

# Broadband Stimulus Bulletin

US



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Regulatory Monitoring Bulletin

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## NTIA And RUS Issue Second Notices of Funds Availability

The National Telecommunications and Information Agency (NTIA) and the Rural Utilities Service (RUS) have released separate Notices of Funds Availability (NOFA) describing the availability of funds and application requirements for the second round of broadband funding under the American Recovery and Reinvestment Act (ARRA). This includes NTIA's Broadband Technology Opportunities Program (BTOP) and RUS's Broadband Initiatives Program (BIP). For the second round, applicants will be required to file separate BTOP and BIP applications; joint filings are no longer an option. Both agencies have streamlined their application processes. Applications will be accepted between **February 16, 2010, and March 15, 2010**. NTIA said it would announce BTOP Round 2 awards on a rolling basis starting in June 2010. All awards under both programs must be completed by September 30, 2010.

### BTOP Program

NTIA's NOFA allocates approximately \$2.6 billion in funding, of which approximately \$2.35 billion will be made available for Comprehensive Community Infrastructure (CCI) projects; \$150 million for public computer center projects; and \$100 million for sustainable broadband adoption projects. The CCI category will focus on Middle Mile broadband infrastructure projects that offer new or substantially upgraded connections to community anchor institutions, especially community colleges. The CCI category replaces the Broadband Infrastructure category in the first NOFA.

NTIA reduced the number of eligibility factors to three criteria: eligible entities, fully completed application, and matching. It has also streamlined the eligibility review by removing the budget reasonableness and technical feasibility factors. NTIA also:

- Reduced the number of expert reviewers from at least three to at least two;
- clarified the process for requesting waivers;

- made "numerous" adjustments to the online application system;
- reduced the number of attachments;
- eliminated the proposed funded service area mapping tool; and
- modified the service area delineations from Census blocks to Census tracts and block groups.

This Bulletin will focus on the CCI application requirements. NTIA said it expected to make CCI awards within the following the following funding range; \$5 million–\$150 million.

### CCI Applications:

Priority will be given to CCI projects that include a Middle Mile component and satisfy certain additional considerations. NTIA will review CCI applications according to the following priorities:

1. Projects that will deploy Middle Mile<sup>1</sup> broadband infrastructure with a commitment

<sup>1</sup> Middle Mile means those components of a CCI project that provide broadband service from one or more centralized facilities, (*i.e.*, the central office, the cable

- to offer new or substantially upgraded service to community anchor institutions.<sup>2</sup>
2. Projects that will deploy Middle Mile broadband infrastructure and incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stakeholders, particularly those that have expressed a demand or indicated a need for access or improved access to broadband service;
  3. Projects that will deploy Middle Mile broadband infrastructure with the intent to bolster growth in economically distressed areas;
  4. Projects that will deploy Middle Mile broadband infrastructure with a commitment to serve community colleges that have expressed a demand or indicated a need for access or improved access to broadband service;
  5. Projects that will deploy Middle Mile broadband infrastructure with a commitment to serve public safety entities that have expressed a demand or indicated a need for access or improved access to broadband service;
  6. Projects that will deploy Middle Mile broadband infrastructure that includes (i) a Last Mile<sup>3</sup> infrastructure component in

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headend, the wireless switching station, or other equivalent centralized facility) to an Internet point of presence. The Middle Mile includes, among other things, the centralized facilities and all of the equipment in those facilities, except for any equipment that would qualify as part of a Last Mile component.

<sup>2</sup> Community anchor institutions means schools, libraries, medical and healthcare providers, public safety entities, community colleges and other institutions of higher education, and other community support organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband service by vulnerable populations, including low-income, the unemployed, and the aged.

<sup>3</sup> Last Mile means those components of a CCI project that provide broadband service to end-user devices through an intermediate point of aggregation. In most cases, the Last Mile connection goes from the end-user device through an

- unserved or underserved areas;<sup>4</sup> or (ii) commitments or nonbinding letters of intent from one or more Last Mile broadband service providers;
7. Projects that will deploy Middle Mile broadband infrastructure and propose to contribute a non-Federal cost match that equals or exceeds 30 percent of the total eligible costs of the project.

