

# Pursuing Broadband Stimulus Initiatives

## American Recovery and Reinvestment Act (ARRA)

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# Agenda



- Overview and Background of the American Recovery and Reinvestment Act (ARRA)
- BTOP/BIP Grant Programs
- On-line Resources
- Discussion
  - BTOP/BIP Grant Programs
  - Telecom opportunity as a result of ARRA funding to Fed Agencies

## **President Barack Obama**

“The state of our economy calls for action, bold and swift. And we will act, not only to create new jobs, but to lay a new foundation for growth. We will build the roads and bridges, the electric grids and digital lines that feed our commerce and bind us together.” *Inaugural Address, January 20, 2009*

“Here, in the country that invented the Internet, every child should have the chance to get online...That’s how we’ll strengthen America’s competitiveness in the world.” *Weekly Address, December 6, 2008*

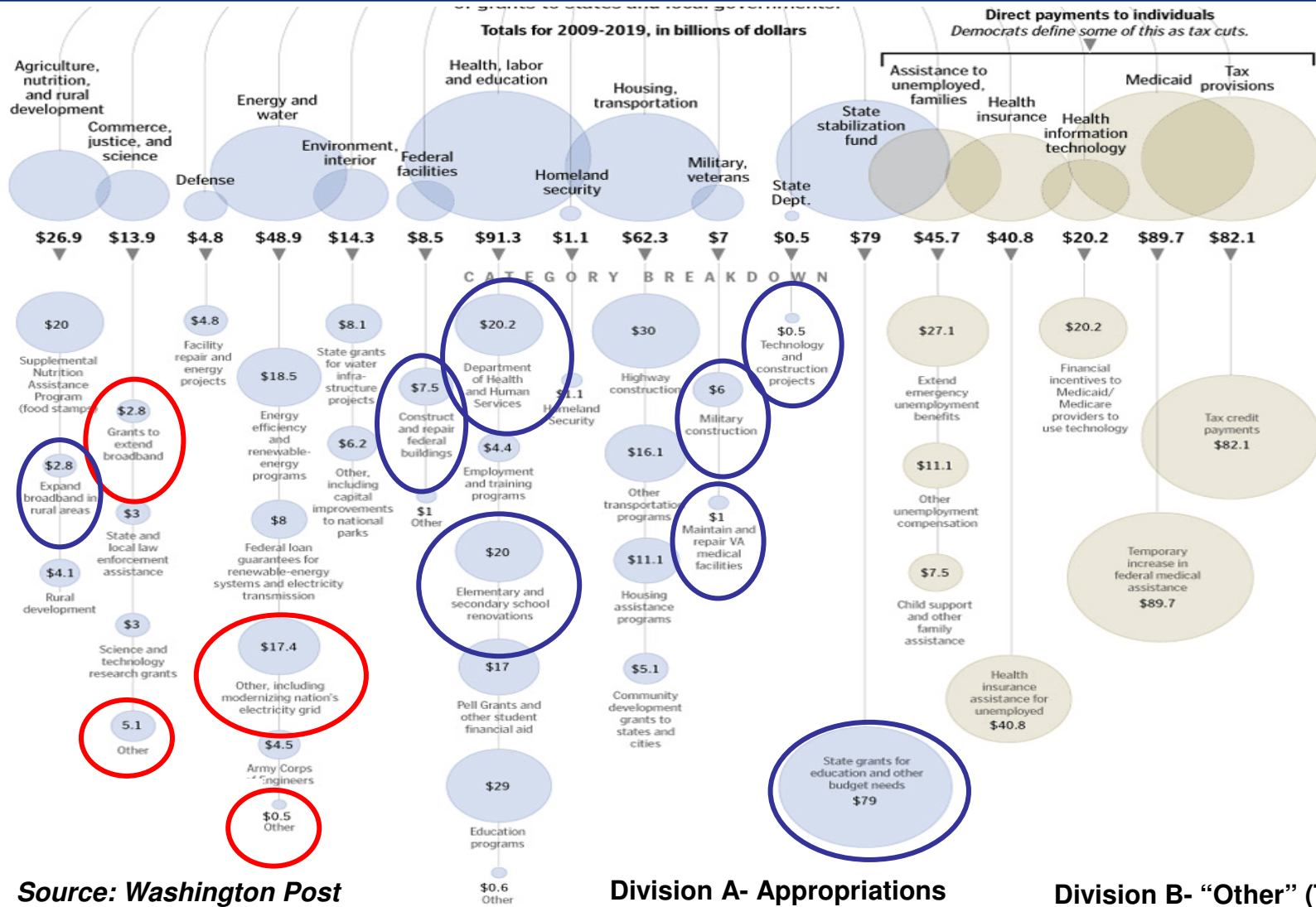
# American Recovery & Reinvestment Act (ARRA) of 2009



