

New NY Broadband Grant Program – Phase 1

Application Questions

The following questions will appear on the New NY Broadband Grant Program Phase 1 Application Portal, which will accept applications beginning March 1, 2016. All final Phase 1 applications will be due by 4:30pm ET, on April 15, 2016, and Phase 1 applications submitted after this date will not be considered. Potential applicants should review the New NY Broadband Program RFP Grant Guidelines and these Questions to prepare their Phase 1 Applications.

Any modifications or additions to these Questions or the Guidelines will be published prior to March 1, 2016 on the NYS Broadband Program Office's website, located here - <https://www.nysbroadband.ny.gov/>, and clearly marked in separate attachments. Additionally, the BPO may publish other materials relevant to Phase 1 on the website. Applicants are encouraged to visit the BPO's website for the latest information concerning Phase 1.

THRESHOLD QUESTIONS

Applicants must answer 'Yes' to all Threshold Questions (Section I) for their Projects to be considered for Phase 1 funding. If the answer to any Threshold Question is NO, Applicants may seek a waiver from the requirement and provide a written justification for issuance of that waiver. Such waivers will be granted at the discretion of the President and CEO of Empire State Development.

While Phase 1 will accept applications to address Unserved or Underserved areas, a single application may not propose to serve a combination of Eligible Unserved CB's and Eligible Underserved CB's. If an individual applicant wishes to serve both Eligible Unserved CB's and Eligible Underserved CB's, they must file separate applications.

Additionally, where an individual applicant proposes to serve two or more geographic areas (1) that do not share physical continuity and are wholly-located in different NYS Economic Development (REDC) Regions OR (2) that will be addressed using different technology solutions, each area must be submitted through a separate application.

Unless otherwise specifically indicated in a Question, applicants shall submit all documents requested in the Application Questions in Microsoft Excel or Word document form.

1. Phase 1 of the New NY Broadband Program (the Program, or Phase 1) will award funding to applicants to provide Last-Mile¹ services, including infrastructure required to deliver Last-Mile services, to Unserved or Underserved² areas of the State. Does your proposed project (Project) provide Last-Mile broadband service, including Middle-Mile³ networks, equipment, or other investments required to deliver Last-Mile service, to one or more

¹ See RFP Guidelines, Appendix A – General Definitions

² See RFP Guidelines, Appendix A – General Definitions

³ See RFP Guidelines, Appendix A – General Definitions

Eligible Census Blocks (CB's), excluding Adjoining Service Areas (*as defined in the RFP Guidelines, Section VIII*)? **YES/NO.**

2. Does your application propose a Service Area that does not combine Eligible Unserved and Underserved CB's (*i.e.*, the Eligible CB's in your proposed Service Area are either exclusively Unserved, or exclusively Underserved, and not a combination of both)? **YES/NO.**
3. Does your proposed Service Area encompass the entirety of any and all Eligible CB's within its boundaries (*i.e.*, the proposed Service Area does not partially-serve or divide any CB's, excluding Adjoining Service Areas⁴)? **YES/NO.**
4. Does your Project propose to provide service to at least 2,500 Units (*as defined in the RFP Guidelines, Section IV A.1 – Minimum Service Area*) OR address all Eligible Unserved or Underserved CB's within an REDC Region? **YES/NO.**
5. If you are requesting inclusion of one or more Adjoining Service Areas in your proposal, do you attest that all Units within all proposed Adjoining Service Areas are either Unserved or Underserved, consistent with the requirements of the RFP Guidelines, Section VIII, and that your Adjoining Service Area does not include a combination of Unserved and Underserved Units? **YES/NO.**
6. Does your proposal include a private financial commitment to the Project meeting the requirements of the RFP Guidelines (*see RFP Guidelines Section IV B- Required Co-Investments*)? **YES/NO.**
7. Is a portion of your financial commitment, in an amount no less than 10% of total Eligible Project Costs, Equity Capital (*as defined in the RFP Guidelines, Section IV B – Required Co-Investments*)? **YES/NO.**
8. *For applicants proposing to address Eligible Unserved CB's:* Will your completed Project provide Internet download speeds of at least 25 Mbps OR *for applicants proposing to address Eligible Underserved CB's:* Will your completed Project provide Internet download speeds of at least 100 Mbps? **YES/NO.**
9. For Phase 1, each application must use only one technology solution. Does your Project deploy only one of the following technologies:⁵ (1) Fiber-to-the-Home (FTTH); (2) Cable/Hybrid Fiber-Coaxial (HFC), deploying DOCSIS 3.0 modems or higher; (3) Digital Subscriber Line (DSL); or (4) Fixed Wireless? **YES/NO.**

Note: While (1) and (2) are pre-approved for Phase 1, applications offering (3) and (4) will only be considered where no commercially-reasonable bids using Fiber or Cable/HFC are submitted to address the same proposed Service Area. Applicants offering such technologies will be asked to submit supporting documentation

⁴ See RFP Guidelines, Requests to Include Adjoining Service Areas (Section VIII).

