

Office of Broadband Access and Expansion  
New Mexico Department of Information Technology

Connect New Mexico Fund  
Application  
December 2023

Email for Questions: [broadband@connect.nm.gov](mailto:broadband@connect.nm.gov)

*Note: OBAE will soon release a web-based tool to capture all responses. This PDF version has been posted to inform applicants about the questions and enable early planning.*

## Overview

The Office of Broadband Access and Expansion (“Office”) requires eligible entities to complete the following application to request grant funding from the Connect New Mexico Fund. The Office will review and evaluate only those applications deemed fully responsive to ALL the listed questions.

### A. Application Sections

The application is divided into 16 sections, and an Appendix of required attachments is included, as noted in the table below. Each section contains several questions. Responses to the questions should be provided in the designated spaces below. The required attachments are specified in the questions and also noted in the Appendix. These required attachments must be included in a PDF document.

Application Sections	
1)	Application Summary
2)	Project Dashboard
3)	Executive Summaries
4)	Location and Mapping Data
5)	Project Impact
6)	Community Engagement
7)	Matching Contribution and Demonstration of Financial Need
8)	Project Budget
9)	Project Plan
10)	Organizational and Personnel Background
11)	Contractors and Vendor Management
12)	Labor and Employment Practices
13)	Technology and Network Design
14)	Marketing and Services Strategy
15)	Affordability and Adoption Assistance
16)	Financial Standing
17)	Appendix for Attachments (This section lists the required attachments. You are free to include other additional attachments as necessary to support your application.)

### B. Program Resources

Please refer to the following documents for additional background about the Connect New Mexico Fund.

- **Notice of Funding Opportunity (NOFO):** The NOFO formally establishes the funding opportunity for the Connect New Mexico Fund. Please review the NOFO to learn about the authorizing legislation, program purpose, program eligibility factors (e.g., project types, technologies, eligible service locations, entities), allowable expenditures, key performance requirements (e.g., network performance, service offerings), evaluation criteria, and post-award compliance requirements.
- **Scoring Guide:** Provides a detailed overview of the selection criteria. The Scoring Guide details the eight major categories and 25 sub-categories, the assigned points, and the consideration factors influencing the score.
- **Program Website:** Please visit the program website for other background information. This website link follows: <https://connect.nm.gov/connect-nm-fund/>

- **Frequently Asked Questions (FAQ):** A list of frequently asked questions will be posted soon after the program's launch to answer commonly asked questions.

### **C. Application Submission**

#### ➤ **Application Closing Date**

The deadline to apply to the Connect New Mexico Fund is March 11, 2024 (11:59 pm MT).

#### ➤ **Format**

Please submit a typed response to the questions in the designated grey-shaded areas. Please also provide the required attachments. Please convert attachments to "PDF" format.

#### ➤ **Application Submission: Portal Upload**

Please submit the application and required attachments by loading these into the applicant portal. This portal will soon be available on the program website.

#### ➤ **Responsiveness to Questions**

The Office understands that an applicant may lack the internal and/or professional resources to complete certain questions requiring an analysis. The Office requests applicants to provide the best estimate and to share all assumptions used to prepare the response.

**Directions:** Please provide all responses beside each question in the gray shaded area below. Questions requiring attachments are delineated. Please limit all narratives to less than 250 words. However, if necessary, this word limit may be exceeded to respond to the question fully.

**1. Application Summary**

General	
Proposal Title	
Network Purpose (Please check applicable categories)	<input type="checkbox"/> Last Mile <input type="checkbox"/> Middle-Mile <input type="checkbox"/> 5G Wireless <input type="checkbox"/> Special Project (see NOFO for eligible project types) <input type="checkbox"/> Combination of Purposes  For Special Project or Combination, please specify: _____
Technology Type (Please check applicable categories)	<input type="checkbox"/> Wireline (e.g., Fiber Optic) <input type="checkbox"/> Fixed Wireless <input type="checkbox"/> 5G Network (for Mobility and Fixed Solutions) <input type="checkbox"/> Non-Terrestrial (e.g., Satellite, High Altitude Platform Stations) <input type="checkbox"/> Combination of Technologies  For Alternative or Combination, please specify: _____

Applicant Information		
Organization Information		
Organization Legal Name		
“Doing Business As” Name		
Mailing Address		
Website		
Federal Employer Identification Number		
Primary and Secondary Contacts		
	Primary Contact	Secondary Contact

Name		
Title		
Phone Number		
Email Address		
<b>Commercial Background with State of New Mexico</b>		
Receipt of Prior State Grant (Y/N)	<input type="checkbox"/> Yes/No If Yes, please list program(s): _____	
Secretary of State Business ID		
<b>Organization Type</b>		
Applicant Category (Please select one)	<input type="checkbox"/> Incorporated Business or Partnership <input type="checkbox"/> Government Entity (public agency – local or state, political subdivision, etc.) <input type="checkbox"/> Tribal Government <input type="checkbox"/> Non-Profit <input type="checkbox"/> Cooperative <input type="checkbox"/> Limited Liability Corporation (organized to expand broadband) ** A political subdivision includes any county, city, village, town, special district, or other political subdivision or public corporation.	