- **Purposes:**

- to preserve and create jobs, and promote economic recovery;
- to assist those most impacted by the recession;
- to provide investments needed to increase economic efficiency by spurring technological advances in science and health;
- to invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and to stabilize state and local government budgets.

# ARRA Funding



Source: Washington Post

[www.actgov.org](http://www.actgov.org)

# ARRA spending at a glance

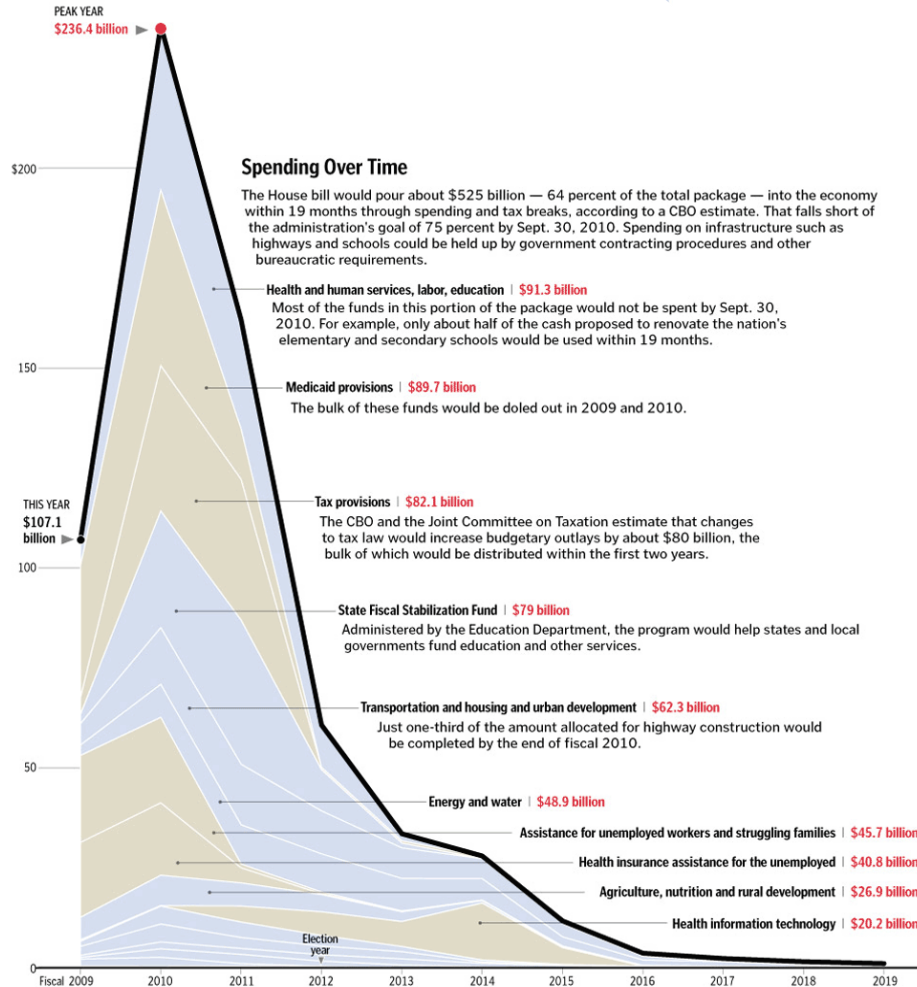


American Council for Technology



Industry Advisory Council

Government and Industry IT: one vision, one community



- “shovel-ready” projects get 1<sup>st</sup> phase funds
- States have submitted proposals to respective agencies
- Longer term projects follow government contracting process

