

***Rural Alaska Broadband Internet Access Grant  
Program  
Revised Round Five Grant Application Guide***

## A. General Information

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Believing Internet access provides economic, employment, and educational opportunities to isolated, remote, and economically depressed areas of the country, United States Congress enacted 7 U.S.C. § 1926(a)(20)(E) in 2002. The statute authorizes grant funding from the United States Department of Agriculture (USDA) to the State of Alaska, Department of Commerce, Community and Economic Development (DCCED), Regulatory Commission of Alaska (RCA) to establish the Rural Alaska Broadband Internet Access Grant Program (Program). This grant funding is intended to offset the cost of establishing common carrier facilities in rural areas, and is available to telecommunications carriers and cable operators.

Recent Program revisions expanded the number of communities eligible for grant funding. 7 U.S.C § 1926(a)(20)(E) initially authorized federal funding of projects expanding broadband Internet service into unserved rural Alaskan communities (i.e., communities lacking either local (toll-free) dial-up Internet access or broadband service). This appropriating language was revised in 2008 so rural communities lacking broadband access to the Internet (including communities that have non-broadband local dial-up Internet access) may receive federal funding.<sup>1</sup> In addition, a change to the definition of broadband in 2010 further increased the number of communities eligible for funding under the Program.<sup>2</sup>

The RCA conducted four rounds of the Program, inviting grant proposals and awarding grant funds to applicants. The RCA is commencing a fifth round of grant funding under the Program, and requests proposals from telecommunications carriers and cable operators for projects that (1) establish common carrier facilities and services which will expand broadband Internet service into rural Alaskan communities currently without broadband Internet access, and (2) will allow the service provider to continue providing broadband Internet service to the residents of these communities at affordable rates comparable to those paid by residents of Anchorage, Fairbanks, and Juneau.

## B. Eligible Applicants

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**1. RCA's Expectation:** Eligibility is limited to telecommunication carriers and cable operators capable of providing broadband Internet services in rural areas of Alaska.

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<sup>1</sup>As amended in 2008, 7 U.S.C. §1926(a)(20)(E) states:

**E) Rural broadband.**—Notwithstanding subparagraph (C), the Secretary may make grants to State agencies for use by regulatory commissions in states with rural communities without broadband service to establish a competitively, technologically neutral grant program to telecommunications carriers or cable operators that establish common carrier facilities and services which, in the commission's determination, will result in the long-term availability to such communities of affordable broadband services which are used for the provision of high speed Internet access.

<sup>2</sup>In previous funding rounds for the Program, the technical specification for broadband Internet service was at least 256Kbps downstream (from the network to the end user) and 64Kbps upstream (from the end user to the network). For this round the technical specification of broadband has been changed to 768Kbps downstream and 200Kbps upstream. For the purposes of the Program, the technical specification for broadband is determined by reference to a standard set by USDA for the [Broadband Initiative Program](#). That definition is codified at Federal Register, Volume 75, No. 14, issued January 22, 2010.

2. **Applicant's Proposal (Eligible Applicants):** A proposal must document that the applicant is an existing telecommunications carrier or cable operator and must:
  - a. identify its organization and relevant experience (include the duration of an applicant's existence, an organizational diagram, office locations, the applicant's experience with similar projects and the success of those projects, current projects, and current services provided);
  - b. include three years of certified or audited financial statements (if not currently on file with the RCA);
  - c. identify key personnel that will be assigned to the project (include each person's responsibilities regarding the grant project, percentage of time each will commit to the project; each individual's experience reflected in an updated resume, and contingency plans if one or more key personnel terminates employment);
  - d. discuss working relationships, interactions, and chains of communication within the organization and between the applicant's employees and communities that would benefit.
  
3. **Evaluation of an Applicant's Proposal (Eligible Applicants):** This portion of an applicant's proposal may receive up to a maximum of five points by each member of the Evaluation Committee during the evaluation process.

