Iowa Broadband Deployment Governance Board
Application Evaluation Criteria Sub-Committee
September 1, 2009

The Application Evaluation Criteria Sub-Committee meeting of the Iowa Broadband Deployment Governance Board was held on Tuesday, September 1, 2009 at the Iowa Communications Network, Thompson Conference Room, 1st Floor, 400 E. 14th Street, Des Moines, IA.

Sub-Committee Board members present were: Edward Pardini, Thomas Hart, Roxanne White (via conference call), and Mike Haskins.

Pardini called the meeting to order at 10:07 AM. The discussion for the meeting was to continue the development of an evaluation process, to include input received from Board members during the August 28 Board meeting.

Pardini said the proposal was to accommodate Senator Gronstal's point concerning the efficiency of the funding. There was discussion with the Board about evaluating a ratio on a scale of 1-4 for the "amount of funding requested" / "number of homes in the targeted area" and what the cost per connect would be. That evaluation would be one way to compare the efficiency of one application between another.

White added the Board members also discussed how to award points based on the percent of unserved residents in the project area as designated by the census block according to the NOFA (Notice of Funding Availability).

Pardini said instead of awarding eight points total for one area, each area is designated with four points: a) four points based on the percentage of unserved area and b) four points based on the funding efficiency.

White explained the percentages, for discussion purposes: 1 point for 85% of the unserved or underserved households in the targeted census track; 2 points for 87.5%; 3 points 90%; 4 points for 92.5%, 5 points for 95%; 6 points for 97.5%; and 8 points for 100%.

There was much discussion concerning the percentage of the unserved or underserved households in the targeted census track.

Mary Whitman, Iowa Utilities Board, said White's suggestion would accommodate the rural (percentage of service area where service will be improved) interest (which was Senator's Reynolds' comment), which will bring in the federal Rural Utilities Service (RUS) program. The pure "cost effectiveness" point range covers the National Telecommunications and Information Administration (NTIA) BTOP (Broadband Technology Opportunities Program) projects.

Sub-Committee agreed to split the points into four for each of the two sections.

Hart asked what is the likeness of providing broadband to 100 percent of the portion that is unserved and/or underserved?

There was discussion relating to the percentage of the portion that is unserved and/or underserved and how much the cost per household would be.

Minutes taken by: Lori Larsen (ICN)

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Meeting minutes approved at the September 11, 2009 meeting

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Melanie Johnson, Iowa Department of Economic Development, said there seems to be two goals, if the purpose is to get the unserved and underserved then all points should be towards those areas, but if the purpose is price then the points would need to be redirected.

Whitman stated that the planning data is not developed at this time, which is why the evaluation is difficult to complete. The RFP (Request for Proposal) for the mapping and planning project would possibly include a directive to help with the plan to design and resolve conflicts between competing interests.

Sub-Committee agreed to remove the underserved and unserved sections in the project purpose.

Sub-Committee agreed to add White's suggestions pertaining to the percentages of the unserved or underserved households in the targeted census track (specific point range is above).

There was discussion relating to the funding requests per household passed.

Under the project sustainability section the Sub-Committee inserted "funding requests per household passed". Requested funding / number of households served. Up to five points awarded on sliding scale, with five points for a ratio of 0 to $500; four points for >$500 to $1000; three points for >$1000 to $1500; two points for >$1500 to $2000; and one point for >$2000 to $2500.

Sub-Committee agreed to decrease the total number of points awarded, from 15 to 10, to the reasonableness of the budget category in the project sustainability section.

There was much discussion concerning middle mile between the Sub-Committee members.

Pardini said the Sub-Committee needs to decide how the Board can consider middle mile projects that support universal access applications for the greater public benefit. Example: with hospitals Pardini can see having a broader benefit to the universal population. Pardini was still having trouble reconciling how to award points to a middle mile application that is clearly point to point for commercial.

Tami Fujinaka, Iowa Communications Network, asked how the NOFA defines Community Anchor Institutions (CAI).

Whiteman read the middle mile and CAI definitions.

Haskins said the middle mile project isn't about the middle mile between the two points, it is considering upgrading the system to support the application.

Pardini would like to find out some way to score and support projects that service CAI, but doesn't open the gates for funding requests to commercial/competitiveness.

Whitman added that federal projects would have completed the federal filter; middle mile projects will have met the federal standards listed. The federal government will have determined the extent that applicant(s) propose to serve CAI. The scoring committee would have to complete an analysis on the impact of the community.

