



INTERNET
FOR ALL

Tribal Broadband Connectivity Program: Financial Sustainability

March 11, 2024



Housekeeping



Questions

- Type questions in the Q&A box on the right-hand side of the screen. Questions and answers will be available on the FAQ section of our website
- [Notice of Funding Opportunity](#)

Presentation

- The presentation along with a transcript and recording will be available on the BroadbandUSA website under the Webinars section
- [Round Two Notice of Funding Opportunity | BroadbandUSA \(doc.gov\)](#)

This presentation is for informational purposes only and is intended solely to assist applicants in better understanding the NTIA Tribal Broadband Connectivity Program, and the requirements set forth in the program's second Notice of Funding Opportunity (Second TBCP NOFO). This presentation does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the Second TBCP NOFO. In all cases, statutory and regulatory mandates and the requirements set forth in the Second TBCP NOFO shall prevail over any inconsistencies contained in this presentation.



Presenters



Presenters:

- Crystal Hottowe, Federal Program Officer

Moderator:

- Isabel Lopez, Team Lead

Panelists:

- Josh Deixler, Federal Program Officer
- Gabe Montoya, Federal Program Officer
- Jeff Kozdron, Federal Program Officer



Agenda

- 1 Project Narrative - Pricing
- 2 Evaluation Criteria - Project Budget and Financial Sustainability
- 3 Pro Forma Financial Projection - Income Statement
- 4 Q&A

Project Narrative - Pricing

Project Narrative - Pricing



All applicants will be required to submit the following within the Project Narrative, as it relates to sustainability:

- A description of proposed pricing for broadband services compared to existing broadband services in the proposed service area
 - A demonstration that the proposed pricing is competitive and affordable in the target market
- Description of plans, if applicable, to participate in federal subsidy programs
 - Note: Applicants should be aware that funding for the FCC's Affordable Connectivity Program (ACP) is currently estimated to end in April 2024



Project Narrative - Pricing



- Applicants may provide a table to describe the proposed service pricing compared to existing services in the area. One example of a table is below.
- This may include wholesale transit or other backhaul as a service pricing, if applicable

Example Pricing Table

Type	Proposed Speed Offering (Mbps)	Proposed Pricing (per month)	Average in the Area (include company)
Residential Service	25/3	\$39.99	\$59.99 (Provider A)
	50/10	\$49.99	\$69.99
	100/20	\$59.99	\$79.99
Commercial Service	100/100	\$99.99	\$129.99 (Provider B)
	200/200	\$199.99	\$249.99
	500/500	\$299.99	\$369.99



Evaluation Criteria - Project Budget and Financial Sustainability

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- Applicants must convincingly demonstrate ability of the project to be financially sustainable beyond the award period
- Reviewers will assess applicant's pro forma financial projection and consider the reasonableness of the plan for long-term operational sustainment (which may include revenues, operating costs, working capital, and equipment replacement funding)
- Reviewers will consider provided business plans, market projections, third-party funding commitments and other data
- Reviewers will consider demonstrations of community commitments or anchor tenant commitments that would help promote sustainability
- Project plans that describe the ability to scale and integrate evolving services over time (such as interoperable interfaces for fifth generation wireless (5G) or by deploying fiber) will receive additional consideration



Pro Forma Financial Projection - Income Statement

Example Pro Forma Income Statement

- The pro forma income statement should only reflect the proposed **project** and **not** the Applicant's organization
- Applicants may use the example template posted on the [BroadbandUSA website](#). The revenues, expenses, and forecast period you show will depend on your specific project

Income Statement	Forecast Period						
	Year 1	Year 2	Year 3	Year 4	Year 5	(...)	Year N
Revenues							
Residential Service (by tier)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Service (by tier)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Colocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses							
Spares	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backhaul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Maintenance / Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales / Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBITDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings Before Interest and Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Before Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Pro Forma Revenues Guidance



- The revenue picture should reflect all direct revenues to be generated by the project's suite of services. Applicants should include all broadband data, video, and voice services, and any other sources of revenue (e.g., universal service fund, direct Tribal government support)
- Consider representing "Year 1" as the first year after your project completes

Revenue Categories

- Applicants may consider segmenting their revenue by either customer type and/or service type. The approach used by the Applicants should provide enough detail for Merit Reviewers and Program Officers to evaluate the reasonableness of these projections

Revenue Assumptions

- Applicants should provide a comprehensive list of all assumptions used to derive the revenue forecast. These assumptions should encompass factors such as market size, take rates (as function of market share and adoption rate), average revenue per customer, growth rates, etc



Pro Forma Expenses Guidance



- The expense picture should reflect all direct expenses expected to be incurred over the forecast period. It should also consider any depreciation or amortization expense, as well as any interest expense on debt incurred to support the project

Expense Categories

- Applicants should consider both **network and non-network expenses** necessary to sustain the project. The approach used by the Applicants should enable Merit Reviewer and Program Officers to evaluate the reasonableness of these projections

Expense Assumptions

- Applicants should provide a comprehensive list of all assumptions used to derive the expense forecast. These assumptions should encompass factors such as useful life, historic indicators or industry benchmarks use to estimate expenses, applicable tax rates, etc.



Q & A