**2. Project Dashboard**

Project Data					
<b>Financial Information</b>					
Grant Requested	\$		Grant % of Budget	%	
Matching Contribution	\$		Match % of Budget	%	
Total Project Budget (\$)	\$				
Matching Contribution Sources (Check Box)	Internal Funding	3 <sup>rd</sup> Party Financing	Government Entity	Community Stakeholder(s)	In-Kind
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Type of Match Source: Please specify					
<b>Unit Economics</b>					
	Total Budgeted Costs per Location (total budget amount divided by total locations)				

Cost per Location (passed by wireline or covered by fixed wireless or alternative technology in Proposed Project Area)	Total Grant Cost per Location (total grant amount divided by total locations)				
	Total Match Contribution per Location (total match divided by total locations)				
Estimated Linear Density (number of locations per road mile)					
Communities Served in Project Area					
Number of Communities					
Number of Counties					
Premises Passed by Wireline or Covered by Wireless					
Segments	Homes	Businesses	Community Institutions	Farms	Total Locations
Unserved Locations Below 25/3 Mbps					
Underserved Locations Between 25/3 & 100/20 Mbps					
Total (column)					

**Technology Dashboard**

**A. Fiber Project: Infrastructure Metrics**

Total Fiber Miles			
Fiber Miles by Type (should equal total fiber miles)	New Fiber	Upgraded Fiber	Leased Fiber
Fiber Miles by Network Purpose (should equal total fiber miles)	Last Mile		Middle Mile

**B. Fixed Wireless, 5G Project, or Public Safety: Wireless Infrastructure Metrics**

Number of Towers and/or Poles	New Construction	Leased
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Number of Base Stations	
Wireless Coverage Footprint (Sq. Miles)	
Spectrum Frequency Band(s) Being Utilized	
License Requirement	[ <input type="checkbox"/> ] License Required; [ <input type="checkbox"/> ] Unlicensed; [ <input type="checkbox"/> ] Both

**C. Non-Terrestrial Technology (Satellite, HAPS)**

Key Metrics to Illustrate Core Network (e.g., number of HAPS operating units, number of satellites, number of ground stations, etc.)	
Spectrum Frequency Band(s) Being Utilized	
License Requirement	[ <input type="checkbox"/> ] License Required; [ <input type="checkbox"/> ] Unlicensed; [ <input type="checkbox"/> ] Both

**D. Other Special Projects**

Key Metrics to Illustrate Network (e.g., number of poles being replaced, miles of conduit installation for Dig One, etc.)	
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**Other Project Details**

Service Offerings		
	Service Offering (download/upload)	Monthly Price
Maximum Speed to Customer Location		\$
Minimum Speed to Customer Location		\$
Community Engagement		

Number of Letters of Support Filed with Application						
Number of Project Partners (by type)	Gov. Entity	Community Institution	Non-Profit Org.	Telecom Provider	Investment Contributor	Other

### 3. Executive Summaries

Directions: Please provide a succinct summary for the topics below. Please limit your response to 250 words for each section. However, this word limit may be exceeded if required to fully respond to the question.

#### A. Project Overview

Please provide a high-level overview of the project.

#### B. Problem Statement

Describe the challenges within your targeted communities. Please address: a) needs and gaps; b) shortcomings of existing solutions; c) prior attempts to resolve the problem and results; d) any other data points to illustrate the problem(s) for which this funding can help resolve.



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**C. Description of Network Solution and Service Offerings**

Provide a general overview of your solution, including: a) network technology; b) service offerings (e.g., range of speeds offered); c) programs to enable affordability and digital inclusion; d) other initiatives to bring value to your communities.

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**D. Targeted Communities and Customer Segments**

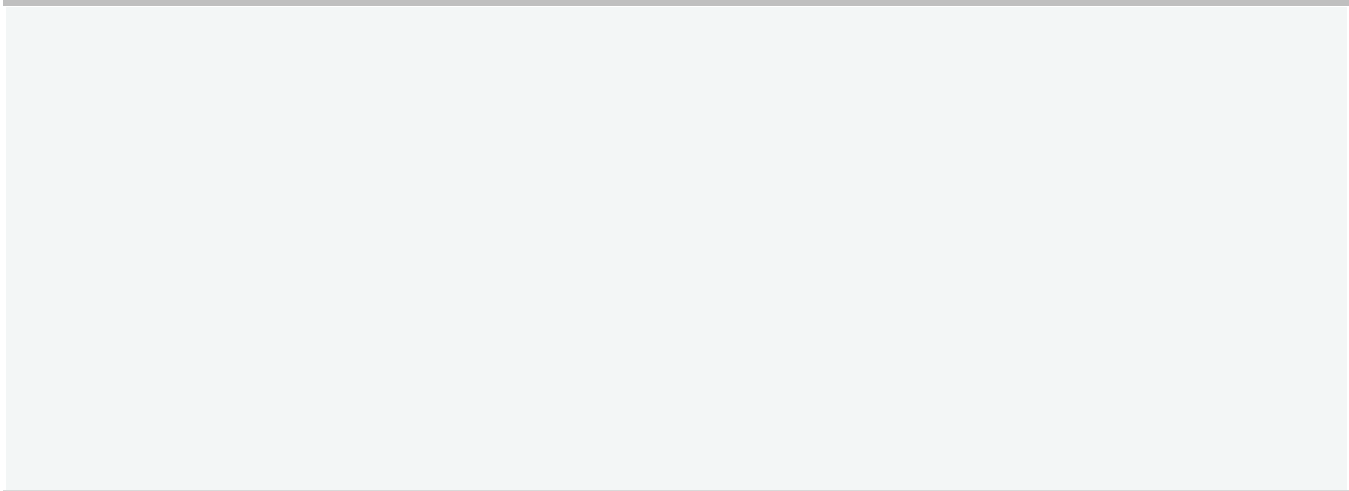
Please discuss the targeted beneficiaries of the project, and specifically address: a) targeted communities and customer segments; b) estimated size of the targeted beneficiaries (number of locations by household, business, community institutions, other beneficiaries); c) economic status of the service areas (e.g., median household income, unemployment data, poverty rates); d) other data points to better understand the targeted markets.

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**E. Applicant Background**

Please discuss your organization’s mission, operating history, location, employee size, key financial metrics (e.g., revenue, budget, etc.)