## **C. Eligible Communities**

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1. **RCA's Expectation:** Applicant's projects must be structured so the benefit is specific (limited) to rural Alaskan communities that meet all of the following criteria:
  - a. is a city, town, village, or borough within rural Alaska with a population of less than 20,000;
  - b. has a not-employed rate of more than 19.5 percent;
  - c. residents within the community do not currently have broadband Internet access. (Internet access provided at public schools and libraries through the E-rate program or access available for rural health care does not exclude a community from the Program).
  
2. **Applicant's Proposal (Eligible Communities):** A proposal must identify each community to be served and:
  - a. provide maps of the communities and/or areas;
  - b. discuss why particular communities were selected;
  - c. discuss the positive impacts of broadband Internet service on the community;
  - d. discuss each community's support for Internet training programs and Internet business development courses;
  - e. demonstrate demand for Internet services and revenues generated from Internet fees paid by community residents would be sufficient to cover the cost of maintaining Internet services in the long-term (in essence, the project must be self-supporting and sustainable);
  - f. provide documentation from each community demonstrating community support and participation in the planning and implementation of the proposed broadband Internet service (examples of such documentation are resolutions of support and agreements between the applicant and the community council, tribal council or nonprofit organization representing the community).<sup>3</sup>

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<sup>3</sup>Grant agreements must be executed within 30 days of the grant award. Applicants are encouraged to discuss the willingness of the community to execute a waiver of sovereign immunity. A sample waiver of sovereign immunity is available at [Grant Application Forms](#).

- 3. Evaluation of an Applicant's Proposal (Eligible Communities):** This portion of an applicant's proposal may receive up to a maximum of five points by each member of the Committee during the evaluation process.

#### **D. Eligible Projects**

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- 1. Description:** Projects should have three distinct phases: Construction Phase, Start-Up Phase, and Maintenance Phase. A more detailed discussion of the RCA's expectation for each phase follows.

- a. Construction Phase begins when a successful applicant and the RCA enter into a grant agreement and continues through the completion and successful activation of broadband Internet service into the agreed-upon rural communities. Applicants may propose installing broadband Internet services into one or more communities. The intent is to have the Construction Phase completed within 18 months.

The successful applicant may revise its rate structure (recurring and non-recurring rates) and level of service during the Construction Phase, and present the proposed revised rate structure and service levels to the RCA for approval. All proposed rates must be similar to those identified in the applicant's initial application to the RCA and must be comparable to rates assessed in Fairbanks, Anchorage, and Juneau for similar services. The applicant must agree to maintain the approved rate structure and level of service for two years from the completion of the Start-Up Phase.

The RCA may fund up to 75 percent of costs incurred during the Construction Phase for actual direct expenses. Indirect rates, overhead rates, profit rates, indirect expenses, overhead expenses, and/or markup of direct expenses are not allowed. The applicant must provide at least 25 percent of the funding required for the Construction Phase, and this contribution may consist of actual direct expenses and include an indirect rate that is no more than 19 percent of actual direct payroll costs. Contribution levels with regard to Construction Phase costs must remain consistent throughout the Construction Phase. If the applicant's contribution to Construction Phase costs decreases, the RCA's funding level will decrease so the agreed-upon ratio of RCA-to-applicant funding remains constant.

- b. Start-Up Phase begins upon completion of the Construction Phase and must run for 6 months. During the Start-Up Phase, the applicant must provide computers and software so free broadband Internet service is available to the residents of the community in at least one public building (the community access point). The applicant must provide free Internet training and Internet business development courses to community residents, and provide community residents with a telephone number of a technical representative able to resolve problems or answer questions regarding broadband Internet service. Applicants should specify the number of computer terminals that will be available at the community access point, the hours of operation for the community access point, hours a technical representative will be available to resolve problems or respond to questions, and additional specifics regarding plans to train community residents in Internet usage and Internet business applications.

The applicant must provide a local technical representative at the community access point. This technician must be trained to install and provide technical support for small public access computer facilities in village-based operations centers; understand and provide technical and instructional assistance with hardware and software applications, including operating systems,

networking, email management, e-commerce alternatives, and other Internet applications and data communications skill functions; provide customer support-type services to village-based clients and students using public access computer facilities; and coordinate, support and market the functions and services provided through the village-based public access computer facilities.

