

BTOP NOFA – WHAT DOES IT SAY AND WHAT DOES IT MEAN TO YOU?

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Questions We Seek to Answer

- What's at stake -- dollars and programs
 - Am I automatically eligible or do I have to prove something?
- New eligibility requirements.
- Review Process and Scoring
- Role of your state
- Other Significant Terms
- What you should be doing now
- Calendar and Resources
- Help Available
- Are there things that I or my community should be doing right now?
- How will my application be scored?
- What am I obligated to do if I get a grant?
- Program for assistance

Question We Do Not Seek to Answer

- What is in the Stimulus Bill
 - For an hour long program on the stimulus visit:
 - http://www.millervaneaton.com/content.agent?page_name=HT+Federal+Stimulus

Your Takeaway Message

- **Time is of the essence.**
 - Initial money will be awarded QUICKLY
 - Applications for this Round by August 14, 2009
 - All by September 30, 2010
- **Many will not qualify for infrastructure projects**
 - Design your project to comply
 - Controversial restrictions may change
- **Be proactive at key federal agencies:**
 - *Commerce*: National Telecommunications and Information Agency (NTIA)
 - *Agriculture*: Rural Utilities Service (RUS)
 - Congressional Offices

NTIA Estimate of Applications

- NTIA estimates
 - 1500 infrastructure applications
 - 2500 computer center applications
 - 2500 Sustainable Adoption applications

Quick Review: BTOP purposes

- Access to unserved
- Better access to underserved
- Education, awareness, equipment, training, access, support to
 - Education, medicine, libraries, “community support entities”
 - Organizations that work on demand with “vulnerable populations”
 - Job-creating facilities in empowerment/development zones
- Public safety
- Stimulate demand for BB, economic growth, jobs

Quick Review: BTOP eligible entities

- Public entities (including states)
- Non-profits
- All for-profit companies, but NOT individuals, so long as they agree to interconnection and nondiscrimination standards

What Changed the Most? -- 1

- “Unserved” and “underserved” have been made prerequisites for all infrastructure projects, regardless of whether project seeks to serve community anchor institutions or public safety.
 - Incumbents will be given opportunity to challenge applicant classification of the area as being under or unserved.

What Changed the Most ?-#2

Time line for completion

- Within 2 years of award date project must be substantially (67%) complete.
- Within 3 years of award date project must be fully complete.

What the NOFA says

- Amounts in play
- Definitions
- Application Requirements
- Timelines
- Scoring and Evaluation Process, and
- Questions Answered

NTIA \$1.4 billion in this NOFA

\$1.6 billion available for BTOP of which the following is set aside:

- Up to \$50 million for public computer centers,
 - Up to \$150 million for sustainable broadband adoption, and
 - Up to \$200 million for a national reserve to augment other categories or use in subsequent NOFAs.
- NTIA also reserves the right to redirect amounts among the categories, at its discretion

N.B. -- NTIA holds back 2/3 of ARRA funds for later.
Reference this fact in the DC workshop.

What is the Public Interest Test?

- It is **in the public interest** to allow for-profit corporations to be eligible for BTOP grants if they commit to:
 - adhere to the FCC’s Internet policy statement adopted in August 2005, to not favor any lawful Internet applications and content over others,
 - to display network management policies on their Web pages,
 - to “connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network program,” and
 - to “offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, on reasonable rates and terms to be negotiated with requesting parties.”

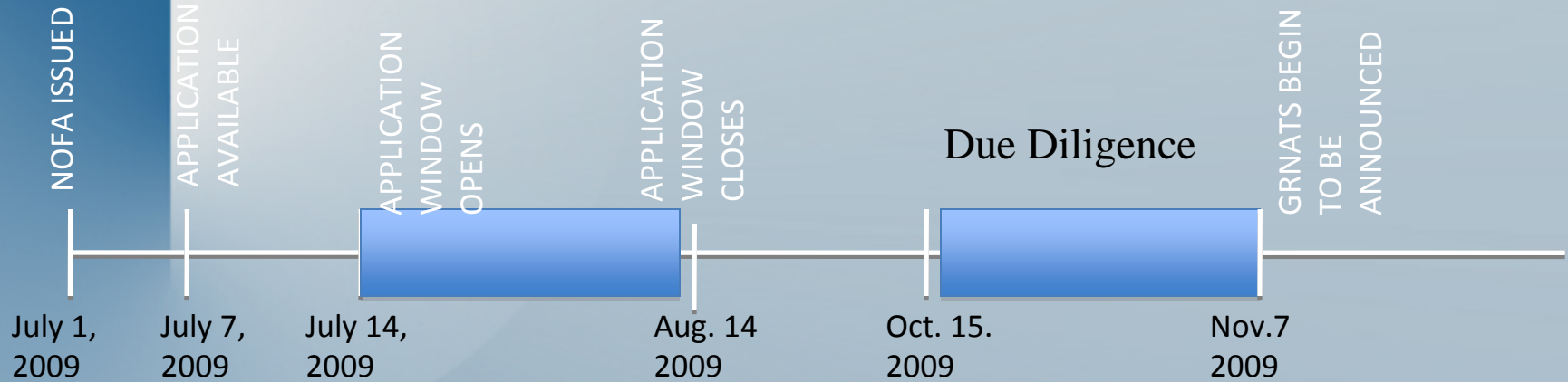
What is the Role of the States?