⁵ See RFP Guidelines, Appendix A– General Definitions

demonstrating the proposed technology solution's ability to achieve the Program's speed goals, to the satisfaction of the Program, in the proposed Service Area.

10. In accordance with the goals of the Program, Phase 1 applicants must demonstrate that their projects will be completed by the end of 2018. Will your Project be completed on or before December 31, 2018, in accordance with the terms of the Grant Disbursement Agreement (GDA)? **YES/NO.**

11. Will your Project, as part of your range of services and for a period of five (5) years from the date of Project completion, offer a consumer broadband service tier providing broadband service to residential consumers, excluding businesses and other institutional users, at minimum Internet speeds of at least 25/4 Mbps (download/upload), at a monthly rate not to exceed \$60? **YES/NO.**

Note: Such rates should include any connection fees, equipment fees, and/or surcharges. This rate is effective as of December 2015, and may be increased annually by the provider at the rate of inflation as measured by the Consumer Price Index (CPI) or according to a rate published by the BPO, whichever increase is greater. This service should not impose caps on end-user bandwidth usage (data caps).

12. Are you prepared to submit documents attesting to your financial stability and management capabilities (*described in Questions 52-63*)? **YES/NO.**

13. Applications to Phase 1 are binding commitments by the applicants to carry out their proposals. If selected, will you enter into a Grant Disbursement Agreement (*attached as Appendix D to the RFP Guidelines*) reflecting the terms of your proposal? **YES/NO.**

14. Applicants to Phase 1 shall be required to provide a deposit in an amount of \$100,000.00 (the Application Deposit), which shall be held by the BPO to ensure that the Applicant enters into a Grant Disbursement Agreement (GDA) in connection with the Project. Do you understand and agree that failure to provide the Deposit may result in the disqualification of your application? **YES/NO.** The Application Deposit is non-refundable if the Applicant is selected, but fails to enter into a GDA with ESD.

15. Applicants submitting successful proposals may be required by the BPO, at its sole discretion, to provide the BPO with an unsubordinated security interest in tangible assets funded by the Program. Do you understand and agree that failure to provide such a security interest may result in disqualification of your application? **YES/NO.**

16. Principals, officers, and directors of applicants, as determined by the BPO, may be required to submit to a background check at the sole discretion of the BPO as a precondition to the award of Program funding. Do you understand and agree that the failure of any person, determined by the BPO to be subject to a background check, to submit to a background check may result in disqualification of your application? **YES/NO.**

17. Applicant attests that the proposed Project was not part of their capital expenditure plan last year, nor in any year prior to the filing of this Phase 1 application, and would not be undertaken in the absence of Program funds. **YES/NO.**

Applicant must submit documents that, to the satisfaction of the BPO, describe the Applicant's capital expenditure plans prior to the filing of this Phase 1 application, and demonstrate how the Project would constitute an incremental increase in the Applicant's capital expenditures.

BID PROPOSAL QUESTIONS

Applicants must answer all Bid Proposal Questions below. The BPO shall use responses to these Questions, and submitted documentation, to verify a project's Phase 1 eligibility.

OVERVIEW QUESTIONS

18. Please briefly describe your Project (limit 600 words);
19. Please select which type of entity you are: **DROPDOWN** –
- i. Incorporated organizations
 - ii. Native American tribes or tribal organizations
 - iii. A local unit of government, or a group of multiple units of government
 - iv. A cooperative, private corporation or Limited Liability Company, organized on a for-profit or not-for-profit basis
 - v. A group of public and/or private sector partners
20. If you are an existing Broadband Service Provider, please identify all New York State counties in which you currently provide service.

PROPOSED SERVICE AREA

21. Please select all REDC Regions in which your proposed Service Area is located.
- i. North Country
 - ii. Mohawk Valley
 - iii. Capital District
 - iv. Central New York
 - v. Finger Lakes
 - vi. Western New York
 - vii. Southern Tier

- viii. Mid-Hudson
- ix. New York City
- x. Long Island

22. Please identify each of the following units of local government located, in whole or in part, within your proposed Service Area:

- i. Each County
- ii. Each City
- iii. Each Town

23. Project location – please upload

- i. A spreadsheet in Microsoft Excel format listing each CB to be addressed by your Project. It should include each of the following fields:
 - a. CB ID Number, as according to the U.S. Census Bureau;
 - b. Status of CB – *i.e.*, Is it an Eligible CB, or part of Adjoining Service Area (*as defined in the RFP Guidelines, Section VIII*)
- ii. A mappable Shapefile (.shp) of the proposed Service Area.