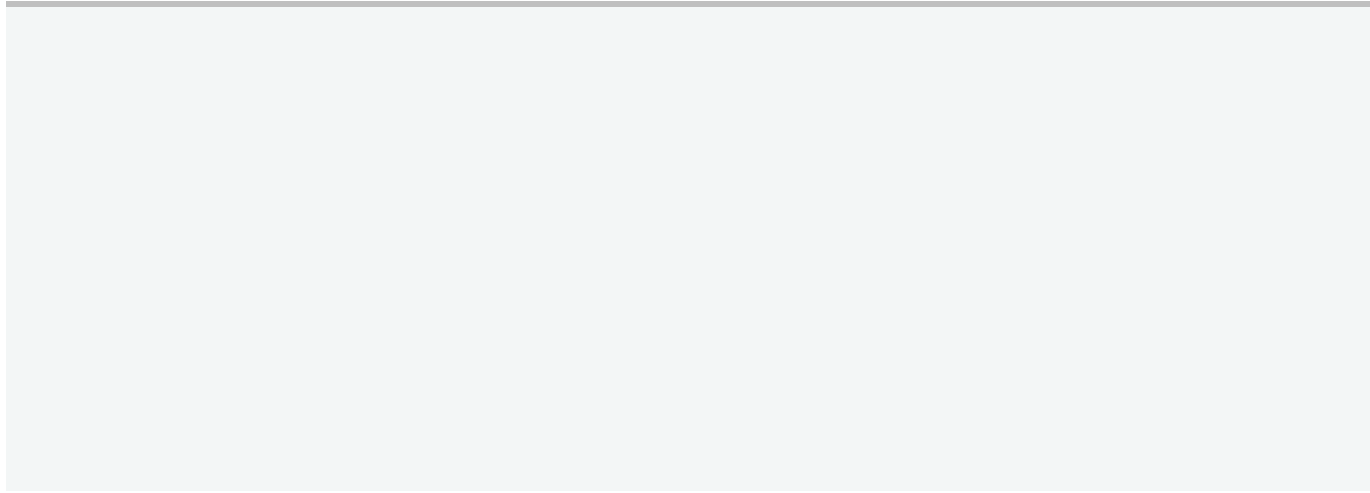
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#### 4. Location and Mapping Data

##### A. Location Overview

**Narrative of Geographic Coverage:** Please provide a narrative that describes the geographic coverage of the proposed project.



##### B. Network Map of Proposed Project Area

**Network Map:** Please include a detailed network map in the Appendix and label it as **“Attachment 4-B”**. Maps should be included in both PDF version and a spatial data version (e.g., .shp, .kmz, or .kml) as an electronic attachment. Please see infrastructure type specific instructions below.

- 1) Wireline Project:** Please include a route map that shows: a) service area with boundaries; b) lateral miles and middle-mile (different colors); c) all premises served by the network (residents, businesses, farms, institutions); d) all peering points with middle-mile and colocation facilities; e) names of places, boundaries, buildings, road/street names or other features that identify the project coverage area; f) location of any existing and leased facilities (separately color-coded). For middle-mile, please include: meet-me points with last-mile networks; points of interconnection with Internet backbone (e.g., carrier hotel); community access points.

- 2) **Fixed Wireless Project:** The coverage map should show: a) coverage area; b) location of all towers and base stations; c) backhaul between the base stations to aggregation points (e.g., fiber spans or microwave links); d) backhaul link to the Internet backbone; e) location of any existing and leased facilities (separately color-coded).
- 3) **Alternative Technology:** The coverage map should show: a) coverage area; b) backhaul links from aggregation points to the Internet backbone; c) location of any terrestrial facilities; d) location of any non-terrestrial components; e) other noteworthy network elements.

**Confirmation for Attachment 4-B**

Check this box to confirm that a detailed Network Map is included in the Appendix.

**C. General**

**List of Counties Intersected by the Proposed Project Area:** Please list all counties served and the number of locations, from the proposed project area, that reside in each county.

Name of County	Total Locations	Percentage of Locations

**List of Communities Served by the Proposed Project Area:** Please list all cities, towns, and villages served, and the number of locations, from the proposed project area, that reside in each community.

Name of Community (Town, City)	Total Locations	Percentage of Locations

**D. List of Interconnection Points (Middle-Mile Projects)**

**Interconnection Points (Middle Mile Projects):** Please list all points of interconnection. These can include peering points, carrier hotels, colocation facilities, and other examples of where you interconnect with another telecom operator. Please include these in the Appendix and label as **“Attachment 4-D”**.

Middle Mile (Peering Points, Carrier Hotel, Colocation Facility, etc.)

Name	Type (e.g., peering point)	Address
• Fill	• Fill	• Fill
• Fill	• Fill	• Fill

• Fill	• Fill	• Fill
• Fill	• Fill	• Fill

**Confirmation for Attachment 4-D**

Check this box to confirm that a list of all interconnection points is included in the Appendix.

**E. Service Area Overlap with Other Government Funded Programs**

**Service Area Overlap:** Please explain whether your Proposed Project Area overlaps in census blocks which have received federal or state funds for broadband infrastructure deployment. Please name the funding program, and what percentage of the targeted locations fall within these overlap areas.

[Empty text area for Service Area Overlap response]

**Avoiding Duplication:** If so, please explain how the funding the from the Connect New Mexico Fund is being used only for complementary purposes. Please also confirm that funds requested from the Connect New Mexico Fund have not been, or will not be, reimbursed by any other state or federal funding programs.

[Empty text area for Avoiding Duplication response]

**F. Facility Placement on Tribal Land**

**Intersecting Tribal Land:** Please state whether your project requires facilities to be placed on tribal land. These may include: last-mile network serving tribal locations; middle-mile spans intersecting tribal land; a pole replacement project involving poles on tribal land; a fixed or 5G wireless network with towers or backhaul on tribal land; satellite or HAPS receivers to be placed on tribal land.

Yes		No	
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**Details:** Please state: a) the relevant tribal unit(s); b) the network facilities that will be deployed on tribal land; c) whether consent has been received.

If so, please provide evidence indicating tribal consent.

**Confirmation for Attachment 4-F**

Check this box to confirm that proof of tribal consent is included in the Appendix.

**5. Project Impact**

**A. Last-Mile Broadband Impact**

**Serviceable User Segments:** Please state the number of premises passed or covered by the broadband infrastructure for the speed tiers identified below.