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Pardini suggested that if the project is not a purely residential project, (which can't be scored under wireline or wireless), to take the nine available points and rate the middle mile project, if the applicant is benefiting a CAI (hospitals, schools, non-profits).

Sub-Committee agreed to include middle mile in the evaluation scoring sheet under the project benefits.

Up to 9 points may be awarded to sustainable middle mile projects which support the goal of universal access to high speed broadband service for the benefit of Iowans. Consideration given to the project's **impact on the area**, including proposed connections to last mile networks and benefit to community anchor institutions or public safety entities (up to 3 points); the **level of need** for the project in the area, including whether projected end users are located in unserved or underserved areas (up to 3 points); and **network capacity**, i.e, will the network provide sufficient capacity to serve last mile networks, community anchor institutions and public safety entities (up to 3 points).

Whitman said when the evaluation revisions are completed; it will become clearer, in the project benefits section that a project is either for the wireline, wireless, or middle mile.

The synchronous technology section in the evaluation should show speeds greater than 1.5 Mbps with four total points available.

There being no further business, Pardini adjourned the Sub-Committee meeting at 11:20 AM.

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Criteria	Method	Points	Score
		Total	**0**
PROJECT PURPOSE			
Statutory Purpose			
Unserved Areas	1 point for every 100 unserved households	8 pt. max	
Underserved Areas	1 point for every 1,000 underserved households	8 pt. max	
Private Enterprise	Is the applicant a qualified private provider?	12	
Public/Private Partnership	Does the project require public and private collaboration, as appropriate?	5	
Public Entities	Will participation by the public entity promote access in an area that remains unserved or underserved due to lack of private sector investment?	3	
PROJECT BENEFITS			
Speeds Above Federal Minimums	*Based on Last Mile Speeds*		
Wireline Providers	Downstream between 1.5 Mbs to 5 Mbs, Upstream Speed >= 512 Kps Downstream > 5 Mbs to 8 Mbs, Upstream Speed >= 768 Kps, Downstream > 8 Mbs to 10 Mbs, Upstream Speed >= 1 Mbps Downstream > 10 Mbs, Upstream Speed > 1 Mbs	3 5 7 9	
Wireless Providers	Downstream between 1.5 Mbs to 2 Mbs, Upstream Speed >= 512 Kps Downstream > 2.0 Mbs to 3 Mbs, Upstream Speed >= 768 Kps Downstream > 3 Mbs to 4 Mbs, Upstream Speed >= 1 Mbps Downstream > 4 Mbs, Upstream Speed >1 Mbs	3 5 7 9	
FOR BOARD'S CONSIDERATION: Middle Mile Projects	Number of end-points and points of interconnection network will offer; proposed connections to last mile networks, community anchor institutions, or public safety entities; projected number of new end users served and at what speeds; level of need for a middle mile network in the service area; and network capacity.		
Synchronous Technology	Does the proposal contemplate Synchronous data transmission capabilities at speeds greater than 1 Mbs?	1-4	
Affordability of Services Offered	Proposed pricing will be evaluated based on comparison to published unbundled prices and speeds for existing broadband services in the proposed funded service area. If there are no existing broadband services present, applicant must demonstrate that proposed pricing is appropriate for proposed service area.	1-4	
Community Impact	Rate the project as it relates to community impact for job creation, economic development and other benefits to the targeted community.	1-5	
Speed of Completion	How quickly will the project make available the proposed services to at least one-half of the households in the proposed area?	1-3	
PROJECT VIABILITY			
Complete Funding	To what extent will the project not require any additional funding from the State in the course of normal operations?	1-5	
Applicant's Track Record	Does the applicant possess a record of accomplishment for similar projects?	1-10	
Financial Metrics	How does the project compare to similar projects? (i.e., Return on Investment, Internal Rate of Return, Net Present Value, Payback, Break-Even Analysis, Capital Cost Per Household, Debt Metrics, etc.)	1-10	
PROJECT BUDGET AND SUSTAINABILITY			
Reasonableness of the budget	Points awarded based on adequacy and completeness of the proposed budget	1-15	
Funding Leverage (Outside funding/government funding)	(i) 10 points if ratio is 10:1 or better, (ii) 7 points if ratio is between 5.0:1 and 9.9:1, (iii) 5 points if the ratio is between 3.0:1 and 4.9:1, and 1 point for ratios greater than or equal to 1:1	1-10	

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