During the Start-Up Phase, the applicant must inform community residents they will eventually be required to subscribe to and pay for the broadband Internet service. The applicant may begin installing and charging for broadband Internet service to private residences after (1) free public access is provided at a public facility for the minimum period of time applicable to the Start-up phase, and (2) community residents have been notified they will be required to pay for broadband Internet service. Recurring and non-recurring rates charged to community residents must be approved before execution of the grant agreement and may be revised during the Construction Phase.

Regardless of the scheduled termination date identified in the Grant Agreement, an applicant's grant with the RCA will terminate immediately for a grant community once the applicant commences charging community residents for broadband Internet services that were free in the public facility. Any revenues from service charges must be applied toward the Program.

The RCA may provide up to 75 percent of the funding required for the Start-Up Phase. The entire amount provided by the RCA must be for actual direct expenses incurred in the Start-Up Phase, and indirect rates, overhead rates, profit rates, indirect expenses, overhead expenses, and/or markup of direct expenses are not allowed. The applicant must provide at least 25 percent of the funding required for the Start-Up Phase, and the applicant's contribution may consist of actual direct expenses and include an indirect rate of no more than 19 percent of actual direct payroll costs. The applicant's contribution (funding) must remain fairly consistent with RCA's contribution (funding) throughout the Start-Up Phase. If the applicant's funding decreases, the RCA's funding shall also decrease so that the agreed upon ratio of RCA to applicant funding remains constant.

Any remaining grant funds shall be retained by or returned to the RCA at the conclusion of the Start-Up Phase.

- c. Maintenance Phase is mandatory and begins upon completion of the Start-Up Phase,<sup>4</sup> and shall continue for two years. During the Maintenance Phase applicants shall not modify their rate structure and/or level of service approved by the RCA.

At the beginning of the Maintenance Phase, the applicant may begin charging for broadband Internet services previously provided free in the public facility during the Start-Up Phase. The RCA will provide no further funding to the applicant once the Maintenance Phase commences.

**2. Scoring:** There will be a total of 85 points awarded for the construction, Start-Up and Maintenance Phases. The point totals for these phases are as follows:

Eligible Projects--Construction and Start-Up Phase (Plan).....	40*
Eligible Projects--Construction and Start-Up Phase (Budget).....	25
Eligible Projects--Maintenance Phase (Plan and Budget).....	25

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<sup>4</sup>The Maintenance Phase will commence regardless of whether the Start-Up Phase concludes as scheduled or terminates early due to the applicant charging community residents for broadband Internet services.

\*A significant portion of the scoring for the Construction and Start-Up Phase Plan will be based on the applicant's Start-Up Plan. Items below indicate minimum requirements for training of community residents in Internet usage.

### 3. Construction and Start-Up Phase (Plan)

- a. **RCA's Expectation:** The RCA intends to provide funding for projects that (1) establish common carrier facilities and services that will expand broadband Internet service<sup>5</sup> into areas of Alaska without broadband Internet service, and (2) will allow service providers to continue to provide broadband Internet service to residents of those communities at affordable rates comparable to those paid by residents of Anchorage, Fairbanks, and Juneau.
- b. **Applicant's Proposal (Construction and Start-Up Phase Plan):** An applicant's proposal must provide a detailed and comprehensive discussion of the Construction and Start-Up Phases of the project that includes, but is not limited to, the items identified below.
  - (1) A general discussion of the applicant's understanding of Program goals and intent.
  - (2) A detailed discussion of the feasibility of the project that includes projected Internet penetration rates and Internet service revenues within each community.
  - (3) A detailed and comprehensive construction plan demonstrating the means by which Internet will be deployed or upgraded in a community.
  - (4) Internet quality of service factors and limitations, and other unique characteristics and assumptions that may affect the level of service and quality of service.
  - (5) Detailed system design, engineering designs, technical specifications, maps, and other designs, plans, etc.
  - (6) Detailed facilities information, including discussions identifying the facilities that will be used to house equipment or conducting training, current owner of facilities, proposed relationship with the owner of facilities where equipment will be located or training conducted, location of existing facilities that the applicant intends to use, and proposed modifications and/or upgrades to existing facilities.<sup>6</sup>
  - (7) Detailed training plan that focuses on on-site training opportunities at each proposed location. The training plan should include detailed discussion of the training curriculum, training hours and duration, availability of on-site help in each community, and logistical support for training, including village-based training. The applicant should provide help desk number for technical support needs.
  - (8) If Internet access will be limited to specific buildings and not available to all residences, a discussion of locations within the community where Internet service will not be available.
  - (9) Identify a community access point where multiple free public access terminals will be available for public use during the Start-up Phase. Provide the number of computers at each center, the hours of operation for the center(s), hours that technical representatives will be available to resolve problems or respond to questions, and the length of time free public access will be provided.

