

Broadband Technology Opportunities Program,
Broadband Initiatives Program, and
State Broadband Data & Development Program
Notice of Funds Availability—Summary

Background:

The National Telecommunications and Information Administration (NTIA) and USDA's Rural Utilities Service (RUS) jointly issued a Notice of Funds Availability (NOFA) and solicitation of applications on July 1, 2009, describing the availability of funds and application requirements for the broadband initiatives contained in the American Recovery and Reinvestment Act of 2009 - NTIA's Broadband Technology Opportunities Program (BTOP) and the RUS Broadband Initiatives Program (BIP). On that same day, NTIA also recently released a separate NOFA for the State Broadband Data & Development Program.

BTOP:

Up to \$1.6 billion in funds are available to be awarded under this NOFA.

- **Broadband Infrastructure category:** up to \$1.2 billion will fund projects that deliver broadband service through last mile or middle mile facilities to unserved and underserved areas.
- **Public Computer Center category:** up to \$50 million will fund projects that expand computer center capacity at entities that permit the public to use these computer centers, such as community colleges and public libraries.
- **Sustainable Broadband Adoption category:** up to \$150 million will fund innovative projects that promote broadband demand, such as projects focused on broadband education, awareness, training, access, equipment or support, particularly among vulnerable populations.
- **National Reserve:** Up to \$200 million is available for a national reserve.

BIP:

Approximately \$2.4 billion in funds are available to be awarded under this NOFA.

- Grants under BIP are to be used to fund applications proposing to exclusively serve last mile, remote, unserved, rural areas. \$400 million is available for grants for these remote, last mile projects.
- BIP loan and loan/grant combination funds are to be used to provide funding to applications proposing to serve last mile, non-remote and underserved rural areas. \$800 million is available for loans or loan/grants for these non-remote, last mile projects.
- \$800 million is also available for loan or loan/grants combinations for middle mile projects.

- \$325 million is available for a national reserve.
- The size of the grant portion of any loan/grant combination is determined by the applicant, but cannot exceed the amount of the loan portion of the award. RUS will favor applications that propose a higher percent of loan funds.

Additional BTOP and BIP Requirements:

- The applicant must propose to offer “broadband” service as defined in the NOFA—i.e., two-way data transmission with advertised speeds of at least 768 kbps downstream and at least 200 kbps upstream to end users; or sufficient capacity in a middle-mile project to support “broadband” service to end users.
- The applicant must commit to the program’s Nondiscrimination and Interconnection Obligations— 1) adherence to the FCC’s Internet Policy Statement; 2) not favor some lawful applications and content over others; 3) describe and display any network management policies; 4) connect to the public Internet and not be an entirely private closed network; and 5) offer interconnection, including the ability to connect to the public Internet and physical interconnection for the exchange of traffic.

BTOP and BIP Definitions:

- *Unserved Area:* an area, composed of one or more contiguous census blocks where at least 90 percent of households in the proposed funded service area lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband speed.
- *Underserved Area:*
 - Last Mile Projects—an area composed of one or more contiguous census blocks where at least one of the following is met: 1) no more than 50 percent of households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband speed; 2) no fixed or mobile broadband service provider advertises broadband speeds of at least 3 Mbps downstream in the proposed funded service area; or 3) the rate of broadband subscribership for the proposed service area is 40 percent of households or less.
 - Middle Mile Projects—an area composed of one or more contiguous census blocks where one interconnection point terminates in a census block area(s) that qualifies as unserved or underserved for last mile projects.
- *Rural:* not located within a city, town or incorporated area that has a population over 20,000 or within an urbanized area contiguous to a city or town that has a population of over 50,000.

Concerns about BTOP and BIP:

- During a recent Agriculture subcommittee hearing, NTCA and others raised concerns about the reduced availability of grant funding for “non-remote” rural areas. It doesn’t seem to make sense that in these high-cost areas a maximum of 50 percent grant funding is permitted by BIP when BTOP may award full grants to areas that may be more financially feasible. RUS announced that they will work to clarify their definition of remote.

- Will \$400 million in grants be sufficient to meet the needs of last mile, remote projects? NTCA witness, Delbert Wilson testified that it will cost \$20 million to reach just the 543 homes in Hill Country's outlining areas.
- The non-discrimination and interconnection provisions of the NOFA are applied to both RUS and NTIA. However, the law (Stimulus Act) did not impose application of these requirements to the RUS – just the NTIA. In addition, these requirements seem to supersede the rural exemption set-forth by the Communications Act of 1934 that recognize the unique circumstances confronting rural telecommunications providers.

State Broadband Data & Development Program:

- The State Broadband Data and Development Program is a \$350 million grant program to fund projects that collect state-level broadband mapping data, develop state-level broadband maps, aid in the development and maintenance of a national broadband map, and fund statewide initiatives directed at broadband planning.
- The national broadband map will publicly display the geographic areas where broadband service is available; the technology used to provide the service; the speeds of the service; and broadband service availability at public schools, libraries, hospitals, colleges, universities, and public buildings. The national map will also be searchable by address, and broadband service providers will have the option to make their identity available.
- Concerns regarding the burdens placed on NTCA members to compile this data and collaborate with data collection entities, the protection of confidential information, and the difficulty of keeping the collected data up-to-date will need to be addressed as the mapping process moves forward.

Concluding Thoughts:

The application window for these funds is extremely limited - July 14 to August 14. Awards will be announced around November 7 and funds will be released within 60 days of awards. With this in mind, as well as the fact that the application volume will be very high, it is critically important that applicants submit the most detailed and accurate applications possible. In addition, the agencies have indicated the rules for subsequent NOFAs may change depending on the issues that are encountered during this first round. Therefore, NTCA will want to hear about the experiences that its members confront, so we can influence such changes as may be necessary.