

Coronavirus Capital Projects Fund

Frequently Asked Questions

AS OF October 13, 2022

This document contains answers to frequently asked questions (FAQ) regarding the Coronavirus Capital Projects Fund (CPF), established by Section 604 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021. This FAQ document clarifies CPF Guidance for North Dakota and does not supersede the Guidance/Information located on the US Treasury's CPF website. ([US Treasury Capital Projects Fund](#)). North Dakota Broadband Team will be updating this document periodically in response to questions received from stakeholders.

Q1: What are the labor requirements for this grant and does it include Davis-Bacon Act provisions?

A1: The specific labor requirements are identified in Section 5 of the US Treasuries Coronavirus Capital Projects Fund, Compliance and Reporting Guidance For States, Territories, and Freely Associated States. In general, grants under \$5M fall outside of the Davis-Bacon Act requirements.

Q2: What are the reporting requirements for sub-grantees?

A2: Please refer to the US Treasury Guidance for Compliance and Reporting. ([CPF-Reporting-Guidance-for-States](#)) Subgrantees will be required to provide quarterly and annual reporting in support of the identified guidance. The State is working with the Treasury and hope to have a standardized form for reporting for the CPF program prior to the first reporting period.

Q3: Can I request funds for middle mile only projects?

A3: No. NDIIT intends to use these funds to drive last mile access projects. To the extent that middle mile or central office projects are needed to support the last mile project being proposed, the state will consider funding those projects with CPF funds. The state encourages service providers to apply for the federally funded middle mile projects through the [Enabling Middle Mile Broadband Infrastructure Program](#).

Q4: How do I keep my project specific proprietary information secure?

A4: The state believes that applicants will be able to fill out the vast majority of the application using public or non-proprietary information. The one area that the state has identified as sensitive are

the detailed network plan/maps for the proposed project serving area. In the application process the service provider will be able to provide 2 maps. One that shows the proposed area and identified locations of the project that will be made available for public comment and a second document will show network details of how that area or those locations will be served. This information should be marked proprietary and will follow standard processes for determination regarding open records

- Q5: What if some of the addresses in my proposed project area will not be able to get the 100/100 Mb/s symmetrical service specified in the program?
- A5: The US Treasury has made allowances for service providers to request a variance of the 100/100 requirement under limited conditions. These conditions include excessive cost to deliver the service based on various factors. If a SP runs into this situation they should request a meeting with the state to discuss the issues and determine how to proceed.
- Q6: The resource material from the U.S. Treasury and the state of North Dakota mentions fiber in several places. Is this the only technology that can be deployed?
- A6: The CPF Grant does not specify a technology that must be used to be eligible for grant funds. The Treasury has defined a speed requirement of 100 Mbps symmetrical service and would consider waivers in extreme circumstances. The state of North Dakota will follow the Treasury's guidance of "Recipients are encouraged to prioritize investments in fiber-optic infrastructure where feasible, as such advanced technology better supports future needs."
- Q7: Are there any requirements as to what serviceable addresses MUST be served first when it comes to these funds?
- A7: No. There are no requirements that state any particular address MUST come first. Addresses will be classified as eligible or ineligible by their current broadband service capability/speed. The state will be using serviceable addresses and several other factors to prioritize and rank projects for funding.
- Q8: Why do you say people who do not have 100/20 Mbps service are underserved? Doesn't the FCC define it as under 25/3 Mbps?
- A8: The US Treasury has defined unserved addresses as those addresses with broadband service of 25/3 Mbps or slower and underserved addresses as those between 25/3 and 100/20 Mbps service. All eligible addresses will be considered when evaluating the applications and the State will **not award any addresses** that meets or exceed 100/20

- Q9: Can these funds be used to overbuild other government funded areas, e.g. USDA, FCC, NTIA, CARES, ARP
- A9: All projects identifying a service area with eligible addresses can be considered for grant awards and the state will follow all US Treasury guidance regarding any joint funding criteria. The State will **not award any addresses** where a provider has an existing award and commitment from any other state or federal program to provide services that exceed the States definition of underserved.
- Q10: Are there any funding caps based on company, county, city, project, etc?
- A10: There are no funding caps. All projects will be considered independently, scored based on their merits and ranked to achieve maximum benefit to the unserved and underserved addresses.
- Q11: Are state grant funds taxable?
- A11: Currently the grants would be taxable. The bipartisan Broadband Grant Tax Treatment Act was introduced 9/29/2022 to amend the Internal Revenue Code to say that funding from IIJA and ARPA would not be considered taxable income to broadband providers, and we are monitoring that legislation.
- Q12: The program should anticipate that some customers will choose to purchase services some time after the project is completed and that placement of cable (drop) along private property is reimbursable by the project sponsors rather than the end user (for a window of time).
- A12: The program does not have the capacity to manage variable costs such as drop reimbursements. The State encourages applicants to estimate service subscription and drop cost through the Grant period of performance and identify them as a separate line item in the budgets. All eligible cost identified in the grant application and budget will be reimbursed through December 31, 2026, which is the end of the period of performance.
- Q13: Can we apply for a grant even if our project will not complete before 12/31/2024?
- A13: The State wants to expedite the network buildout of the unserved and underserved addresses and has defined a goal of 2 years for this construction. We understand that there may be some issues meeting this schedule (supply chain) and will consider projects with proposed completion dates beyond 12/31/24; however, Project Completion Date is one of the scoring metrics that will be used in ranking of the projects.

Q14: If the cost of the project changes due to economic fluctuations, can there be budget revisions?

A14: The State encourages applicants to consider all variables when filling out the application. If there are funds available at the end of the performance period the State will consider using these funds to reimburse operators for any project shortfalls; however, it is expected that all funds will be allocated.

Q15: Can you apply for funds under a subsidiary, or do you need to file under the main company umbrella?

A15: Any eligible entity can apply for a grant. The application will be scored based on the financial and operational wherewithal of the applying entity.