Please note that grant recipients will be asked for a Shapefile of the completed Service Area upon project completion, pursuant to the Grant Disbursement Agreement.

24. Please upload a spreadsheet in Microsoft Excel format indicating the following for each CB in your proposed Service Area:

- i. Total Number of Units to be served
- ii. Number of Units to be served, by Type
 - a. Housing Units
 - b. Commercial Properties
 - c. Governmental Buildings
 - d. Healthcare Facilities
 - e. K-12 Schools
 - f. Libraries
 - g. Educational Opportunity Centers
 - h. Institutions of Higher Education

i. Other Community Institutions

Please note: In those instances where an applicant's understanding of the total Units located, and to be addressed, within a CB differs from data available to the BPO on that CB, the BPO may, at its discretion, request additional information from the applicant to support the number of Units to be served.

25. If you are proposing to serve any CB identified on List B of the List of Eligible CB's (identifying Eligible Unserved CB's that, according to available data, do not contain HU's) or a CB on List C of the List of Underserved CB's that does not contain HU's, please upload documentary evidence supporting number and type of Units to be addressed in each such CB.
26. Are you requesting inclusion of one or more Adjoining Service Areas in your proposal? **YES/NO.** If so, please submit a separate response to Question 24, above, for each Adjoining Service Area.
27. If you are requesting inclusion of one or more Adjoining Service Areas in your proposal, please submit documentary evidence demonstrating that all Units proposed to be served in each such area, despite their current designation as ineligible for Phase 1, are, in fact, Unserved or Underserved.
28. Are you willing to accept a Modified Award (*as described in Section IV A 3 of the RFP Guidelines*)? **YES/NO.** If YES, please indicate the minimum percentage of your proposed Service Area that you agree to serve (*i.e.*, percentage of the total number of proposed Units that you would be willing to make a binding commitment to serve).
29. If your Project addresses Libraries and/or Educational Opportunity Centers (EOC's):
- i. Please upload a spreadsheet in Microsoft Excel format listing each Library and/or Educational Opportunity Center to be addressed. The list should contain the following fields:
 - a. Facility Name
 - b. Facility Type (Library or EOC)
 - c. Street Address
 - d. City
 - e. State
 - f. Zip
 - ii. Please submit evidence that each Library and/or Educational Opportunity Center identified is currently either Unserved or Underserved.
30. Please provide any other documentation or letters of support in connection with your Project. These may include letters from anchor institutions, REDC representatives, or

other public officials. Please note that while these documents will not be utilized as part of the Phase 1 Reverse-Auction process, such information may help inform ESD as to the compelling nature of any given broadband project and existing support therefor.

PROJECT TIMELINE

31. Please indicate the current status of your Project development (*e.g.*, planning, preliminary engineering, or final design).
32. Please submit your Project timeline, detailing Project start/completion dates, major benchmarks, and illustrating how your Project will achieve completion by 2018.
 - i. Timelines should clearly delineate engineering, permitting, and construction phases of the Project.
33. Identify any required licenses and/or regulatory approvals, including any SEQR review, needed to reach Project completion, as well as the current status of each.
34. Identify any areas of schedule or cost risk that may affect your Project, the likelihood of the risks, the expected impact of the risks, and your proposed approach to managing the risks.

PROJECT COSTS

35. Please provide a complete and detailed table illustrating the following:
 - i. All funds to be committed to the Project, including the name of each entity providing such funds;
 - ii. The source of funding (*e.g.*, federal grant match, equity, debt);
 - iii. The use of funding (*e.g.*, infrastructure, working capital, operating losses);
 - iv. Any key financing terms and conditions; and all existing assets to be utilized (*e.g.*, State or municipality-owned fiber, poles, towers, existing private assets)
36. Please upload a document detailing total Eligible Project Costs for the Project, *as defined in Appendix C of the RFP Grant Guidelines*, and provide a complete breakdown of each item reflected in that total. Applicant should submit this information in the format and following the instructions of Exhibit A to these Questions
37. Is the Project fully-financed in an amount covering total Eligible Project Costs, through a combination of the total requested State Investment and your commitment of funds? **YES/NO.**
38. Please identify the total amount of your financial commitment, in both dollars, and as a percentage of the total Eligible Project Costs.
39. Do you have cash-on-hand, defined as the Applicant's total amount of available cash, or commitment letter(s) in an amount no less than your financial commitment? **YES/NO.** If YES, please upload documentation supporting this claim. If NO, please upload (1) documentation demonstrating that you are in the process of raising this capital, describing the sources and status of such financing, and providing a timeline for

obtaining the financing; as well as (2) a letter attesting to your confidence that you will obtain such financing to allow completion within the timeline provided.

