

Application Review Information

A. Evaluation Criteria

The scoring criteria used to review and analyze BIP and BTOP applications are grouped into four categories:

1. Project Purpose;
2. Project Benefits;
3. Project Viability; and
4. Project Budget and Sustainability.

Each application will be scored against the following objective criteria, and not against other applications. This section describes the evaluation criteria first for BIP Broadband Infrastructure projects, then for the three BTOP project categories.

1. BIP Broadband Infrastructure Projects

a. General

In accordance with the Recovery Act, the priority for BIP is to provide and improve broadband service to the highest proportion of rural residents who do not have adequate access to broadband service for rural development, which RUS defines to mean rural residents who reside in unserved and underserved rural areas. Additionally, the Recovery Act mandates that priority be given to projects which: i. give end users a choice of providers; ii. serve the highest proportion of rural residents that lack access to broadband service; iii. are projects of current or former RUS borrowers (Title II borrowers); and iv. are fully funded and ready to start once Recovery Act funding is received. Lastly, coordination with other federal, state, and local programs, including Recovery Act programs, is highly encouraged as a way to more efficiently and effectively achieve program objectives.

b. Project Purpose (25 points)

i. Proportion of Rural Residents Served in Unserved Areas (5 points). Points will be awarded for serving rural residents located in unserved areas. For every 10,000 unserved households that will receive broadband service, one point will be awarded up to a maximum of five points.

ii. Rural Area Targeting (5 points). Points will be awarded for exceeding the 75 percent rural area service requirement. For every five percent increase in the rural service area above the 75 percent rural area service requirement, one point will be awarded up to a maximum of five points.

iii. Remote Area Targeting (5 points). Up to five points will be awarded for proposed funded service areas that are at least 50 miles from a non-rural area. If at least one

proposed funded service area is a minimum of 50 miles from a non-rural area, one point will be awarded. For each additional 50 miles that at least one proposed funded service area is located away from a non-rural area, one additional point will be awarded up to a total of five points.

iv. Title II Borrowers (5 points). Five points will be awarded to applications which are submitted by entities which have borrowed under Title II of the RE Act.

v. Recovery Act and other governmental collaboration (5 points). Points will be awarded for cooperation with other governmental development programs as well as coordination with Recovery Act construction projects. Examples include the Department of Energy's Smart Grid, Investment Program, the Department of Housing and Urban Development's Public Housing Capital Fund, the Department of Transportation's Capital Assistance for High Speed Rail Corridors and Intercity Passenger Service program, and other investments where collaboration would lead to greater project efficiencies. In each case, the applicant must convincingly demonstrate that these leveraging efforts are substantive and meaningful. One point will be awarded for each partnered governmental or Recovery Act program that has demonstrated such a partnership is substantive and meaningful up to a maximum of five points.

c. Project Benefits (25 points)

i. Performance of the offered service (10 points).

For Last Mile Projects: For wireline projects that are constructed to deliver a minimum of 20 megabit per second service to the household (upstream plus downstream), ten points will be awarded. For wireless projects that are constructed to deliver a minimum of two megabits per second service to the end user (upstream plus downstream), ten points will be awarded. For projects that are a combination of wireline and wireless projects, both of the above standards must be met for the corresponding parts of the network in order to receive the ten points.

For Middle Mile Projects: For middle mile projects that are constructed to deliver 100 megabits per second service to all end points in their network, ten points will be awarded.

ii. Affordability of services offered (5 points). RUS will evaluate the level of support that is provided and award up to five points for applications that demonstrate that the proposed rates for the broadband service are affordable for the targeted audience. The stronger the level of support that is provided, the higher the number of points that will be awarded.

iii. Choice of provider (5 points). Five points will be awarded to applications that propose to construct infrastructure and implement a business plan which would allow more than one provider to serve end users in the proposed funded service area.

iv. Critical community facilities (5 points). For applications that are proposing to offer discounted rate packages at least 25 percent lower than the advertised rate packages to all critical community facilities in the proposed funded service area, five points will be awarded.

d. Project Viability (25 points)

i. Applicant's organizational capability (12 points). Up to twelve points will be awarded based on the strength of the project's management team. RUS will evaluate past performance and accomplishments and award points accordingly.

ii. Community support (2 points). Up to two points will be awarded if letters of support are received from all communities in the proposed funded service area from the designated community leader.

iii. Ability to promptly start project (10 points). Ten points will be awarded if the applicant can provide evidence that the following conditions have been satisfied:

- (1) All licenses, franchises and regulatory approvals required to operate the system and provide the proposed services have been received;
- (2) That the required contractors and vendors necessary to implement the project and prepared to enter into contracts as soon as funds are made available;
- (3) That all required equity contributions have been transferred into the applicant's accounts; and
- (4) That the project timeline and milestones are reasonable.