**Premises in Service Area by User Segment**

		Unserved (lacking wireline or licensed fixed wireless above 25/3 Mbps)			Underserved (having wireline or licensed fixed wireless above 25/3 Mbps but below 100/20 Mbps)		
<b>Current Speed (Mbps)</b>		<25/3	<25/3	<25/3	<100/20	<100/20	<100/20
<b>Project-enabled Speed</b>		≥100/20	≥100/100	≥1G/1G	≥100/20	≥100/100	≥1G/1G
<b>Premise Type</b>	Homes						
	Businesses						
	Community Institutions						
	Farms						
<b>Total Premises by Speed</b>							

**Basis for Concluding Unserved or Underserved Status:** Please explain the data used to substantiate the targeted locations are unserved or underserved.

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If the basis includes data beyond the Connect New Mexico Map, please provide details on the source and narrative to justify its accuracy.

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**Served Locations:** The NOFO states that eligible service area are those in which 80% of the household and business locations in the applicant’s Proposed Project Area (PPA) are either unserved and/or underserved; any served locations are only to be included if they are incidental toward targeting the unserved and/or underserved locations.

Please explain whether: a) any served locations are being passed by wireline (or covered by fixed wireless); b) if so, why they cannot be avoided by the proposed network; c) what degree they represent of the total targeted locations.

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**B. Middle-Mile Broadband Impact (if relevant)**

**Middle-Mile Deployment:** Please explain how the deployment of the proposed middle-mile network facilitates last-mile connectivity to unserved and underserved communities. If an existing middle-mile network is available for access within the Project Area, please explain the challenges that prevent usage of the existing middle-mile facilities.

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**C. Social and Economic Benefits DISTINCT OR UNIQUE to Proposed Project Area**

**Socioeconomic Benefit:** Please describe any DISTINCT or UNIQUE socioeconomic and other community benefits enabled by this project for the targeted communities. Please explain the current or planned initiative(s) and how this project serves to catalyze the benefits. Examples follow below.

- **Economic Development:** Housing development, local workforce development programs, attracting new business establishments, attraction and retention of residents, farming efficiency and productivity, tourism growth initiatives, etc.
- **Community Development:** Specific drives to foster Internet adoption, telehealth enrollment initiatives, electric grid modernization, smart-city services
- **Safety and Security:** Enhancement of public safety communications, reduction of mobile coverage gaps, replacement of lines impacted by wildfires, enhancement of communication redundancy and resiliency

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**D. Economic Distress in Project Area**

**Level of Economic Distress in Targeted Service Area:** Please address whether the project serves an economically distressed area(s). The level of economic distress can be measured by the degree to which unemployment rates, poverty rates, or population loss levels are significantly higher than the statewide average.

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**Key Economic Indicators in Service Area:** Please provide the following indicators for your community and State. Please see Exhibit A for links to find the key indicators for your service area.

Indicator	State Average (included below)*	Proposed Project Area	Percentage Difference (Unfavorable)/Favorable)
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Unemployment Rates	3.8%		
Average Poverty Rate	17.6%		
Median Income	\$58,726		

**Exhibit A:**

**Information Sources for Key Indicators:** Please consult these resources to find the relevant indicators for your communities.

Unemployment Rates

- <https://data.ers.usda.gov>

Median Income (reported by US Census)

- <https://censusreporter.org>

Average Poverty Rate (reported by US Census)

- <https://censusreporter.org>

**E. Passing or Covering All Unserved and Underserved Locations in Census Blocks Intersected by Proposed Project Area for Last-Mile Networks**

*Note: OBAE’s mission involves fostering the universal availability of broadband to all residents, businesses and community institutions across New Mexico. Applicants should not “cherry pick” or intentionally avoid locations and areas involving comparatively higher deployment cost, lower adoption rates, or other economic limitations. OBAE will engage in a mapping review to ensure all locations across a census block, village, town, etc. are covered.*

**Commitment to Service All Eligible Locations:** Please confirm that the last-mile network passes (through wireline) and/or covers (through fixed wireless) ALL unserved or underserved locations in the targeted communities intersected by the Proposed Project Area.

If not, please explain why your project leaves out some of these unserved or underserved premises located. Please explain how these unconnected locations will otherwise receive broadband in the near future.



## 6. Community Engagement

### A. Local and Regional Partnerships

**Government, Community, and Commercial Partnerships:** Please describe collaborative initiatives with partners that aim to provide support around planning, permitting, financing, network deployment, customer adoption, long-term financial viability, and overall project sustainability. Their project support may include streamlining permitting and regulatory requirements, network design planning and deployment, project promotional/awareness, service purchase commitments, matching contribution, revenue commitment (i.e., anchor client), etc. Partners may include the following types of entities (illustrative).

- **Public Entities:** Tribal government, county, municipality, public agency, etc.
- **Community Organizations:** Community institution (school, hospital, higher education institution, etc.) non-profit, research institutions, community organizers, etc.
- **Broadband Service Providers:** Middle-mile or backhaul network operator, ISP’s offering retail services over open access networks, telecom network infrastructure owners contributing resources (e.g., towers), etc.

Please do not include in this section the contractors, supply vendors and other services firms being hired. Those will be provided in Section 10.

### B. Identification of Project Partners

**List of Partners:** Please list all project partners.

Entity	Brief Description of Role	Filed Letter of Support (Y/N)

**C. Evidence of Community Support**

***Degree of Community Support:*** Please provide a narrative regarding the breadth and depth of community support.

***Summary Overview of Letters of Support:*** Please provide an overview of the letters of support, and specifically address: a) number of letters; b) sources; c) degree to which letters are personalized and reflect the unique support of the particular stakeholder; d) process (and any challenges) to solicit the letters.

***Local or Regional Government Support:*** Applicants are encouraged to obtain a support letter from local government authorities representing the Project Area. These may involve agency leaders, elected officials, or other public officials aiming to bridge the digital divide. Please list the government entities that provided support letters. If your project did not receive any letters of support from local government authorities, please explain the challenges in securing such letters.