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<sup>5</sup>For the purposes of this Program, the technical specification for broadband Internet service is at least 768Kbps downstream (from the network to the end user) and 200Kbps upstream (from the end user to the network).

<sup>6</sup>For example, facilities may need to be renovated in compliance with the Americans with Disabilities Act, or may need modifications to comply with all fire prevention, protection, inspections, and permitting requirements established by State of Alaska, Department of Public Safety, State Fire Marshall's Office in accordance with AS 18.70.010-900 and 13 AAC 50.010-080 and 13 AAC 55.010-150.

- (10) Identify major equipment necessary to provide broadband Internet services, how it will be acquired, logistics of how equipment will be transported to the community, and details regarding the initial installation, continuing maintenance, and replacement of the equipment.
  - (11) Identify materials and supplies, how acquired, transported, installed, and maintained.
  - (12) Identify the Project's environmental and industry impacts, special requirements, permits, certifications, and/or other pertinent necessary approvals. If the applicant proposal involves regulatory and permit approvals that have not been received prior to submission of the grant application, the applicant should discuss actions taken to obtain such approvals or permits, provide proof of such actions, indicate the likelihood of success in receiving such approvals or permits, and disclose the anticipated date for receipt of the approvals or permits.<sup>7</sup>
  - (13) Identify timelines associated with the Project's distinct Construction and Start-Up Phases throughout every aspect of the proposal. Identify other pertinent timeframes and milestones throughout the proposal such as: (a) if proposing Internet access for multiple communities, identify the order and dates for each community; (b) dates of equipment installation; (c) dates when free broadband Internet services will be available to publicly accessible computer(s); and (d) dates when customers may begin to purchase Internet services.
  - (14) Specify timeframes and buildings where computers and software will be available, free of charge, so that community residents will have free Internet access during the Start-Up Phase.
  - (15) Specify whether, upon conclusion of the Start-Up Phase, Internet access will be accessible from all residences within the community; if service will not be available for all residences, indicate the anticipated timeframe for extending service to unserved residences or specify locations where service will not be available.
  - (16) Specify the proposed rate structure, recurring and non-recurring rate(s) and the level of services charged and provided to community residents for Internet services. The rate structure should be comparable to rates for similar levels of services assessed in Fairbanks, Anchorage, and Juneau. Provide a discussion of how rates charged in the eligible community(s) were developed.
  - (17) Provide an on-site training plan for each location, including a description of the course materials, anticipated course lengths, anticipated trainer to student ratio, and hours of availability for a local technical representative trained in hardware and software applications, including operating systems, e-mail management, e-commerce alternatives, and other Internet applications.
- c. **Evaluation of an Applicant's Proposal (Construction and Start-Up Phase Plan):** The discussion of the Construction and Start-Up Phases of an applicant's proposal may receive up to a maximum of 25 points by each member of the Evaluation Committee during the evaluation process. The discussion of an applicant's proposed training may receive up to a maximum of 15 points by each member of the Evaluation Committee during the evaluation process.