40. Identify the amount of State Investment you are seeking from the New NY Broadband Program for total Eligible Project Costs, both in total dollars, and on a dollars-per-Unit served basis, excluding any Adjoining Service Areas. Describe the methodology and assumptions underlying that estimate.
41. If you are requesting inclusion of one or more Adjoining Service Areas, please provide the amount of State Investment you are seeking from the New NY Broadband Program for total Eligible Project Costs, both in total and on a dollars-per-Unit served basis, including each Adjoining Service Area. Describe the methodology and assumptions underlying that estimate, as well as a breakdown of the dollars associated with each Adjoining Service Area.
42. Have you received previous funding for any aspect of the Project, or to serve any part of the proposed Service Area, from federal, State, or municipal sources? **YES/NO.**
 - i. If YES, please provide the Project title, funding source, the Project cost total, and the dollar amount received, year of receipt, and current status of this component of the project (*e.g.*, in construction, completed). Please also describe the nature of the funding (*e.g.*, grant funds, loans).
43. Please describe the extent to which you will rely on contractors and/or vendors to complete the Project.

TECHNOLOGY

44. Please select which technology solution your project will utilize:
 - i. Fiber-to-the-Home (FTTH);
 - ii. Cable/Hybrid Fiber-Coaxial (HFC), deploying DOCSIS 3.0 modems or higher;
 - iii. Digital Subscriber Line (DSL); or
 - iv. Fixed Wireless
45. Please describe the technology you propose to utilize. Also, please describe the specific advantages of using this technology.
46. Please provide a complete and detailed description of the network design used to deliver broadband service from the network's primary Internet point(s) of presence to end users, please highlight all of the network components already in existence, as well as ones to be added by the Project.
47. Please upload, as a PDF, a network diagram of your proposed technology solution (including, as applicable, the locations of aerial, buried and underground Fiber routes, ducts, and active and passive nodes inside and outside of plant -- *e.g.*, DSLAM and

Splitter locations, switches, routers, speeds and protocols over links, Internet backbone connections).

48. Please describe the speed capacity of your proposed technology, including the maximum speeds that your technology will deliver, points of aggregation, oversubscription, the scalability of your technology to deliver faster speeds in the future and/or accommodate increased demand, and any limitations on the speed capacity of your technology (e.g., geographical limitations). Please upload documentation to support these claims.
49. If you propose DSL or Fixed Wireless solutions, please provide documentation demonstrating the proposed technology solution's ability to achieve the Program's speed goals in the proposed Service Area. Additionally, if you propose using existing copper lines for your solution, please provide documentation of the availability and condition of those lines.
50. Please describe the Estimated Service Life/Useful Life of your Project.
51. Please provide a signed certification by a licensed Professional Engineer detailing the reliability of the technology and its ability to deliver the indicated speed to the proposed Service Area. The certification must include the license number, issuing state, and license expiration date of the signing engineer.

FISCAL STABILITY AND MANAGEMENT CAPABILITIES⁶

52. Does the Applicant (or, where Applicant is a group of two or more entities, including municipalities and/or tribal entities, any entity among those filing this application) currently operate a wired or wireless network with at least 500 customers? **YES/NO.** Please provide documentation to support this statement.
53. Please provide 3 years of audited financial statements for Applicant. If Applicant's most recent financials are over 180 days old, add the most recent interim statements.
54. Please provide 2 years of signed Federal, State, and Local tax returns for Applicant.
55. If Applicant includes a municipal entity that has a municipal bond rating on any of its debt instruments, please submit documentation demonstrating its current Bond rating.
56. Please provide 5 years of Projected Pro Forma Income Statements, Balance Sheets, and Income Statements for the Project, in both PDF and Excel format, clearly notating annual revenue, operating expenses, annual closing balance, and break-even ratio. Please identify all key assumptions underlying such Pro Formas (including average revenue per user (ARPU) and churn rates).

⁶ Where Applicant is a group of two or more public and/or private entities, please answer each of the following questions for each of the Applicant's constituent entities. Where an applicant is a newly-formed subsidiary of a parent/related entity, please describe the relationship in response to Question 58 and answer the other questions in this section, to the extent applicable, for the parent/related entity.

