between 30 and 40 percent, 10 points for non-federal share between 41 and 50 percent, 15 points for more than 50 percent non-federal share)

**Buildout Benchmarks:**

A middle mile grant recipient must meet the following buildout milestones (p. 13):

- 40 percent of project miles by the end of the second year after the award date
- 60 percent of project miles by the end of the third year
- 80 percent of project miles by the end of the fourth year
- 100 percent of project miles by the end of the fifth year