iv. Disadvantaged small businesses (1 point). One point will be awarded to applicants that meet the definition of a socially and economically disadvantaged small business concern under section 8(a) of the SBA.

e. Project Budget and Sustainability (25 points)

i. Reasonableness of the budget (5 points). Up to five points will be awarded based on the clarity and reasonableness of the proposed budget.

ii. Leverage of outside resources (10 points). Up to ten points will be awarded based on the amount of outside resources contributed to the total financing provided under BIP:

- (1) 10 points if this ratio is greater than 100%
- (2) 7 points if this ratio is between 100% and 75%
- (3) 5 points if this ratio is between 75% and 50%
- (4) 3 points if this ratio is between 50% and 25%
- (5) 1 points if this ratio is lower than 25%.

iii. Extent of grant funding (10 points). Up to ten points will be awarded based on the amount of grants funds requested in relation to the amount of loan funds requested (grant funds/loan funds):

- (1) 0 points if grant funds are 100%
- (2) 1 points if this ratio is between 100% and 75%
- (3) 3 points if this ratio is between 75% and 50%
- (4) 5 points if this ratio is lower than 50%
- (5) 10 points if this ratio is zero.

2. BTOP Broadband Infrastructure, Public Computer Center, and Sustainable Broadband Adoption Projects

a. General

The evaluation criteria for BTOP projects will be the same across the BTOP project categories except: i. under the Project Benefits section, different evaluation criteria and scoring methodologies are applied to each project category; ii. the Technical Feasibility criterion under the Project Viability heading is subdivided between Sustainable Broadband Adoption projects and all other BTOP project categories; and iii. the Sustainability criterion under the Budget and Sustainability heading is similarly subdivided between Sustainable Broadband Adoption projects and all other BTOP project categories. These variations are detailed in the descriptions of the evaluation criteria below.

b. Project Purpose (30 points)

i. Fit with statutory purposes. Applications will be evaluated with respect to each of BTOP's statutory purposes. Reviewers will consider, relative to each purpose, whether the applicant is addressing a compelling problem of the sort that the statute is intended to resolve, whether the applicant has offered an effective solution to that problem, and whether the proposed solution is of broad significance and includes developments that can be replicated to improve future projects. Additional consideration will be given to projects located partially or wholly unserved or underserved areas of a state as described by the state submission in the State Broadband Data and Development Grant Program or as otherwise determined by NTIA. Additional consideration will also be given to applicants that address more than one statutory purpose and project category (*e.g.*, Broadband Infrastructure, Public Computer Centers, or Sustainable Broadband Adoption) in a convincing manner.

ii. Recovery Act and other governmental collaboration. Applicants will be evaluated on their collaboration with Recovery Act or other state or federal development programs that leverage the impact of the proposed project. Examples include the Department of Energy's Smart Grid Investment Program, the Department of Housing and Urban Development's Public Housing Capital Fund, the Department of Transportation's Capital Assistance for High Speed Rail Corridors and Intercity Passenger Service program, and

other investments where collaboration would lead to greater project efficiencies. In each case, the applicant must convincingly demonstrate that these leveraging efforts are substantive and meaningful.

iii. Enhanced service for health care delivery, education, and children. Reviewers will assess the depth and breadth of the project's ability to enhance broadband service for health care delivery, education, and children as contemplated by the Recovery Act. Projects would need to demonstrate that they go beyond providing access to broadband to include more robust educational, health care, or related broadband service delivery.

iv. Socially and economically disadvantaged small businesses. Reviewers will grant consideration to applicants that certify they meet the statutory definition of a socially and economically disadvantaged small business concern, or that have established agreements in principle to contract with socially and economically disadvantaged businesses that meet that definition.

c. Project Benefits (25 points)

Reviewers will evaluate the various benefits that the proposed project will provide. This criterion will be focused primarily on measuring the benefits of the proposed project. Due to the broad scope of the three project categories and the expected diversity of proposed projects, the specific elements to be evaluated under this heading vary from one project category to another, as described below.

i. BTOP Broadband Infrastructure Last Mile Projects

(1) Cost-effectiveness. Applications will be scored on the project's cost-efficiency based on the ratio of the total cost of the project to households passed.

(2) Performance of the offered service. Applications will be scored for the extent to which the advertised speed for the network's highest offered speed tier exceeds the minimum speed requirement for broadband service (768 kbps downstream and 200 kbps upstream). Networks will be graded on a sliding scale with higher end-user speeds receiving a higher score. Proposed networks with high latency will be viewed unfavorably. Applicants may gain additional consideration if the applicant can demonstrate a clear and affordable upgrade path for the network.

