



BROADBANDUSA
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Agenda

- The Recovery Act and the First Round of Funding
- Round Two
- Major Changes from First Round
- Comprehensive Community Infrastructure
- Eligibility, Program Requirements, Eligible Costs, Waivers
- Evaluation Process

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Funded by the American Recovery and Reinvestment Act of 2009





Recovery Act Broadband Objectives

- \$7.2 billion to expand access to broadband services in the United States
 - \$4.7 billion: Broadband Technology Opportunities Program (BTOP) at NTIA
 - Grants for projects to expand broadband infrastructure in unserved and underserved areas
 - At least \$200 Million – Public Computer Center Capacity
 - At least \$250 Million – Innovative Programs to Encourage Sustainable Broadband Adoption
 - Up to \$350 Million – Broadband Mapping
 - \$2.5 billion: Broadband Initiatives Program (BIP) at RUS





BTOP Statutory Purposes

- Provide access to broadband service to consumers residing in unserved areas
- Provide improved access to broadband service to consumers residing in underserved areas
- Provide broadband education, awareness, training, access, equipment, and support to schools, libraries, medical and healthcare providers, community colleges, and other community anchor institutions
- Improve access to, and use of, broadband by public safety agencies
- Stimulate demand for broadband, economic growth, and job creation





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BTOP First Round

- First NOFA Released in July 2009
- More than 1,800 applications filed at the Department of Commerce requesting approx. \$19 billion in grants
- Began announcing awards in December 2009
- First round award announcements to continue on a rolling basis

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Second Request for Information (RFI)

- Second Joint Request for Information released November 10, 2009
- Sought public comment on ways to enhance the applicant experience
- Topics included:
 - Streamlining the Applications
 - Transparency and Confidentiality
 - Outreach and Support
 - NTIA Expert Review Process
 - Funding Priorities and Objectives
 - “Comprehensive Communities”
 - Program Definitions: Unserved/Underserved
 - Public Notice of Proposed Funded Service Areas
 - Interconnection and Nondiscrimination Requirements
 - Sale of Project Assets
- Received approximately 225 comments





BTOP Round 2

- Second NOFA released January 15, 2010
- Applications accepted February 16, 2010 – March 15, 2010
- Approximately \$2.6 billion available under this NOFA
 - Approximately \$2.35 billion for Comprehensive Community Infrastructure projects
 - At least \$150 million for Public Computer Center projects
 - At least \$100 million for Sustainable Broadband Adoption projects





Major Changes from the First NOFA

- Separate BTOP and BIP NOFA and application
- BTOP will focus on Comprehensive Community Infrastructure (CCI)
 - Middle Mile capabilities offering new/upgraded services to community anchor institutions
 - Removed requirement that infrastructure projects must be in unserved or underserved areas but applications serving unserved and underserved areas will receive additional consideration
- BIP will focus on rural last mile projects and applicants that are current RUS recipients





Major Changes (con't)

- Additional consideration and prioritization if match exceeds 30 percent
- Modified the service area delineations from Census blocks to Census tracts and block groups
- Clarified the process for requesting waivers, including restriction on sale or lease of project assets





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Comprehensive Community Infrastructure (CCI)

Highest priority for merit review will be given to CCI applications that deploy Middle Mile broadband infrastructure and satisfy all of the criteria below, listed in order of importance:

1. Commitment to offer new/upgraded service to community anchor institutions
2. Incorporate a public-private partnership
3. Bolster growth in economically distressed areas
4. Commitment to serve community colleges
5. Commitment to serve public safety entities

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CCI (con't)

6. Last Mile: Either

- (a) Applicant includes Last Mile infrastructure in un/underserved areas as part of project (no more than 20% of the total project cost if Last Mile rural); or
- (b) Applicant provides commitments or non-binding letters of intent from one or more Last Mile broadband service providers

7. Non-federal match that equals or exceeds 30 percent of the total eligible project costs





Public Computer Centers (PCC)

- Provide broadband access to the general public or a specific vulnerable population
- Must either create or expand a public computer center or improve broadband service or connections at a public computer center, including those at community colleges





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Sustainable Broadband Adoption (SBA)

- Innovative projects that promote broadband demand, especially among vulnerable population groups
- Seek projects that establish a subscribership baseline in a given community; and
- Demonstrate a clear ability to measure and sustain the expected increase in broadband adoption

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General Eligibility and Program Requirements (CCI, PCC and SBA)

- **Eligible Applicant Organizations:** state and local governments, U.S. territories, tribes, non-profits, for-profit companies, cooperatives or mutual organizations
- **Fully Completed Application:** certified, and contain all supporting documentation
- **Matching Requirement:** Must provide matching funds of at least 20% of total eligible project costs, unless a waiver is granted; favorable consideration if match equals or exceeds 30 percent
- **Timely Completion:** Strongly encouraged to complete within 2 years; must be fully complete within 3 years
- **“But For”:** Demonstration that project could not be implemented “but for” federal grant assistance





Additional CCI Program Requirements

- **Broadband Service:** must propose to offer service meeting the definition of broadband (768 kbps downstream/ 200 kbps upstream or sufficient capacity in a Middle Mile project to support such service)
- **Nondiscrimination and Interconnection**
 - Adhere to FCC Internet policies, including connection to public Internet and not favor any lawful Internet applications and content over others
 - Disclose proposed interconnection, nondiscrimination, and network management practices with the application
 - Interconnect on reasonable rates and terms to be negotiated with requesting parties
 - Requirements are subject to law enforcement needs and reasonable network management.
- **Last Mile Coverage Obligation:** presumption that CCI project that includes a Last Mile service area(s) will provide service to entire Last Mile service area(s)