***Appendix for Letters of Support:*** Please include all Letters of Support in the Appendix. Please label as **“Attachment 6-C”**

**Confirmation for Attachment 6-C**

Check this box to confirm that Letters of Support are included in the Appendix. Please include a tabular sheet that lists each entity.

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**Community Survey and Feedback:** Please discuss whether you conducted any type of a survey to evaluate the needs, gaps, and overall project support. If so, summarize the results of the survey. Also, if you collected any other feedback from members of your community (e.g., community forum, etc.), please describe that process and summarize the results.

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**Survey Results:** Please attach the results of the survey in the Appendix and label as “**Attachment 6-C2**”.

**Confirmation for Attachment 6-C2**

Check this box to confirm that Survey Data, if available, is included in the Appendix.

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**D. Financial Contribution from Community Stakeholders**

**Financial Contribution by Community Stakeholders:** Please discuss any financial investment that will be made by community members and organizations. Address the following: a) degree of financial contribution from community-based members and institutions; b) in-kind resource commitments from community-based members and institutions; c) evidence to support verification of pledge.

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**7. Matching Contribution and Demonstration of Financial Need**

A. Matching Contribution			
<b>Matching Contribution Amount:</b> Total Dollar Amount		<b>Matching Contribution Percentage:</b> Percentage of Project Budget	
<b>Match Type:</b> Cash vs. In-Kind (or both)		Cash Match	In-Kind Match
	Amount		
	Percentage of Total Budget		
<b>Match Source:</b> Please provide a narrative that discusses the source(s) of the match.			
<b>Evidence:</b> Please describe the type of proof being submitted from each match contributor (e.g., letter of credit for loan, internal funds on balance sheet, signed contract for 3 <sup>rd</sup> party investment, etc.)			
<b>Evidence of Matching Contribution</b> (Please include separate attachment and label as <b>“Attachment 7-A”</b> .)	<p><b><u>Confirmation for Attachment 7-A</u></b></p> <input type="checkbox"/> Check this box to confirm that evidence for matching contribution from EACH contributor is included in the Appendix.		
<b>Specific Contributors of Nonstate Match</b>	Match Contributor	Contact Info. (Email and Phone)	Amount (\$)

**B. Financial Need for State Grant Support**

**Narrative on Need for Grant-based Support:** Please describe why this project cannot move forward absent the requested grant amount. Please consider discussing:

- Lack of appropriate return in the business case without the subsidy

- Key barriers to financing the project
- Prior attempts to make this investment and challenges that followed
- Other key factors to substantiate financial need

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**Rationale for Level of Matching Contribution Amount:** Achieving the goal of universal broadband availability requires substantial private match contributions that complement grant funding. Please describe the justification for the specific amount of matching contribution – and not a higher amount.

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**C. Financial Assessment of Grant Requirement**

Financial Return Calculations: Service operators develop and evaluate the project-specific business case that includes upfront capital expenditures, recurring revenues, recurring operating expenses, and other capital replacement (or upgrades) over a 15-20 year period. The analysis helps evaluate the financial health of the project, including return on investment, profitability, net cash inflows vs. outflows, and overall sustainability.

Please calculate the financial return of the project with and without a grant amount to indicate the financial level of need.

(Please see Exhibit C: "Calculation of Metrics")	<u>Without Grant</u>	<u>With Grant</u>
<b>Payback Period</b> Please calculate the payback period with and without the grant. (Years and Months)		
<b>Project NPV</b>		

Please state the net present value of the project with and without the grant based on a 15 year financial forecast using 12% discount rate. If the firm’s cost of capital is higher, please use that for the discount rate.

**Narrative on Financial Metrics Supporting State Grant:** Please provide a narrative regarding how the results of the payback period, and NPV analysis with and without the subsidy, justify the specific grant amount requested and the match being contributed.

**Supporting Analysis**

Include the supporting analysis in spreadsheet form (copy/paste from Excel). If attached separately, please label as **“Attachment 7-C”**

**Confirmation for Attachment 7-C**

Check this box to confirm that supporting analysis is provided to show the Payback Period and NPV – with and without the grant.

**Non-Commercial Network Projects:** For those projects that do not involve the deployment of a commercial network (e.g., last-mile, middle-mile, 5G, non-terrestrial) but serves to achieve a special purpose (e.g., facility replacement due to wildfires, public safety towers, Dig Once conduit installation), please provide an analysis and narrative that shows how the grant amount addresses the funding gap for the project.

**Exhibit C:**

Calculation of Metrics
<b>Payback Period</b>
The payback period involves the time it takes to recover the initial capital investment based on future operating cash flows from the project. Please provide the payback period for your project for two scenarios: 1) without the grant; 2) with the grant. For the second scenario (with the grant), simply include the project budget funded by the matching contribution.

Please follow these guidelines:

- Consider only those after-tax operating cash flows involving revenue and operating expenses for the project. This means do not consider depreciation.
- Do not consider any financing expenses (e.g., payment of interest/principal, dividends, etc.)
- The first month of the analysis should start when you first start to incur capital expenses. For example, if you first start to incur expenses on 9/15/2024, then the period should start with September 2024.
- Express the payback period in years and months.
- Please be sure to include the detailed spreadsheet in the Appendix; this should show all sources of project budget and operating cash flows.