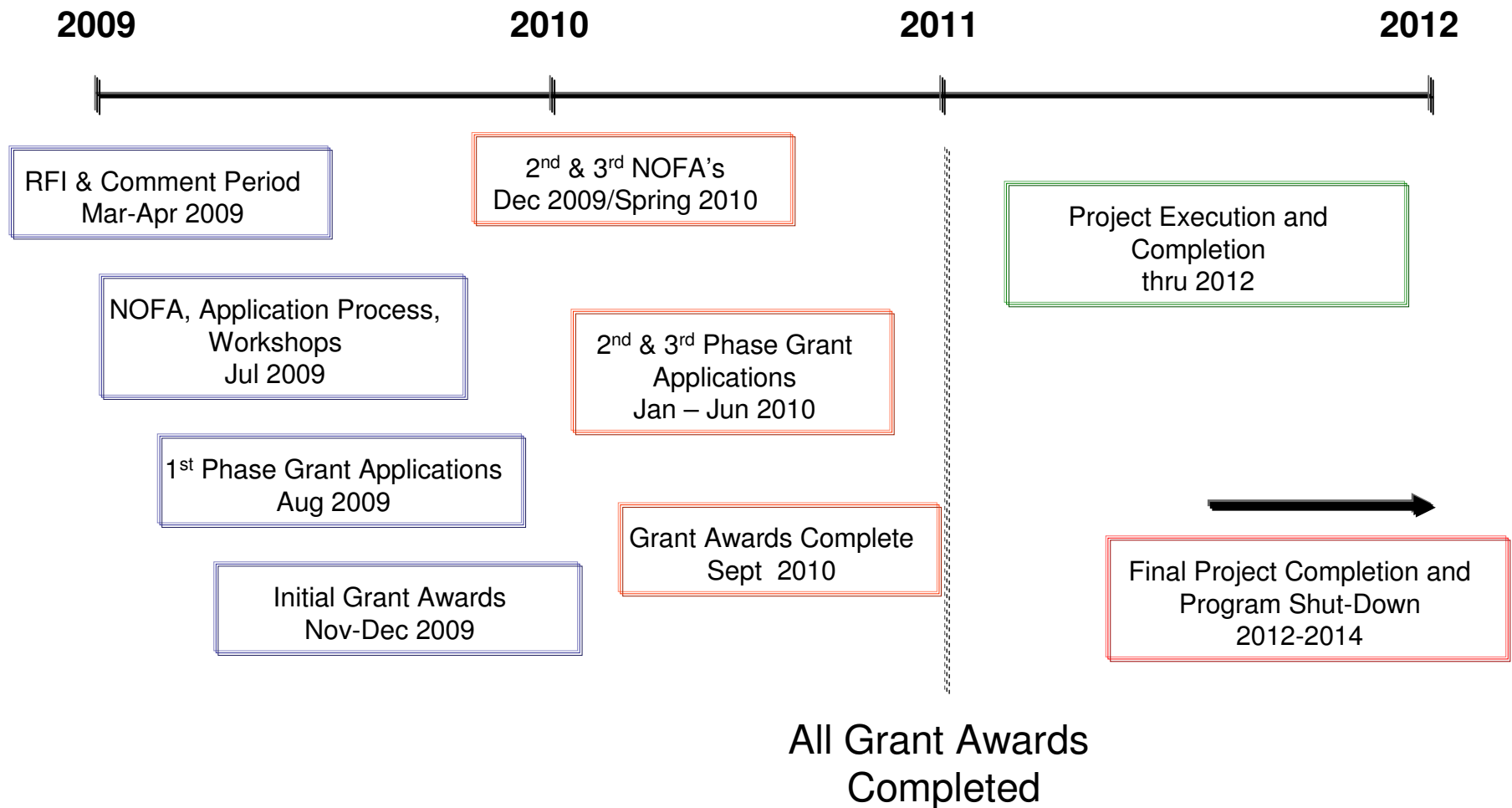
Source: Washington Post

# ARRA Broadband Stimulus



- \$7.2 billion to expand access to broadband services in the United States
  - \$4.7 billion: Broadband Technology Opportunities Program (BTOP)
    - Department of Commerce’s National Telecommunications and Information Administration (NTIA)
    - Infrastructure Related Grants
    - 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 and National Plan
    - 20% matching funds requirement for BTOP grant application
  - \$2.5 billion: Broadband Initiatives Program (BIP)
    - Department of Agriculture’s Rural Utilities Service (RUS)
    - Distance Learning
    - Telemedicine
    - Rural Broadband

# NTIA Grants - Timeline



# BIP & BTOP Grant Programs



- Broadband Initiatives Program (BIP): RUS
  - At least 75% Rural
  - Loan & Loan/Grant combinations
  - Projects funded in 1<sup>st</sup> NOFA – \$2.4B (96%)
    - Infrastructure: Last Mile \$1,200M (Remote & Non-Remote)
    - Infrastructure: Middle Mile \$800M
    - National Reserve \$325M

# BIP & BTOP Grant Programs



- Broadband Technology Opportunities Program (BTOP):  
NTIA
  - Projects funded in 1<sup>st</sup> NOFA - \$1.6B (64%)
    - Infrastructure \$1,200M
      - Unserved & Underserved areas
    - Public Computer Centers \$50M
    - Sustainable Broadband Adoption \$150M
    - National Reserve \$200M
  - 20% Matching funds required by entity applying for grant (investment funds or in-kind contribution)
    - up to 5% can be attributed to Grant administrative costs pre-award
    - Waiver for the 20% requirement can be requested

# BIP/BTOP Grant Requirements



- Eligible to apply
  - State/Local Gov'ts and all components
  - Indian Tribes & Native Hawaiian organizations
  - Non-profit entities
  - For-profit corporations; LLC's
