



**Broadband
Program Office**

A Division of Empire State Development

November 12, 2019

VIA ELECTRONIC SUBMISSION

Kris Monteith, Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington D.C. 20554

Re: WC Docket No. 10-90

Ms. Monteith:

This letter shall serve as a formal request by the Broadband Program Office (BPO), a division of Empire State Development (ESD), for award of \$2.4M in Connect America Fund (CAF) funding to Slic Network Solutions (Slic) to deploy broadband to certain CAF-eligible Census Blocks in place of Mohawk Networks.

Through the New NY Broadband Program's Phase 3 CAF Auction process, the BPO tentatively selected Mohawk Networks in January 2018 to deploy fixed-wireless broadband to an estimated 1,286 locations across certain CAF-eligible Census Blocks in New York's North Country Region, with approximately \$5.1M in New York State grant support. This project was eligible for an estimated \$3.6M in additional CAF support. Earlier this year, however, Mohawk Networks informed the BPO that it could not complete its Phase 3 project due to unforeseen problems with its initial design and cost overruns. The BPO subsequently terminated its tentative selection of Mohawk Networks, formally withdrew its Incentive Proposal to the company, and did not proceed with seeking formal approval of the award by the ESD Board of Directors. The BPO has not disbursed any State funding to the company.

Promptly after terminating its tentative selection of Mohawk Networks, the BPO reviewed other submitted bids for the Census Blocks and identified Slic as a replacement provider. Slic's bid overlapped Mohawk Networks' bid in substantial part and, based on the Auction results, it was the next highest bidder for the award. Slic also is a winning Phase 3 CAF Auction bidder – receiving \$18.5M in State funding and an anticipated \$11.3M in CAF support to address 4,610 other CAF-eligible locations across New York's Capital and North Country Regions.

The New NY Broadband Program thus chose to award \$4.4M to Slic Network Solutions to deploy Fiber-to-the-Home to 906 of the 1,286 locations that BPO had tentatively awarded to Mohawk Networks through Phase 3, in the Counties of Clinton and Franklin. We estimate that Slic's project is eligible for \$2.4M in CAF funding. If Slic receives CAF support for the project, it will accept a reduced New York State award of approximately \$3.8M, and New York would seek to re-invest the savings to improve broadband access in other areas. Further, Slic has committed to use best efforts to pass 508 additional locations in Franklin County at no State cost.

The Program has awarded the remainder of the locations that had been tentatively awarded to Mohawk Networks to Hughes Network Systems (Hughes), which will deploy satellite-based service on terms consistent with its New NY Broadband Program-awarded projects not eligible for CAF funding.



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The summary terms of these replacement awards are noted below. Slic's General Project Plan for the relevant Census Blocks, as approved by the ESD Board of Directors in October 2019, also is attached.

Should you have any questions regarding this request, please do not hesitate to contact me at (212) 803-3542 or via email at christopher.ortiz@esd.ny.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christopher B. Ortiz".

Christopher B. Ortiz

Assistant Vice President, ESD Broadband Program Office
Empire State Development

Tel. (212) 803-3542

Email: christopher.ortiz@esd.ny.gov



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	Mohawk Phase 3 Award	Slic Replacement Award	Hughes Replacement Award
Technology	Fixed Wireless - Download Speeds of 25 Mbps	Fiber - Download Speeds of 100+ Mbps (potentially 1+ Gbps)	Satellite - Download Speeds of 25 Mbps
Locations Addressed by Grant	1,286	906 (70%)	380 (30%)
Total Project Cost	\$8,074,190	\$5,542,716	\$95,500
Estimated Private Match	\$2,966,400	\$1,108,543	\$35,650
ESD Grant	\$5,107,790	\$4,434,173	\$59,850
Potential CAF Amount	\$3,609,084	\$2,399,085	N/A
State Cost/Location	\$3,971.84	\$4,894.23	\$157.50
Counties	Clinton (498 locations), Franklin (712 locations), and St. Lawrence (76 locations)	Clinton (495 locations) and Franklin (411 locations)	Clinton (3 locations), Franklin (301 locations), and St. Lawrence (76 locations)
REDCs	North Country	North Country	North Country
Estimated Additional Locations to be Served at No State Cost	N/A	508 (Franklin County)	N/A
Network Construction Completion Date	12/31/2019	9/30/2020	Upon execution of Grant Disbursement Agreement