### Net Present Value

The Net Present Value (NPV) involves the present value of net cash flows taking into account all revenues, operating expenses, and capital investments. An NPV of zero means the project's rate of return is equal to the discount rate, which for this exercise, should reflect the cost of capital. A negative NPV implies the project fails to earn its cost of capital. The grant from Connect New Mexico Fund should help the applicant earn a rate of return equal to its cost of capital. Please compute the NPV with and without grant support. Please follow these guidelines:

- The cash flow projections must reflect a 15-year period.
- The cash flows should include capital investments and operating cash flows.
- Operating Cash Flows (OCF) involve all net cash flows generated from the annual operation of the project. Annual OCF equals after-tax operating income plus depreciation.
- The investments include all upfront and recurring capital expenditures during a 15-year financial forecast period.
- Please apply a discount rate that reflects your weighted average cost of capital (WACC). The WACC reflects the cost of debt (net of taxes) and equity. If you are unsure of what WACC to apply, please apply a 12% cost of capital.
- Please include a terminal value (TV) for the project in Year 15. The TV reflects the value of the project beyond Year 15. Thus, for your analysis, please multiply the net OCF in Year 10 by a factor of "10" – i.e., 10 times the net OCF in Year 15. Please apply this assumption for the TV multiplier.
- Please be sure to include the detailed spreadsheet of the NPV analysis.

### D. Match Waiver (if relevant)

**Narrative on Match Waiver Requirement:** Please explain the reason(s) that prohibit the minimum 25% matching contribution.

Note: OBAE will carefully review the evidence and data to determine if the waiver is justified based on the extenuating circumstances. If a proposal is deemed compelling, based on its initial evaluation, but the matching share waiver fails to provide an evidence-based justification, the applicant may be asked to contribute the 25% matching share to receive an award.

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**Match Waiver Letter:** Please include separate attachment and label as **“Attachment 7-D”**. The waiver should be a letter from the applicant and addressed to the Office of Broadband Access and Expansion. The letter should explain the reason(s) that impede the 25% minimum matching contribution.

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**Confirmation for Attachment 7-D**

Check this box to confirm to confirm that you filed the match waiver.

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## 8. Project Budget

### A. Budget Overview

**Budget Narrative:** Please provide a narrative for your budget. Identify all major expenditure categories and the total sums for those categories.

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**Detailed Project Budget:** Please provide a detailed project budget in the Appendix, and label as **“Attachment 8-A”** and include in Appendix. The budget should show all required units of material and labor, cost per unit, and total cost for each line item, and a brief description of the line item. Please refer to the Budget Template on the program website.

#### Confirmation for Attachment 8-A

Check this box to confirm that the Detailed Project Budget is included in the Appendix

### B. Cost Efficiencies

**Achieving Cost Efficiencies:** Please describe your strategic decisions and actions to drive cost efficiencies. Please consider discussing:

- Technology and network design
- Procurement initiatives to invite a competitive response for supply and labor
- Other

\*\* Please note that your procurement practices must abide by federal and state laws.

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**Leveraging Existing Assets:** Please describe how your proposal leverages existing assets. These assets may include:

- Middle-mile assets (e.g., through IRU's)
  - Last-mile network elements (e.g., co-location facilities, data centers, towers)
  - Non-network resources and assets being contributed (e.g., personnel, premises, offices, etc.)
- 

### C. Cost Metrics

Please complete the following metrics. The costs include all expenditures related to network elements, plant, and placement costs.

#### Fiber Project

**Deployment Cost per Fiber Mile Deployed (Last and/or Middle Mile Project):** Please calculate the cost per fiber mile that reflects all planning and construction costs. The cost elements should include: engineering design; permitting and regulatory reviews; pre-deployment readiness (e.g., make ready, site planning); outside plant materials (e.g., fiber, poles, hardware, conduit, splitters, etc.); labor to deploy network; and construction and project management. Please do not include the costs for network equipment, fiber drops, equipment external to premise (e.g., ONT), or customer premise equipment.

**Deployment Cost per Premise Passed:** Please calculate the cost per premise passed. The cost elements should include the total costs applied in the prior question and then divided by each premise passed. Please do not include the costs for the fiber drops or equipment to be installed on premise site.

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**Incremental Cost per Location Connected:** Please calculate the incremental cost for each location connected. This includes the fiber drop, external electronics, and any customer premise equipment not charged to the customer.

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**Cost per IRU Fiber-Strand Mile:** Please calculate the cost for fiber-strand mile purchased.

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Fixed Wireless Project

**Deployment Cost per Premise Covered:** Please calculate the cost for each premise covered by the wireless network. The cost elements should include: engineering design; permitting and regulatory reviews; pre-deployment readiness (e.g., site planning); tower site acquisition and construction; backhaul construction; labor for implementation; construction and project management; base station equipment. Please do not include the costs for customer premise equipment (e.g., antennas, modems, Wi-Fi routers, etc.)

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Alternative Network

**Deployment Cost per Premise Covered:** Please calculate the cost for each premise covered by the alternative network. The cost elements should include: engineering design; permitting; pre-construction cost; ground facilities; backhaul deployment; core network facilities specifically implemented to serve New Mexican premises; labor; construction and project management. Please do not include the costs for customer premise equipment (e.g., antennas, modems, Wi-Fi routers, etc.)

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## 9. Project Plan

### A. Project Plan Overview

**Project Schedule Narrative:** Please provide a detailed narrative regarding your project schedule. Please address: a) project start and end dates; b) key dependencies.

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**Government Approvals and Permits:** Please address whether all required government approvals and permits for this project to begin construction have been identified and included in the project schedule. This includes permissions required from various local and state government authorities (e.g., tribal, municipal, city, township, county, state) regarding such areas as planning, zoning, rights of way, roadwork, railroad crossings, etc. Please also discuss permits required from federal government authorities (e.g., Bureau of Land Management, US Forest Service, etc.).

Please itemize the approvals that will be required prior to project construction with the corresponding entity that will provide approval, and a brief description of the process required to obtain approval. Include the permitting process as a step on the Project Schedule.

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**Detailed Project Schedule:** Please include a detailed project schedule in the Appendix and label as “Attachment 9-A” . Please address all stages leading to the launch of commercial services – e.g., network design, site work, make ready, environmental assessment, vendor selection, permitting, construction, network testing, premise installation, etc.

**Confirmation for Attachment 9-A**

Check this box to confirm that the Project Schedule is included in the Appendix

**B. Risk Mitigation Strategy**

**Risk Mitigation Strategy:** Please identify: a) all major risk areas; b) potential impact to the project; c) strategies to mitigate those risks. These risks should pertain to key factors that may impede being able to complete this project within budget, on-time, and fully consistent with the proposed scope.