57. Please provide any additional documents and/or information that you believe support a determination that you possess sufficient financial and/or management capabilities to participate in Phase 1.
58. If Applicant is a subsidiary of, division of, or is otherwise related to another entity not named in this application, please identify any such parent and/or related entity and describe the institutional relationship.
59. Identify any partners/consultants/third parties, if any, who will be participating in this Project. Please attach commitment letters from any such entities that describe their roles and relevant past experience, to the extent applicable.
60. Is Applicant in substantial compliance with all federal, State, and local laws? **YES/NO.**
61. Does Applicant, or any related entity thereof, have an existing contract with any agency, corporation, or division of the State of New York? **YES/NO.** If so, please describe the current status of that project.
62. Does Applicant consent to an investigation of their standing under all New York State contracts? **YES/NO.**
63. Does Applicant have an existing New York State tax liability? **YES/NO.** If so, please explain.
64. Do any of your uploaded documents contain confidential and/or proprietary information? **YES/NO.** If so, please mark such documents as confidential and submit a description of each document's proprietary value to the Applicant.
65. Has your application been developed independently, without collusion, consultation, communication, or agreement for the purpose of restricting competition in ESD's selection of Phase 1 grant recipients? **YES/NO.**
66. Unless otherwise required by law, do you agree that you will not knowingly disclose the costs presented and grant amounts requested in your Phase 1 application to any other Applicant or to any competitor? **YES/NO.**
67. Do you attest that you have not made, or will make, any attempt to submit or withhold a Phase 1 application for the purpose of restricting competition in ESD's selection of Phase 1 grant recipients? **YES/NO.**
68. Please provide a description of your plan to engage New York State-certified Minority and Women-owned Business vendors as subcontractors and suppliers.
69. Please provide a description of your plan to engage Service Disabled Veteran-Owned Business Enterprises as subcontractors and suppliers.

EXHIBIT A

Project Budget

Please populate the table below with each eligible expense associated with your Project, the dollar cost of that expense, and the percentage it represents of the project's total eligible project costs. Refer to Appendix C of the New NY Broadband Program RFP Guidelines for a discussion of eligible project costs. This table is a template and line items should be added as needed.

Additionally, you must submit a narrative explanation of each line item listed on the table.

Financing Uses	Amount	Percentage of Total Eligible Project Costs
Network & Access Equipment Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Outside Plant Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Tower Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Building and Land Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Eligible Customer Premises Equipment		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Professional Services		

Financing Uses	Amount	Percentage of Total Eligible Project Costs
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Testing		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Other Upfront Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Indirect Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Other Eligible Project Costs		
Sub-Item 1		%
Sub-Item 2		%
Sub-Item 3		%
Total		%
Total Eligible Project Costs		%

ATTACHMENTS CHECKLIST

All documents listed below must be included as part of a complete application. Please refer to this checklist when finalizing your submission.

Questions
23. List of all Census Blocks to be addressed
23. Shapefile (.shp) of the proposed broadband Service Area
24. and 26. Spreadsheets describing the number and type of Units in proposed Service Area and, if applicable, Adjoining Service Area
25. To the extent applicable, evidence supporting the Units to be served in a CB
27. Documentary evidence demonstrating Unserved or Underserved status of Adjoining Service Area
29. Evidence that each Library and/or Educational Opportunity Center in your proposed Service Area is Unserved or Underserved.
29. Other documentation or letters of support in connection with your project
32. Project timeline, detailing major benchmarks, and illustrating how your Project will achieve completion by 2018
35. Complete and detailed table illustrating funds to be committed to the Project, including source and use of funding, financing terms and conditions, and existing assets utilized
36. Document detailing total Eligible Project Costs, with a complete breakdown of each item reflected in total
39. Documentation supporting Applicant's ability to meet the full amount of their proposed financial commitment OR demonstrating Applicant is in process of raising this capital
47. Network Diagram of Proposed Technology Solution

48. Please upload documentation to support speed claims of proposed technology and any limitations
49. If you propose DSL or Fixed Wireless solutions, documentation demonstrating the proposed technology solution's ability to achieve the Program's speed goals in the proposed Service Area. If you propose using existing copper lines for your solution, documentation of the availability and condition of those lines
51. Certification of technology by an Licensed Professional Engineer
52. Documentation demonstrating that applicant operates a wired or wireless network business with at least 500 customers
53. Provide 3 years of audited financials
54. Provide 2 years of signed tax returns
55. Documentation demonstrating municipal bond rating, if any
56. 5 years of Projected Pro Forma Income Statements, Balance Sheets, and Cash Flow Statements
57. Additional documentation evidencing Applicant's Financial and Management Capabilities
59. Commitment letters from any partners/consultants/third parties