- Role of States
 - NTIA will identify finalists by Sept. 15, and then states will have 20 days to weigh in on prioritizing winners in their state.
 - NTIA is not bound by the opinion of the states.

ROUND ONE TIMELINE

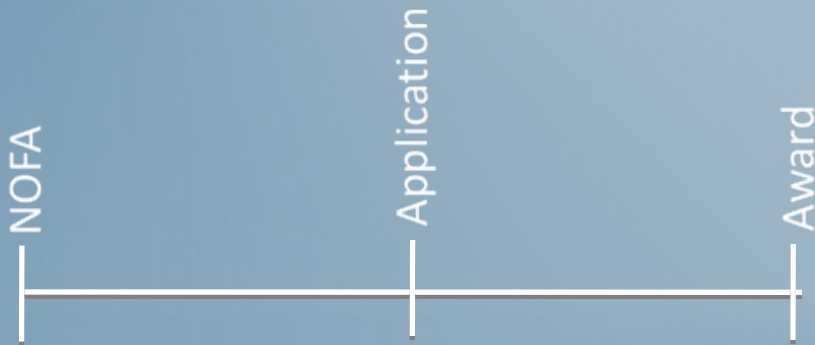
STAGE ONE

STAGE TWO



Round 2

Round 3



Calendar

July 1, 2009 NOFA published

July 7, 2009 Application available

<http://www.broadbandusa.gov>

July 14, 2009 Opening of application submission window

Aug. 14, 2009 Closing of application submission window

Next 30 Days - Step One of Proposal Review:

- Evaluation for completeness and eligibility (initial screening)
- Evaluation and ranking by applicable scoring criteria

September 14, 2009 (or later) - Announcement to top-scoring applicants, inviting them to submit additional documentation to support representations in Step One

Calendar (con't)

October 15, 2009 or 30 days after notification - Due diligence information due to NTIA/RUS

November 7, 2009 - RUS and NTIA expect to begin announcing awards

< **30 days later** - Award documentation made available to applicants

< **60 days later** - Closings on First Round Grants

TBD - Grant Rounds Two and Three (NTIA and RUS expect to execute two further rounds, but with details to be determined)

September 30, 2010 - All BIP and BTOP awards made

Definitions

*** Please note that these are now important as NTIA has determined that anchor institutions and public safety infrastructure programs are contingent upon a finding that funded area is under or unserved.

Underserved

An **underserved** an area must meet at least one of the following criteria

- No more than 50 percent of the households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed of 768 kbps downstream and 200 kbps upstream.
- No fixed or mobile broadband service provider advertises transmission speeds of at least 3 Mbps downstream in the proposed funded service area.
- The rate of broadband subscribership for the proposed funded service area is 40 percent of households or less.

NOFA: Demonstrating 40%

- An alternative methodology with far lower expense than direct survey:
 - document income levels (and/or other demographic criteria) in census blocks
 - apply Pew (or other respected) data regarding penetration rate by income level. (See also NTIA On-line study)
 - Risk: NTIA may not accept and carriers will contest

*** Many thanks to Joanne Hovis of CTC for this idea.***

Unserved

- An **unserved area** is one in which at least 90 percent of households in the proposed funded service area lack access to facilities-based, terrestrial broadband service.

Broadband

Broadband means DSL or better

- “providing two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users, or providing sufficient capacity in a middle mile project to support the provision of broadband service to end users.”

Community Anchor Inst.

- **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, unemployed, and the aged.