**\*\* Other Special Reviews:** Please note that construction projects may require other reviews – e.g., Environmental, Historical Architecture and Resources, Archeological, Paleontological, etc. Please ensure that your project plan reflects the time to apply and obtain these authorizations.

**10. Organizational and Personnel Background**

**A. Organization Capability and Track Record**

**Experience:** Please discuss the capabilities, experiences, and track record for your organization and its partners to successfully implement, operate, and sustain this project. Please reference unique resources, market presence, and experience in implementing similar projects.

**B. Personnel**

**Personnel:** Please provide a summary of key personnel that will manage this project – e.g., planning, engineering, infrastructure deployment, service roll-out, and growth.

Person	Role	Qualifications
		•
		•
		•
		•
		•
		•

**Resumes:** Please include resumes of these personnel in the Appendix and label as **“Attachment 10-B”**.

**Confirmation for Attachment 10-B**

Please check this box to confirm that resumes and included in the Appendix

**11. Contractors and Vendor Management**

**A. Procurement Strategy**

**Overall Approach:** Please discuss your comprehensive procurement strategy to support your effort in the permitting, design, deployment, and testing of the network. Please address the process to identify vendors and solicit bids, and the high-level criteria that will applied to evaluate bids. Please discuss policies and practices to shift execution risks to vendors for non-delivery (e.g., fixed price contracts, performance bond requirements, etc.)

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**Sole Sourcing** : Are there specific vendors that you plan to choose without a future competitive procurement process? If so, please explain the rationale for bypassing the competitive selection process (e.g., recently completed a competitive process; vendor offers a product or service not available by others; long-standing commercial relationship by which bringing aboard a new product may disrupt an existing network).

\*\* Grantees will have to abide by federal and state procurement laws for grant awards.

**B. Leveraging Local and Regional Firms and Contractors**

**Strategy to Leverage Local/Regional Workforce Participation:** Please discuss your strategy to leverage local and regional firms and contractors to design, plan, deploy, and operate the project. Key topics for discussion can include: outreach activities; apprenticeship programs; collaboration with local community colleges to provide training; etc.

**Track Record in Using Local and Regional Firms and Contractors:** Please discuss your organization’s history and track record of using local and regional firms, and how the experience and relationships will be applied to this project.

## 12. Labor and Employment Practices

### A. Resource Planning

**Attaining Sufficient Supply of Labor:** Please discuss plans to ensure the project will have access to a sufficient supply of appropriately skilled and unskilled labor to complete the project in three years.

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### B. Fair Compensation

**Policies and Practices:** Please discuss policies and practices to ensure that staff and contractors receive compensation at or above the prevailing wage rates.

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### C. Worker Safety

**Policies and Practices:** Please discuss policies and practices to provide a safe and healthy workplace that minimizes the risks of workplace illnesses, injuries, and fatalities.

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### 13. Technology and Network Design

#### A. Technology and Engineering System

**Technology and Engineering System:** Please provide details regarding the network technology, including: a) architecture; b) standards; c) equipment; d) vendors (if already chosen); e) design parameters used in the system (e.g., oversubscription ratio calculations, available bandwidth consumption per user, link loss, data rates per link, redundancy requirements, and technical specifications). For wireless projects, please also include propagation assumptions and underlying evidence. For alternative technologies, please address technical and engineering dimensions to assist program staff in understanding the network.

#### B. Network Capacity and Scalability

**Network Capacity and Speeds:** Please address: a) available network capacity offered by technology; b) how this capacity supports the adoption rates and speeds listed in the service offerings; c) the ability to deliver symmetrical 100 Mbps today; if not, evidence that the installed broadband infrastructure can deliver 100/20 Mbps today and is scalable to speeds of at least symmetrical 100 Mbps.

**Future-Proofing Today's Investment:** Please discuss the scalability of the proposed network and technology solution, by addressing: a) process and required investment for upgrading capacity in the future (e.g., equipment upgrades, purchase of higher-capacity backhaul transport); b) the useful life of the assets; c) technology roadmap with regard to forecasted speeds in 10 years.

## 14. Marketing and Services Strategy

### A. Service Packages

Please include the following: a) list of service packages (download/upload) for all your targeted customer segments; b) price points for each package and other recurring fees (e.g., Wi-Fi router rental); c) ability to purchase unbundled Internet (i.e., broadband service without having to purchase other services); d) specific contractual terms required to purchase service; e) non-recurring charges (e.g., equipment, installation, and any other non-recurring fees); f) any restrictions.

**List of Service Packages and Pricing:** Please include your proposed services and pricing in the Appendix and Label as **“Appendix 14-A.”**

Note: The Award Agreement will require a commitment to offering these services at the noted prices for the next five years.

#### **Confirmation for Attachment 14-A**

Please check this box to confirm that a list of your offerings and pricing is included in the Appendix

### B. Price Points Comparable to Rates in Competitive, Urban Markets

**Narrative on Competitive Pricing:** Please explain whether prices are commensurate with prices in urban, competitive markets. In addition, for last-mile projects, please review the FCC’s Urban Rate Survey at the following link, and provide a narrative on how your rates compare to the most competitive rates listed for your service tiers. <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>.

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**Competitor Offerings and Pricing:** Please include services and pricing from existing service providers in Appendix 11-B.

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**Confirmation for Attachment 14-B**

Please check this box to confirm that a schedule of offerings and pricing from existing service providers is included in the Appendix.

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**C. Customer Acquisition**

**Customer Acquisition Plan and Strategy:** Please provide a detailed narrative regarding: a) plan to acquire and retain customers; b) strategy for marketing, customer segmentation, targeting and positioning; c) details regarding overall sales strategy to support customer journey – e.g., awareness, evaluation, purchase, service initiation, customer care/billing, retention; d) details regarding sales organization and relevant partners.