NTIA strongly recommends that CCI applicants that are currently RUS loan or grant recipients as well as any CCI applicant whose project will include a Last Mile service area that is at least 75 percent rural apply to BIP for funding. Applications from such applicants will not be viewed favorably by NTIA and will not be a funding priority.

As before, states and tribal authorities will be invited to file comments on each application within their states or tribal community. This input will be consultative only.

Applicants must demonstrate that their project:

- Can be substantially completed within two years of the start date and fully completed no later than three years following the date the grant is awarded;
- Could not be implemented but for federal grant assistance; and
- Will satisfy certain nondiscrimination and interconnection obligations. The obligations

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intermediate point of aggregation (*i.e.*, a remote terminal, fiber node, wireless tower, or other equivalent access point) to a primary IP routing entity in a centralized facility (*i.e.*, in the central office, the cable headend, the wireless switching station, or other equivalent centralized facility). The Last Mile also includes equivalent services that, solely because of close proximity between the customer and centralized facility, are routed directly to the centralized facility. The Last Mile will terminate at, and include, the initial customer-facing router or aggregation switch in the centralized facility (*e.g.*, a DSLAM, CMTS, RNC, or equivalent) that is utilized to deliver Last Mile broadband service.

<sup>4</sup> These terms are defined the same manner as they were in the first NOFA.

are identical to those in place for the first round of funding. (*See TMI Bulletin dated July 6, 2009.*)

NTIA will post an announcement identifying each CCI application it has received, along with a list of the Census block groups or tracts that each applicant has proposed to serve on its website at <http://www.broadbandusa.gov>. The posting of the announcement will provide existing broadband service providers with a 15-day window to voluntarily submit information about the broadband services they currently offer in those same areas by Census block group or tract. These comments will be considered as a factor in the evaluation of the applicant's Last Mile or Middle Mile service area(s) provided that they include the following information:

1. The name of the company providing information on its broadband service offerings;
2. A summary describing the information the provider has presented to NTIA;
3. The number of households and businesses that have access to broadband service in the provider's service territory by Census block group or tract;
4. The type of broadband services the provider offers in its service territory by Census block group or tract and the technology used to provide those services, including, for wireless carriers, the spectrum that is used;
5. The prices at which the broadband services are offered;
6. The speed of the broadband services that are offered;
7. The number of subscribers that the provider currently has for each of the broadband services it offers in its service territory by Census block group or tract; and
8. Optionally, a list of the provider's Points of Presence (POPs) in or near Census block groups or tracts listed by the announcement.

The information submitted by an existing broadband service provider relating to items (3) through (8) will be treated as proprietary and

confidential to the extent permitted by law. The information described in items (1) and (2) will be made publicly available. NTIA will post a list of the Census block groups or tracts in which existing broadband service providers have indicated that they provide broadband service.

The NOFA specifies the content of CCI applications and sets forth the evaluation criteria. The evaluation criteria are (1) Project Purpose (20 points); (2) Project Benefits (20 points); (3) Project Viability (30 points); and (4) Project Budget and Sustainability (30 points). Each application will be evaluated against objective criteria and not against other applications.

Awards will be subject to terms and conditions similar to those in place for the first round of funding, including ongoing reporting requirements.

### **BIP Program**

RUS's NOFA allocates approximately \$2.2 billion in funding for broadband infrastructure projects. A second funding window will open later which will provide: (1) grants for satellite service for premises that remain unserved after all other ARRA broadband funding is awarded; (2) technical assistance grants for developing plans using broadband for regional economic development; and (3) grants to provide broadband service to certain rural libraries.

RUS funding will be focused on last mile projects. RUS will also fund middle mile projects involving current RUS program participants. The first NOFA had two funding options, grants up to 100 percent in remote rural areas, and 50/50 loan/grant combinations in non-remote rural areas. In the second NOFA, RUS eliminated this distinction and adopted a base 75/25 grant/loan combination for all projects.

*Source: 75 Federal Register 3792, dated January 22, 2010.*