Computer Center

- **Public computer center** means a place, including but not limited to community colleges, libraries, schools, youth centers, employment service centers, Native American chapter houses, community centers, senior centers, assistive technology centers for people with disabilities, community health centers, and Neighborhood Network Centers in public housing developments, that provide broadband access to the general public or a specific vulnerable population, such as low-income, unemployed, aged, children, minorities and people with disabilities.

Application Process



BTOP Application Requirements

- If you are requesting more than \$1 million you must file application electronically. [NOFA ¶1197 - 1198] and have it certified by an Professional Engineer that system will deliver the stated performance and projected budget is a fair representation of the total infrastructure costs. [NOFA ¶609 – 613]
- Project must be substantially completed (67% of project milestones) within 2 years of award date and fully completed within 3 years. [NOFA ¶597 – 603]
- All infrastructure projects must meet underserved or unserved status. [NOFA ¶2359 – 2374]
- Absent waiver, applicant will provide service to the entire territory of each census block included in the proposed funded service area. [NOFA ¶2440 – 2447]

Application (continued)

- "Buy American" or request a waiver.
- Commit to non-discrimination and interconnection obligations [NOFA ¶¶2467 – 2570] for the life of the facilities. [NOFA ¶¶2561 – 2570]
- Advance at least one of the five BTOP statutory purposes. [NOFA ¶¶227 – 265], with last and middle mile projects meetings under and unserved terms. [NOFA ¶¶899 – 914]
- Demonstrate project could not be implemented within grant time period if not funded by the grant. [NOFA ¶¶732 – 740]
- Provide proof of 20% matching funds in the form of cash or in-kind, or request a waiver [NOFA ¶¶709 – 731]
- If you are to charge a fee for services participate in the State Broadband Data and Development Grant Program [NOFA ¶¶1755 – 1757]

Required Documents

[NOFA ¶936-1039]

- Verification the application meets eligibility factors.
- Executive Summary (No more than 3 pages) including description of how the applicant will advance the objectives of the Recovery Act.
- Description of the proposed funded service area including:
 - maps,
 - data describing geography and demographics, and
 - classification of area as served, underserved, unserved, nonrural, rural, and/or remote.

Required Documents

[NOFA ¶936-1039]

- Description of proposed service offerings including speed, last mile price (if applicable), other services, middle mile price (if applicable), price per household, and existing providers and services advertised in area.
- Commitment to non-discrimination and interconnection requirements.
- Technical details of the network including technologies, system design, network diagram last mile network technologies (if applicable) and certification by Professional Engineer (if the project seeks more than \$1 million in BTOP funding).
- Timeline for program milestones.

Required Documents

[NOFA ¶936-1039]

- Organization details, resumes of senior staff and org chart.
- Legal review of applicant's ability to apply for funding.
- List of public, non-profit, and public sector, government, and key partnerships.
- Budget of infrastructure costs of the proposed project including justification for costs, including amount, percentage, and type of matching funds..
- Analysis of sustainability financial including historical financial statements, subscriber estimates, 5-year forecast, and commitments from funding sources.
- Statement of “But for funding, program not doable within grant time period.”
- Evidence of collaboration with any socially and economically disadvantaged small business concern.

Eligible costs

Infrastructure:

- Construction or improvement of ALL facilities
- Grant preparation costs nte 5% (post-NOFA, pre-application)
- Capital Lease costs not to exceed 5 years

Computer Center/Sustainable Adoption

- Hardware & software
- Training resources
- Disability access

Ineligible costs

- Operating expenses (fixed or recurring)
- Costs incurred prior to date application is submitted
- Purchase of affiliate facilities or equipment
- Any vehicle
- Operating Lease
- Spectrum acquisition

How Will My Application Be Judged?

[NOFA ¶¶140 – 1593]

- Project Purpose (30 points)
- Project Benefits (25 points)
- Project Viability (25 points)
- Project Budget and Sustainability (20 points)

Tie-breakers

- Benefit the “greatest population of users in the area”
- Increase affordability and subscribership
- Greatest broadband speed
- Enhance service for
 - health care delivery
 - education
 - children
- “Disadvantaged small business concern”

Matching Funds

What Counts as Match?

- Previous NTIA programs:
 - Site preparation in a mobile or fixed location.
 - Site analysis and make-ready costs
 - Overhead costs as much as 20% of total project costs – e.g., wages and salaries
 - “Indirect cost rate” of up to 10%.
- Assume: could cost of in-kind be “booked” as initial capital cost of project?