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<sup>7</sup>As noted in Section G (Tentative Schedule) below, grant agreements must be executed within 30 days of the grant award. Applicants are encouraged to have completed forms required for necessary approvals before filing a grant application, and must commence efforts to obtain necessary approvals immediately upon receiving notification of a tentative grant award. A partial list of necessary approvals is available at the RCA website under [Grant Application Forms](#).

#### **4. Construction and Start-Up Phase (Budget)**

- a. **Applicant's Proposal (Construction and Start-Up Phase Budget):** An applicant's proposal must provide a detailed and comprehensive budget that clearly identifies the Construction Phase, Start-Up Phase and costs associated with both phases. Discussion will include, but is not limited to, the following items:
- (1) Identify and project in detail all potential direct expenses. Examples include, but are not limited to, facility modifications, facility leases, equipment purchases, continuing services, materials, supplies, freight, transportation, training program for community residents, employee travel, employee salaries and benefits, and etc. Costs associated with provisioning bandwidth by satellite to a community will be limited to lease costs only. After an award under this phase of the program, equipment purchased to fulfill program goals, including VSAT or satellite dishes, is eligible for reimbursement provided the cost of the equipment is clearly documented. Grant recipients will not receive reimbursement of the costs of equipment purchased prior to an award under this phase of the program, but the cost of such equipment may be applied toward the 25% contribution requirement. In order to be eligible, any calculation of equipment costs must be adequately documented and is subject to audit.
  - (2) Manufacturers' or service providers' discounts and/or any other discounts received must be reflected as a reduction to actual direct expenses.
  - (3) Identify the expenses that are to be reimbursed (funded) by the RCA and the expenses that are to be paid (funded) by the applicant.
  - (4) If the applicant's contribution includes an indirect rate, it shall not exceed 19 percent of actual direct payroll expenses, and it must be clearly identified.
  - (5) If the applicant's contribution includes an "in-kind" contribution such as the use of existing equipment, the monetary-value of the "in-kind" contribution must be based on industry-standards and documented in the applicant's proposal.
  - (6) Identify funding (e.g., revenue) provided by any other source.
  - (7) Identify the timeframe and expense of equipment replacement and/or other improvements. Equipment depreciation and replacement schedules must be based on current industry rates and standards.
  - (8) Identify the amount and/or percentage of the amount anticipated as an initial advance; frequency of providing advances and example of summary financial reports on the entire project.
- b. **Evaluation of an Applicant's Proposal (Construction and Start-up Budget):** This portion of an applicant's proposal may receive up to a maximum of 25 points by each member of the Evaluation Committee during the evaluation process.

## 5. Maintenance Phase Plan and Budget

- a. **Applicant's Proposal (Maintenance Phase Plan and Budget):** An applicant's proposal must provide a detailed and comprehensive discussion on every aspect of the Maintenance Phase of the project, providing sufficient information to assure the RCA that the approved rate structure will be maintained. Information presented must be consistent with information presented elsewhere in the applicant's proposal. Discussion should include, but not be limited to, the items identified below:
- (1) Detailed expenditure projections which account for any and all operating, capital, and other expenses, short-term and long-term, necessary to continue to provide broadband Internet access at the same service level to community residents.
  - (2) Expenditure detail should include, at a minimum, equipment maintenance, repair, replacement, and upgrades; expansion & obsolescence for the proposed system design; salaries and benefits; on-going materials, supplies, travel, etc.
  - (3) Detailed revenue projections that substantiate sufficient revenues will be generated to allow the provider to maintain the same level of Internet access at the agreed upon rate structure for a minimum of two years.
  - (4) Revenue detail should include, at a minimum, the proposed rate structure; when residents in each community would begin paying for Internet services; and the projected number of residents that would be willing to pay for the services on a long-term basis.
  - (5) Discussion must be substantiated by information presented elsewhere in the applicant's proposal. For example:
    - (a) Expenditure projections must be consistent with equipment depreciation, replacement, upgrades; facility upgrades or modifications; and other information presented in Construction Phase and/or Start-Up Phase of the applicant's proposal.
    - (b) Revenue projections must be consistent with the community support and resident's demand for service discussion in the "Community Eligibility" section of the applicant's proposal.
    - (c) Revenue projections must be consistent with the order and dates in which residents may begin to purchase Internet services presented in the Construction and Start-Up Phases sections of the applicant's proposal.
    - (d) Revenue projections must be consistent with the rate(s) proposed in the Construction Phase section of the applicant's proposal.
- b. **Evaluation of an Applicant's Proposal (Maintenance Phase Plan and Budget):** This portion of an applicant's proposal may receive up to a maximum of 25 points by each member of the Evaluation Committee during the evaluation process.

