

Broadband as a Service Projects

Broadband as a Service (BaaS) Projects Overview

ARC invests in projects that promote reliable, affordable, and high-speed broadband to increase connectivity and strengthen economic competitiveness. This document provides specific guidance for BaaS projects.

BaaS projects offer eligible communities the option to procure broadband as a service, rather than funding capital expenditure (construction/infrastructure). Grantees will enter long-term contracts with internet service providers (ISPs) to subsidize broadband service for residential locations, businesses, and community anchor institutions within their approved project areas. Grantees will not own any broadband infrastructure but must ensure that the selected ISP offers reasonably affordable and non-discriminatory broadband services.

BaaS project guidelines:

- The internet service provider (ISP) must deliver service that reliably meets or exceeds symmetrical speeds of 100Mbps so that communities have future-proof infrastructure to serve their long-term needs. However, funding services that provide reliable broadband services of 100Mbps download and 20Mbps upload will be considered under certain circumstances.
- Promote affordability and accessibility:
 - Though not a requirement, ISP must indicate whether it is an Eligible Telecommunications Carrier (ETC) within the respective state.
 - ISP should participate in the Affordable Connectivity Program (ACP) or any successor program or any other program that would promote service affordability to the subscribers in the BaaS service area (such as those offered through USAC i.e., Lifeline, E-Rate, High Cost, and Rural Health Care).
 - Broadband service prices should be reasonably affordable for the subscribers within the BaaS service.
- Ensure universal access:
 - Make service available to all users within the grant footprint.
 - Provide service with no data caps or usage-based throttling.
- Only serve areas:
 - Designated Unserved (<25/3) or Underserved (<100/20) by their respective state broadband authority.
 - That lack existing federal or state commitments for broadband service.
- Use legally sufficient mechanisms to monitor the performance of the ISP and use structured BaaS payment schemes to reduce grantee risk.

Applicants must provide a clear, detailed budget and implementation plan. Applicants must describe the framework in place for evaluating risks posed by potential ISP's (financial stability, history of performance, quality systems and standards, suspension/debarment, etc.) BaaS projects may involve multiple service areas as part of a single project though ARC funding but may only be applied those areas that fall within ARC's geographical footprint.

Applicants may leverage private matching funds from interested consumer groups, an already-selected service partner, or use matching funds from a to-be-selected service partner as part of a contingent grant award. Projects that demonstrate collaboration and partnerships with other organizations and stakeholders will receive priority consideration.

More Information

For general guidance on how to develop a complete and competitive application for ARC project funding, all applicants should refer to the application framework and instructions detailed in the [Checklist for ARC Non-Construction Project Applications](#) form or the [Checklist for ARC Construction Project Applications](#) form, as appropriate, available in the applicant resources section of our website.

Applicants should also consult their ARC State Program Manager*, their state's Appalachian Development Plan* and Annual Strategy Statement* for additional information.

*This information can be found [HERE](#) by navigating to the page and clicking on the appropriate state link.

Key Components of ARC BaaS Applications:

As outlined in ARC's strategic plan, activities should be strategic, collaborative, sustainable, and impactful.

Strategic:

- The project should align with the strategic goals and objectives outlined in their state broadband program.
- Project should not duplicate existing projects or initiatives.
- Describe the process used for ISP solicitation (what methodology was used to determine the ISP's to invite to bid for the RFP – RDOF recipients, ISP's in adjacent footprint, etc.).
- Clearly define the project's geographic footprint and define availability timelines for the entire geographic footprint or for each sub-geography if the BaaS partner proposes a phased implementation. Applicants will be required to submit the census blocks that will encompass the proposed project area to ensure eligibility.

Sustainable:

- Explain how the project will be maintained after grant funds are used. BaaS grant's Period of Performance will be 7 years unless a shorter period of performance is approved by ARC in writing. It is expected that grantees will enter into BaaS agreements with service providers that last longer than 7 years.
- Describe the mechanisms that are proposed to monitor BaaS contractor performance and adequately protect the applicant in case of unsatisfactory performance, such as:
 - Including specific contractual covenants tied to milestone-based and/or periodic BaaS payments.
- Identify the departments or organizations responsible for project activities and describe their capacity to handle project management. This might include plans to engage a 3rd-party consultant to develop the RFP, negotiate BaaS contracts, validate service availability and quality, and conduct training for in-house capacity building.

Collaborative:

- Describe how the project supports its state broadband strategy and the efforts to collaborate with its state broadband office.
- Identify all project partners, including local, regional, state, and federal entities that will support the project.

Impactful:

- Provide quantifiable output and outcome measures consistent with ARC's Guide for Performance Measures. Examples of suitable measures could include the number of homes or businesses expected to be in the grant footprint ("Homes/Businesses Served") or that might subscribe to the BaaS partner's service during the grant period of performance ("Homes/Businesses Improved").
- Successful projects must provide services to businesses.

Other Considerations:

- BaaS project applications have a special form requirement that is unique to this project category. In addition to the standard MOU that ARC requires for all project applications, BaaS applicants must include a BaaS MOU along with their submission materials. (as noted in the Non-Construction Project Application Checklist linked [HERE](#)).
- BaaS service providers must be competitively bid and comply with 2 CFR Part 200 Subpart D - Procurement Standards as applicable.
- BaaS grants are non-construction projects, so Grantee shall not use project funds to build, acquire, improve or modify any real property and/or capital assets, nor acquire any equipment. This means the grantee is unable to use BaaS funds to directly provide broadband service by owning or controlling the capital assets needed to deliver the broadband service.
- Grantee must provide ARC with Broadband Serviceable Location Fabric (Fabric) for the project locations to be served. This information will designate homes, businesses and community anchor institutions associated with the BaaS contract as part of an Enforceable Commitment and will impact the project area's ability to receive future grant funding for broadband service availability. Note that a contingent award may be used to delay this designation for the purposes of securing additional grant funding for a project.

- It is **highly recommended** that applicants retain contract specialists early in the project development phase and that legal professionals be involved in setting the framework for contracts prior to the release of an RFP.
- A 3rd-party compliance review team should be in place to monitor ISP performance throughout the duration of the project, to check and verify speeds and hold provider accountable for post-award, contractual obligations.

Helpful Resources:

- Universal Service Administration Co. <https://www.usac.org/>
- 2 CFR Part 200 Subpart D - Procurement Standards <https://www.ecfr.gov/current/title-2/part-200/subject-group-ECFR45ddd4419ad436d>
- Federal Communications Commission (FCC), Broadband Data <https://www.fcc.gov/BroadbandData>
- FCC Reports & Research Maps, <https://www.fcc.gov/reports-research/maps/>
- FCC National Broadband Map, <https://broadbandmap.fcc.gov/home>
- How Government Entities Can Access the Fabric <https://help.bdc.fcc.gov/hc/en-us/articles/6785010654235-How-Government-Entities-Can-Access-the-Production-Location-Fabric->