Matching Funds - 20% minimum

- Matching funds may be in the form of cash or in-kind donations.
 - You cannot count an item or a service as an in-kind contribution simply because it has value.
- In general, in-kind contributions might include the following:
 - Donated equipment, computers, telecommunications facilities
 - Commitments of time from individuals outside the applicant's organization.
 - Contributions of services from organizations such as telephone companies, network access providers, Internet Service Providers, satellite companies, cable television operators, etc.
- **20 % is floor – more share results in higher score.**

PROCESS FOR REVIEW

Review—Step 1

- Initial screen for mandatory threshold requirements
- 3 independent “peer” reviews
 - Read independently and average score.
 - Do you want to be a reviewer – they are seeking volunteers.
- “Most highly qualified” advance to Step 2

Review—Step 2

- Submit additional info
- Subject matter “expert” review of consistency of claims with design
- State consultation (20 calendar days)
 - Prioritization
 - Explanation
 - Mapping and planning data to support
- NTIA specific modifications

Notice of Proposed Funded Service Area

- Last Mile and Middle Mile Applications in Step 2 posted for 30 days for public comment
- Is area “unserved” or “underserved”?
- Are there existing service providers?
- Incumbent responses confidential

Review—Recommendation

- BTOP Director's Recommendation:
 - Evaluation score
 - Due Diligence rating
 - Satisfaction of purposes & priorities
 - Geographic distribution
 - Uses of technology
 - No double funding by other federal programs
 - State recommendation

Review—Selection

- NTIA Asso Administrator Approves
- NTIA Asst Secretary selects:
 - Considers BTOP Director’s Recommendation
 - Review application package “taken as a whole” satisfies selection factors and program priorities
- Rolling awards

What Am I Obligated To Do If I Get A Grant?

Obligations are found in ARRA.

Reporting [NOFA ¶1830 – 1870]

- 10 days after end of quarter in which award was made, and every quarter thereafter for three years, applicant must report on numerous milestones:
 - Progress toward goals
 - Expenditures
 - Non-federal funds leveraged
 - New users or improved access

Other Laws that Govern

[NOFA ¶1903-2000]

- Must have ARRA Logo
- NEPA and NHPA apply
- David Bacon
- Financial and Audit Rules
- Deobligation
- Confidentiality
- No bar on sectarian applications.

Are There Things That I Should Be Doing Right Now?

- Download a BTOP application form.
- Obtain a DUNS number. DUNS website: http://www.dnb.com/US/duns_update/
- Register with the CCR. CCR website: <http://www.ccr.gov/>
Create an account for Fed Connect
- Register with FedConnect to submit their application. FedConnect website: www.fedconnect.net
- The registration process can take **three to five business days or one to three weeks depending on your organization and if all steps are met in a timely manner.**

What Should I be doing now?

- Enlist allies
 - Who will the project serve? (Local schools, public safety agencies, low-income, unemployed, aged, and otherwise vulnerable populations)
- Consider partnering with private sector providers
- Share your plans with your state and federal elected officials.
- Register for BTOP/BIP workshops

- <https://www.badgeguys.com/reg/2009/julyworkshops2009/register.aspx>

Online Resources

- New Website
<http://broadbandusa.sc.egov.usda.gov/index.htm>
- Notice of Funding Availability (NOFA) for the first round of broadband stimulus grants
http://broadbandusa.sc.egov.usda.gov/files/BB%20NOFA%20FINAL%20with%20disclaimer_1.pdf
- Workshop materials
<http://broadbandusa.sc.egov.usda.gov/workshop.htm>
- Recovery.gov: Tracks federal agency expenditures of American Recovery and Reinvestment Act monies:
<http://www.recovery.gov>
- Office of Management and Budget implementation guidance on stimulus spending:
http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-10.pdf

Online Resources (con't)

- National Telecommunications and Information Administration programs:
<http://www.ntia.doc.gov/otiahome/otiahome.html>
- Rural Utilities Service programs:
<http://www.usda.gov/rus/telecom/index.htm>
- Federal Communications Commission on rural broadband:
http://wireless.fcc.gov/outreach/index.htm?job=broadband_home
- Full text of American Recovery and Reinvestment Act of 2009: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.

[pdf](#)

Professional Assistance

- As you assemble your project, identify project professionals who can work quickly to assist in the technical aspects of a project.
 - Engineers
 - Financial analysts
 - Legal/Contract Assistance
- Educate federal agencies as they define an “unserved area,” “underserved area,” “Open Access,” and “wireless open access”

Questions

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