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**D. Open Access Plan**

**Open Access Policies and Programs for Last-Mile:** Please address the following: a) policies to enable 3<sup>rd</sup> party ISPs to purchase wholesale services and serve retail customers; b) wholesale services and rates; c) details regarding the identification of retail ISP partners and status of contract negotiations (e.g., MoU, signed commitment).

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**Open Access Policies and Programs for Middle-Mile:** Please address the following: a) policies to enable 3<sup>rd</sup> party ISPs to purchase wholesale services and serve retail customers; b) wholesale services and rates; c) details regarding the identification of retail ISP partners and status of contract negotiations (e.g., MoU, signed commitment); d) required commitment to lease dark fiber strands to any 3<sup>rd</sup> party, acting in good faith, through an operating and capital lease (e.g., IRU) that enables them to have control over their purchased fiber strands.

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## 15. Affordability and Adoption Assistance

### A. Low Price Service Tier

Please address your pricing strategy and programs that may involve: a) special programs and partnerships that provide discounts to economically disadvantaged customers or institutions with limited budgets (e.g., community institutions); b) entry-level service tier(s) that provide minimum level of broadband (e.g., 100/20 Mbps) for an affordable rate.

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Please also discuss how you plan to participate in the FCC's Affordable Connectivity Program (ACP) and Lifeline Program to serve qualifying low-income households.

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**B. Programs to Foster Adoption**

Please provide: a) detailed description of broadband adoption activities planned for project – e.g., access to low-cost devices, digital literacy training, technical support, community Wi-Fi networks, etc.; b) technology strategies to enable adoption to general public (e.g., community networks that provide free public Wi-Fi, others).

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**16. Financial Standing**

**A. Financial Sustainability**

**Narrative on Financial Sustainability:** Please provide a detailed narrative regarding the key drivers of financial sustainability of this project. Please address: the following: a) minimum take rate (i.e., percentage of passed or covered premises that become customers) required to achieve positive operating cash flow; b) managing growth of operating expenditures to be in line with revenue growth; c) duration (years and months) to achieve positive operating cash flow.

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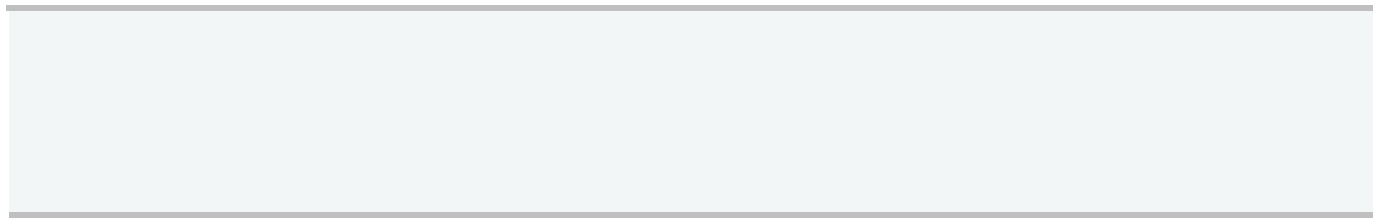
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**Financial Sustainability Risks:** Please discuss key risks to financial sustainability and mitigation plans, including: a) competition risks that could impede targeted customer penetration rates; b) adoption risks by customers; c) liquidity risk (if the project is taking on debt).

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**Pro Forma Financial Statements:** Please provide detailed financial forecasts for the first 15 years of the project, including: a) income statement; b) cash flow statement; c) balance sheet. These financial statements should be for this project only. The numbers should be consistent with other financial information provided in the application – e.g., Project Budget, Match Amount, Payback/NPV analysis, etc. Please include these pro forma statements in Appendix and label as **“Attachment 16-A”** .

**Confirmation for Attachment 16-A**

Please check box to confirm that you have provided a financial forecast spanning 10 years in the Appendix.

**B. Historic Financial Statements**

**Audited Financial Statements:** Please provide two years of audited financial statements. Include a copy in the Appendix and label as **“Attachment 16-B”** . If not, please explain why you cannot include audited statements.

**Confirmation for Attachment 16-B**

Please check this box to confirm that two years of audited statements are included in the Appendix.

**A. Appendix – Required Attachments**

Please include the following documents as attachments. The lack of any of these documents may deem the application incomplete. Also, feel free to include other attachments that convey additional relevant information regarding your service area, network, business model, and organization.

Attachments		
Attachment Number	Purpose	Required Status
Attachment 4-B	• Service Area Map (PDF and electronic version)	• Required
Appendix 4-F	• Proof of Tribal Consent	• Project-Dependent
Attachment 4-D	• List of Interconnection Points	• Project-Dependent
Attachment 6-C	• Letters of Support	• Required
Attachment 6-C2	• Community Survey Data	• Project-Dependent
Attachment 7-A	• Evidence of Matching Contribution	• Required
Attachment 7-C	• Financial Analysis of Payback Period and NPV	• Required
Attachment 8-A	• Detailed Project Budget	• Required

<b>Attachment 9-A</b>	<ul style="list-style-type: none"><li>• <b>Project Schedule</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Required</b></li></ul>
<b>Attachment 10-B</b>	<ul style="list-style-type: none"><li>• <b>Resumes of Key Personnel</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Required</b></li></ul>
<b>Attachment 14-A</b>	<ul style="list-style-type: none"><li>• <b>List of Service Offerings and Pricing Schedule</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Required</b></li></ul>
<b>Attachment 14-B</b>	<ul style="list-style-type: none"><li>• <b>Service Offerings and Pricing Schedule from Existing Service Providers</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Project-Dependent</b></li></ul>
<b>Attachment 16-A</b>	<ul style="list-style-type: none"><li>• <b>Pro Forma Financials</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Required</b></li></ul>
<b>Attachment 16-B</b>	<ul style="list-style-type: none"><li>• <b>Audited Financial Statements (Two Years)</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Required</b></li></ul>

**[End of Application Packet]**