## **E. Compliance with Federal and State Requirements**

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1. **RCA's Expectation:** DCCED has entered into a Grant Agreement with USDA whereby USDA will provide funding to the RCA, an agency within DCCED, for the Program.

In turn, the RCA has established the Program, will request proposals, and will eventually enter into "sub-recipient" grant agreements for projects as discussed in this Grant Application Guide.

Since federal money is involved, all entities submitting a proposal for a grant under this Program must understand that in addition to state requirements, federal requirements also apply.

Successful applicants must comply with all state and federal requirements. Additional information regarding federal requirements can be found at the Catalogue of Federal Domestic Assistance website under Program Number 10.766 (Community Facilities Loans and Grants).

As a government entity receiving federal funding, RCA must comply with:

- a. Federal Title 7, Chapter XXX, Part 3016 enacted by Department of Agriculture (USDA) for state governments receiving federal funding.
- b. Section 3016.22 incorporates the Cost Principles dictated by OMB Circular A-87.
- c. Section 3016.37 requires the RCA to give notice of all federal requirements to its sub-recipients.
- d. Federal Title 7, Chapter XXXV, Part 3570 enacted by Department of Agriculture, Rural Housing Services.
- e. Section 3570.83 incorporates the audit requirements in accordance with federal Title 7, Chapter XVII, and Part 1942.17(q)(4).

- 2. Applicant's Proposal (Compliance with Federal and State Requirements):** An applicant's proposal must provide a statement that the applicant understands that this Program is being funded with federal money that is being "passed" as a grant to DCCED and then being "passed" by the DCCED through the RCA to "sub-recipient" grantees - telecommunication carriers and cable operators - and that the applicant understands that the following federal requirements also apply to and are being "passed to" the sub-recipient. As a for-profit entity, receiving federal funding through a state government, the successful applicants (sub-recipients) must comply with:
- a. Federal Title 7, Chapter XXX, Part 3015 enacted by Department of Agriculture (USDA) for non-government entities receiving federal funding.
  - b. Section 3015.21 requires the applicant retain all record for 3 years.
  - c. Section 3015.24 allows the USDA and the Comptroller General of the United States, access to any books, documents, papers, or other records of the applicant, which are pertinent to the grant.
  - d. Section 3015.113 requires changes in scope, objectives, or key people have prior approval by the USDA.

Sections 3015.163 through .173 discuss key terms regarding property and equipment acquired under the grant. When the property or equipment is no longer needed for the authorized purpose of the grant, transfer or disposal may be required with compensation made to the federal government.

- a. Section 3015.194 incorporates the Cost Principles dictated by federal Title 48, Chapter 1, Part 31.2 (also referred to as 48 CFR Part 31)
- b. Section 3015.195 identifies that there may be different and conflicting requirements between initial and sub-recipient grantees.

Successful applicants are advised they will operate all facilities financed with grant proceeds in a nondiscriminatory manner on the basis of handicap. Refer to Rural Development Instruction 1942-A, Section 1942-17(k)(8), "Section 504 of the Rehabilitation Act of 1973."

Applicant must provide, with the sub-recipient application, the information in the federally required format reflected on the (1) Request for Environmental Information - Form 1940.20 which also requires a detailed letter from the State Historic Preservation Office; and (2) the State of Alaska's Coastal Management Zone questionnaire.