(3) Affordability of services offered. Projects will be evaluated on the pricing of the services offered compared to existing broadband services in the proposed funded service area. If there are no existing broadband services in the proposed funded service area, projects will be evaluated on the ability of the applicant to convincingly demonstrate that their proposed pricing is appropriate for the service area.

(4) Nondiscrimination, interconnection, and choice of provider. Applications will be scored on the extent to which the applicant commits to exceeding the minimum requirements for interconnection and nondiscrimination established in section V.C.2.b. of this NOFA. Additional consideration will be given for displaying the network's nondiscrimination and interconnection policies in a prominent location

on the service provider's web page, and providing notice to customers of changes to these policies. Additional consideration will be given to applicants that commit to offering wholesale access to the project facilities at reasonable rates and terms. Additional consideration will also be given to applicants that commit to binding private arbitration of disputes concerning the awardees' interconnection obligations as explained above in section V.C.2.b of this NOFA. Reviewers will also consider whether the application proposes to construct infrastructure and implement a business plan which would allow more than one provider to serve end users in the proposed funded service area.

ii. BTOP Broadband Infrastructure Middle Mile Projects

For purposes of evaluating BTOP Middle Mile projects, applicants should define the area that will directly benefit from the project, including the community anchor institutions and end users that may received broadband service through the proposed middle mile network.

(1) Impact on the area. Applications will be scored on how great an impact they would have on the area. Reviewers will consider the number of end-points and points of interconnection the network will offer and the proposed connections to last mile networks, community anchor institutions, or public safety entities, as well as the projected number of new end users served by those proposed connections.

(2) Level of need in the area. Applications will be scored on the level of need for a middle mile network in the area. Reviewers will consider whether there are middle mile providers already present in all or part of the area, as well as the pricing and available capacity of those providers. Reviewers will also consider what proportion of the network's end-points, points of interconnection, and projected end users are located in unserved or underserved areas. In addition, reviewers will also consider applicants' explanation of why their proposed project is well-suited to address the needs of the area.

(3) Network capacity. Applicants will be evaluated on the capacity of the network. The network should provide capacity sufficient to serve the anticipated last mile networks, community anchor institutions, and public safety entities, and the number of end users served by them, as projected by the applicant, taking into consideration the nature of the services that these institutions and end users are likely to seek to utilize the network for. Reviewers will give additional consideration to projects that will be scalable to meet the future needs of the area.

(4) Affordability of services offered. Projects will be evaluated on the pricing of the services offered compared to existing broadband services in the proposed funded service area. If there are no existing broadband services in the proposed funded service area, projects will be evaluated on the ability of the applicant to convincingly demonstrate that their proposed pricing for middle mile services is appropriate for the proposed funded service area.

(5) Nondiscrimination, interconnection, and choice of provider. Applications will be scored on the extent to which the applicant commits to exceeding the minimum requirements for interconnection and nondiscrimination established in section

V.C.2.b. of this NOFA. Additional consideration will be given for displaying the network's nondiscrimination and interconnection policies in a prominent location on the service provider's web page, and providing notice to customers of changes to these policies. Additional consideration will be given to applicants that commit to offering wholesale access to network components and services such as wavelength or fibers at reasonable rates and terms. Additional consideration will also be given to applicants that commit to binding private arbitration of disputes concerning the awardees' interconnection obligations as explained above in section V.C.2.b of this NOFA. Reviewers will also consider whether the application proposes to construct infrastructure and implement a business plan which would allow more than one provider to serve end users in the proposed funded service area.

iii. BTOP Public Computer Center Projects

(1) Availability to the public. Applications will be scored on the availability of the computer center to the public. Reviewers will consider the capacity of the computer center, its hours of availability, any membership or usage fees charged, restrictions on usage, the proportionality of the computer center's capacity and hours of availability to the population the applicant proposes to serve, public outreach, and the computer center's accessibility to persons with disabilities, accounting for both the physical accessibility of the facility and the accessibility of the computer equipment and software.

(2) Training and educational programs offered. Applicants will be scored on the availability, accessibility, and quality of training and educational programs offered through the computer center. Reviewers will consider the degree to which the programs meet the relevant needs of the community.

(3) Availability and qualifications of consulting and teaching staff. Applications will be evaluated on the strength of the consulting and teaching staff at the computer center. Reviewers will consider the qualifications and training required of such staff as well as whether the number of available staff is sufficient for the capacity of the computer center.

iv. BTOP Sustainable Broadband Adoption

(1) Number of new users. Applications will be scored on the number of new broadband subscribers and other regular users the project will generate. Reviewers will take into consideration both the overall number of new subscribers and users and the proportion that these new subscribers and users represent of the number of non-subscribers and non-users in the relevant area.