  - Cooperative or mutual organizations
- Infrastructure Projects - Grantees
  - Must commit to Non-discrimination and Interconnection Obligations
    - FCC's Internet Policy (Aug. 5, 2005)
  - Must disclose proposed non-discrimination, interconnection & network management practices
  - Reporting
  - Accounting

# Grant Evaluation

- Scored against objective criteria, not against other applications.
  - Project Purpose
  - Project Benefits
  - Project Viability
  - Project Budget and Sustainability
  - Investments – 20% match (waiver?)
- Review process
  - Step 1 – Scored against criteria
  - Step 2 – Due diligence
    - Request for additional information
    - Review and recommendations by State Governments
- Specific evaluation factors for each criteria, depending on application type.
- Additional consideration for collaboration with other ARRA programs or Gov't initiatives
- Consideration given to projects utilizing socially & economically disadvantaged small businesses

# On-line Resources

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- [BroadbandUSA.gov](http://BroadbandUSA.gov)
  - Background on Broadband Stimulus grant programs
- [Broadband.gov](http://Broadband.gov)
  - FCC's National Broadband Plan
- [Recovery.gov](http://Recovery.gov)
  - Background on all ARRA programs & initiatives
- [Recovery.org](http://Recovery.org)
  - State by State breakout of ARRA projects
- Local Congressman's website
  - Many provide information on local ARRA projects

# Discussion

- Challenges with BTOP/BIP grant programs
  - 20% investment requirement
  - Non-discrimination
  - Transfer of ownership
  - Reporting/Accounting requirements
- Strategies
  - Apply for grant directly
  - Partner with local/state Government
  - Partner with third party – Non/For-Profit