**3. Additional Requirements (Compliance with Federal and State Requirements):** Applicants selected to receive a sub-recipient grant will be required to comply with the requirements listed below and other requirements that may be contained in the sub-recipient grant agreement with the RCA.

**a. Rights-of-Way**

If selected for a sub-recipient grant, sub-recipients must obtain all title and easements necessary to provide clear title or authority to construct and maintain the project. USDA Rural Development, through the RCA, will require written easements over private land and when necessary sub-recipients shall be advised their legal counsel will be responsible for obtaining and recording such easements. The following forms may be used for these purposes.

- (1) Form RD 442-20 Right-of-Way Easement (suggested form)
- (2) Form RD 442-21 Right-of-Way Certificate, with map attached
- (3) Form RD 442-22 Opinion of Counsel Relative to Rights-of-Way

**b. Construction and Equipment Purchase**

- (1) Planning, equipment, and construction must be of modest design and comply with Section 1942.18 of USDA Rural Development Instruction 1942-A and any additions as are necessary to comply with Alaska Law.
- (2) Sub-recipients shall provide the RCA with a written statement that affirmative steps will be taken to assure that small and minority owned businesses are used when possible as sources of construction, equipment purchase, and services. This statement may include evidence that the total project had been divided into smaller contracts so as to permit maximum participation in bidding by small and minority-owned businesses.
- (3) If a contractor is used, sub-recipients shall provide evidence that a Contractor's warranty bond or equivalent is in effect before the start of construction.
- (4) Facilities must be constructed/renovated in compliance with the Americans with Disabilities Act, Public Law 101-336 if applicable.
- (5) Sub-recipients will affix decals to end user equipment to acknowledge USDA Rural Development's participation in the funding of the project. USDA Rural Development will provide the decals.

**c. Insurance and Bonding**

- (1) Worker's Compensation: Sub-recipients will be required to carry worker's compensation insurance for all employees in accordance with Alaska Law.
- (2) If the applicant is chosen to receive sub-recipient grant funds, the applicant will be required to obtain a fidelity bond. Sub-recipient employees entrusted with the receipt and disbursement of funds and the custody of any property will be covered by a fidelity bond. The United States will be named as co-obligee in the bond. Form RD 440-24, "Position Fidelity Schedule Bond" may be used.

d. **Sub-recipients grantees are subject to the provisions of the Civil Rights Act and Executive Orders. Sub-recipient grantees must execute the following forms if selected to receive grant funds**

- (1) Form RD 400-1, Equal Opportunity Agreement
- (2) Form RD 400-4, Assurance Agreement
- (3) If selected, sub-recipients must execute Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions," to assure that they are not barred or suspended from government assistance. You must also execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements".
- (4) Any construction contracts must contain evidence of compliance with E.O. 11246 and include the Standard Federal Equal Employment Opportunity Construction Contract Specifications.

e. **Handling of Project Funds**

- (1) Grant Funds will not be provided before the beginning of construction phase or purchase of equipment/service.
- (2) Grant funds will be deposited in an account separate from other sub-recipient funds. Project records shall be kept separate and apart from other records.

f. **Accounts, Records, and Audit Reports Required**

- (1) Sub-recipients will be required to keep accounts and records in the operation of the facility(s). You must make these records available for review by the DCCED/RCA and USDA Rural Development.
- (2) Grantees may be required to have an annual program-specific audit completed by an independent firm according to audit standards specified in the grant agreement. In addition, an independent audit or financial review may be required upon termination of this project or grant agreement.

g. **Transaction Closing and Disbursement of Funds**

- (1) The USDA grant, through DCCED and RCA, will be closed in accordance with USDA Rural Development instructions, legal requirements of the Office of General Counsel, availability of funds, and grant agreement between the sub-recipient and the Department of Commerce, Community and Economic Development.
- (2) Sub-recipients must certify in writing that their project is complete and satisfactory before final disbursement of funds.
- (3) Sub-recipients should understand that any property acquired or improved with federal grant funds may have use and disposition conditions that apply to the property as provided by 7 CFR parts 3015, 3016, or 3019. The sub-recipient grantee should understand that any sale or transfer of property is subject to the interest of the United States Government in the market value in proportion to its participation in the project as provided by 7 CFR parts 3015, 3016, or 3019 in effect at this time and as may be subsequently modified.