(2) Cost per new user. Applications will be evaluated on the cost-effectiveness of the program. Reviewers will consider cost per projected new subscriber or other regular user, taking into account the applicant's explanation of why the approach selected is a cost-effective approach given the particular circumstances of the project.

(3) Innovation. Applications will be evaluated on the degree to which the project demonstrates replicable new ideas, approaches, and methods to encourage sustainable broadband adoption.

d. Project Viability (25 points)

i. The technical feasibility of the proposed project.

For BTOP Broadband Infrastructure and Public Computer Center projects: applications will be scored on the comprehensiveness and appropriateness of the technical solution and the clarity, level of detail, and coherence of the system designs. In order to receive a full score, applicants must demonstrate that the project includes developments that will be feasible in other situations.

For Sustainable Broadband Adoption projects: reviewers will assess the mechanics and operational details of the project. Applicants will be scored on the clarity and detail of their project plan, how convincing the rationale behind the plan is, and whether they can demonstrate that the plan includes innovative solutions that would be feasible in other situations.

ii. Applicant's organizational capability. Reviewers will assess whether the applicant has the organizational capability necessary to undertake and complete the project. Reviewers will consider the years of experience and expertise of the project management team, and the past track record of the organization with projects of a similar size and scope, as well as the organization's capacity and readiness.

iii. The level of community involvement in the project. Reviewers will evaluate linkages to unaffiliated organizations in the project area (from the public, non-profit, and private sectors), particularly community anchor institutions and public safety organizations, as an ongoing and integral part of the project planning and operation. In order to receive the full score for this criterion, at least one partner should meet the definition of a socially and economically disadvantaged small business concern under section 8(a) of the SBA—these partners must be distinct from any contractor or related entity specified for the purposes of the socially disadvantaged small businesses criterion in Project Purpose. Applicants should demonstrate that each linkage is substantial and meaningful.

iv. Ability to promptly start project. Projects will be evaluated on whether they will be able to start promptly and be completed in an appropriate timeframe for the size and scope of the project. Reviewers will consider the planned start date of the project, the reasonableness of the project timeline and associated milestones, whether the applicant has secured all licenses, franchises, and regulatory approvals required to complete the project, and whether the required contractors and vendors necessary to implement the project are prepared to enter into contracts as soon as the funds are made available.

e. Project Budget and Sustainability (20 points)

i. Reasonableness of the budget. Reviewers will evaluate the reasonableness of the budget based on its clarity, level of detail, comprehensiveness, appropriateness to the proposed technical and programmatic solutions, the reasonableness of its costs, and whether the allocation of funds is sufficient to complete the tasks outlined in the project plan.

ii. Sustainability of the project

For BTOP Broadband Infrastructure and Public Computer Center projects:

Applicants must convincingly demonstrate the ability of the project to be sustained beyond the funding period. Reviewers will consider business plans, market projections, third-party funding commitments, and other data as may be appropriate to the nature of the applicant and the proposed project.

For Sustainable Broadband Adoption projects: Reviewers will consider both whether the project will be sustained beyond the funding period and whether the increases in broadband adoption rates in the project area caused by the project will be sustained beyond the conclusion of the project.

iii. Leverage of outside resources. The applicant must demonstrate the ability to provide, from non-federal sources, funds required to meet or exceed the 20 percent matching funds requirement unless a waiver of that requirement has been requested. Reviewers will give additional consideration to proposals that exceed the minimum matching requirement, provide cash matches, or receive matching funds from acceptable federal sources as described in section V.C.4.b of this NOFA. For purposes of this evaluation, applicants that have received a full or partial waiver of the cost-matching requirement will be treated as having provided a 20 percent non-cash match.

B. Notice of Proposed Funded Service Areas

RUS and NTIA will post a Public Notice of the proposed funded service areas of each Broadband Infrastructure application at <http://www.broadbandusa.gov> for a 30 day period. The Public Notice will provide existing service providers an opportunity to submit to the agencies information regarding their service offerings. If an existing service provider submits a response outside the timeframe specified in this NOFA, it will not be considered an existing service provider for determining whether the applicant's service area is eligible, but will still be considered with respect to the agencies' other applicable eligibility requirements. The information submitted by an existing service provider will be treated as proprietary and confidential to the extent permitted under applicable law.

If the information submitted by an existing service provider demonstrates that the applicant's proposed funded service area is not unserved, both RUS and NTIA reserve the right to reclassify the application and consider the proposed area as underserved if the application meets the criteria in the underserved definition. If the information submitted by an existing service provider establishes that the applicant's proposed funded service area is not underserved, both RUS and NTIA may reject the application.