Waivers

- **Matching Contribution:** fully explain and document inability to provide the required 20 percent cost match
 - Document assets, liabilities, operating expenses, and revenues from any existing operations
 - Denial of funding from a public or private lending institution
 - Other documents that demonstrate financial need
 - Explain why project is sustainable if applicant cannot provide a 20 percent match
- **Last Mile Coverage Obligation:** provide reasoned explanation why providing service or coverage for the entire Last Mile service area is extremely burdensome
 - Must explain whether there are any legal, technical, or financial impediments to covering each Census block group or tract
- **Sale or Lease of Project Assets:** petition for waiver may be submitted at any time during the life of the award-funded facilities and equipment
- **Buy American:** explain how the foreign goods used in the project complies with the Buy American provision of the Recovery Act





Eligible and Ineligible Costs

- **Eligible Costs:** BTOP grant funds must be used only to pay for eligible costs
 - Consistent with Recovery Act and OMB cost principles
 - Reasonable, necessary, allocable, and appropriate
- **Direct Costs:** directly related and traceable to the cost of the project being supported
- **Indirect Costs:** incurred in carrying out the overall functions of the organization but are not readily or specifically identified with the project being supported (e.g., overhead)
 - Must be line item in budget
 - Applicant must establish, or commit to apply for, an approved indirect cost rate with DOC





CCI Eligible and Ineligible Costs

Eligible Costs

- Construction or improvement of facilities required to provide broadband service
- Long-term leases of facilities required to provide broadband service, including (IRU) agreements
- Pre-application expenses less than 5 percent of eligible costs
- Indirect costs

Ineligible Costs

- Operating expenses of the applicant
- Costs incurred prior to application date
- Acquisition of an affiliate, including the acquisition of the stock of an affiliate
- Purchase or lease of any vehicle other than those used primarily in construction or system improvements
- Merger or consolidation of entities
- Costs incurred in acquiring spectrum as part of an FCC auction or in a secondary market acquisition.





PCC Eligible and Ineligible Costs

Eligible Costs

- Acquiring broadband-related equipment, instrumentation, networking capability, hardware and software, and digital network technology for broadband services
- Developing and providing training, education, support, and awareness programs or web-based resources
- Facilitating access to broadband services (i.e., making public computer centers accessible to the disabled)
- Installing or upgrading broadband facilities on a one-time, capital improvement basis
- Constructing, acquiring, or leasing a new facility
- Indirect costs
- Pre-application expenses less than 5% of eligible costs

Ineligible Costs

- BTOP grant funds may not be used to fund purchases that are not used predominantly for expanding public access to broadband service or enhancing broadband capacity at public computer center locations





SBA Eligible and Ineligible Costs

Eligible Costs

- Acquiring broadband-related equipment, instrumentation, networking capability, hardware and software, and digital network technology for broadband services
- Developing and providing training, education, support, and awareness programs, as well as web-based content that is incidental to the program's purposes
- Conducting broadband-related public education, outreach, support, and awareness campaigns
- Implementing programs to facilitate greater access to broadband service, devices, and equipment
- Indirect costs
- Pre-application expenses less than 5% of eligible costs

Ineligible Costs

- BTOP grant funds may not be used for expenses or purchases that are not used predominantly for the provision of broadband education, awareness, training, access, equipment, and support.
- Costs associated with constructing or leasing broadband facilities and infrastructure are not eligible.





Evaluation Process

- Eligibility
- Merit Review
- State and Tribal Consultation
- Announcement of Proposed Funded Service Areas
- Due Diligence
- Recommendation for Award
- Selection





Merit Review

- **Expert Reviewers:** at least two experts will review each application.
- **Evaluation Criteria:** scored independently according to NOFA criteria
 - (1) Project Purpose;
 - (2) Project Benefits;
 - (3) Project Viability; and
 - (4) Project Budget and Sustainability
- **Highly Qualified** applications satisfying NTIA thresholds will advance to Due Diligence review





State and Tribal Consultation

- NTIA will invite each state and tribe to provide input on those geographic areas for which NTIA should give priority in selecting projects
- States and tribes may comment on specific BTOP applications and provide an explanation for why certain applications meet the greatest need of state/tribe
- NTIA will share data on the publicly searchable application database with each relevant state and tribe
- States and tribes are not required to rank or comment on BTOP applications in order for applications to receive funding
- Input of states and tribes is consultative in nature, one of several factors in selection process
- NTIA will make the comments of the states and tribes publicly available





Announcement of Proposed Funded Service Areas

- NTIA will post an announcement identifying each CCI application, along with a list of the Census block groups or tracts that each applicant has proposed to serve
- Provide existing broadband service providers with a 15-day window to voluntarily submit information to NTIA about the broadband services they currently offer in their respective service territories by Census block group or tract
- NTIA may consider information submitted as relevant to its prioritization and review of CCI applications





Due Diligence Review

- Applicants may be asked to submit additional information
- Reviewed and analyzed by NTIA Program staff
- Reserve the right to discuss specific modifications to the application
 - Adjust federal share of project
- Not all applicants in due diligence will receive a BTOP award





Selection Factors

Recommendations for award take into consideration selection factors:

- Score of objective expert reviewers
- NTIA Program Staff analysis
- Satisfaction of statutory purposes and BTOP priorities
- Match amount
- Geographic distribution
- Range of technologies and uses of technologies
- Avoidance of redundancy or conflicts with other federal programs (e.g. RUS, USF)
- Availability of funds
- State and tribal comments





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BTOP Resources for Applicants

- <http://www.broadbandusa.gov>
- <http://match.broadbandusa.gov>
- <http://www.recovery.gov>
- 1-877-508-8364, BroadbandUSA@usda.gov





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Thank You and Questions

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