**4. Evaluation of an Applicant's Proposal (Compliance with Federal and State Requirements):**

This portion of an applicant's proposal is required. Without the statement of understanding and required forms the application may be declared non-responsive and eliminated from the evaluation process.

## **F. Evaluation of Applications and Award of Grants**

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The various processes for the initial review of the grant applications, evaluation of the remaining grant applications, award of grants, and management of the grants will be similar to the following:

1. Prior to evaluating the grant applications, the RCA will perform an initial review to identify grant applications that don't meet the minimum eligibility requirements, are incomplete, and/or have other problems. The RCA, at its sole discretion may contact the grant applicant for additional information and/or clarification or the RCA may declare the application as non-responsive and reject it in its entirety. If rejected, the grant application will be eliminated from the evaluation process. The RCA will notify applicants whose grant applications have been rejected.
2. The remaining grant applications will be forwarded to an evaluation committee, each member of the evaluation committee shall independently evaluate each grant application based on the criteria, evaluation factors, and values identified in this document and summarized below:

Eligible Applicants.....	5
Eligible Communities.....	5
Eligible Projects--Construction and Start-Up Phase (Plan).....	25
Eligible Projects--Construction and Start-Up Phase (Training).....	15
Eligible Projects--Construction and Start-Up Phase (Budget).....	25
Eligible Projects--Maintenance Phase (Plan and Budget).....	<u>25</u>
Maximum Possible Points	100

3. The Evaluation Committee, at its sole discretion, may decide if discussions with grant applicants, presentations, and/or site inspection are necessary. If held, members of the Evaluation Committee may change their individual scores based on the additional information.
4. The individual Evaluation Committee members will have the opportunity to meet as a Committee to discuss the grant applications before and/or after their individual review and scoring. Members of the Evaluation Committee may change their individual scores based on these discussions.
5. When the individual Evaluation Committee members have completed their scoring, the total points for each grant application will be determined. Those applicants receiving "sufficient points" will then be afforded the opportunity of entering into a grant agreement with the RCA within 30 days of the grant award (unless this deadline is extended as discussed below).
6. Unsuccessful applicants have up to 10 working days from the date of receiving notice, to provide a written appeal to the RCA. The RCA, at its sole discretion, may consider the appeal and will notify the applicant accordingly.
7. Successful applicants will be afforded the opportunity to enter into a grant agreement with the RCA. There will be little to negotiate in the grant agreements as the agreement will basically incorporate the applicant's application. The grant applicant will be required to have obtained necessary approvals and consents before execution of the grant agreement. The RCA may, at its discretion and for good cause shown, extend the deadline for executing a grant agreement.

## G. Tentative Schedule

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Approximate Dates	Activity
11/15/2010	Grant Application Guide available
01/31/2011	Deadline to receive grant applications (proposals)
02/21/2011	Grant applications reviewed/evaluated & applicants notified
02/25/2011	Appeal Period ends
03/16/2011	Execution of grant agreements
09/15/2012	Construction Phase ends
03/15/2013	Start-Up Phase ends

## H. Submission of a Grant Application (Proposal)

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Grant applications may be mailed or hand delivered, as long as **five** copies are physically delivered to the RCA no later than 4:30 p.m. **January 31, 2011** to the address listed below.

RURAL ALASKA BROADBAND INTERNET ACCESS GRANT PROGRAM  
REGULATORY COMMISSION OF ALASKA  
701 WEST 8<sup>TH</sup> AVENUE, SUITE 300  
ANCHORAGE, ALASKA 99501-3469

Failure to meet the deadline will result in disqualification of the application and it will not be reviewed. Faxed, e-mailed, and/or or electronic submissions of a grant application are not acceptable.