Broadband Stimulus

What States Need to Know:
How to Capitalize on Broadband Stimulus Funds Across Urban and Rural Areas

July 6, 2009

Hosted By:

CONNECTED NATION®

EMPOWERING COMMUNITIES ACROSS THE DIGITAL DIVIDE
Alliance for Digital Equality

GRANGE

CWA
Communications Workers of America
The Union for the Information Age
AFL-CIO, CLC

Connected Nation

A national non-profit 501(c)(3) organization that facilitates market-based strategies for 1) expanding broadband availability and 2) increasing broadband adoption rates across the United States through public-private partnerships.

Alliance for Digital Equality

The Alliance for Digital Equality (ADE) is a non-profit consumer advocacy organization that serves to facilitate and ensure equal access to technology in all communities. ADE also serves as a bridge between policymakers and minorities in order to help the public understand how legislative and regulatory policies regarding new technologies can impact and empower their daily lives.

American Farm Bureau Federation

AFBF is the unified national voice of agriculture, working through our grassroots organization to enhance and strengthen the lives of rural Americans and to build strong, prosperous agricultural communities.

Communications Workers of America

Communications Workers of America is the union for the Information Age, representing 700,000 workers in communications, media, airlines, manufacturing, and public service. Speedmatters.org is a project of CWA and promotes affordable high-speed Internet for all Americans.

The National Grange

The nation's oldest national agricultural organization, the National Grange has 300,000 members with grassroots units established in 3,600 local communities in 37 states. Formed 142 years ago, National Grange members provide service to agriculture and rural areas on a wide variety of issues, including economic development, education, family endeavors, and legislation designed to assure a strong and viable Rural America.

Overview of Broadband Funds in First NOFA

Program	Amount
USDA RUS Broadband Infrastructure Program (BIP)	$2.4 Billion
NTIA Broadband Technology Opportunity Infrastructure Program	$1.2 Billion
NTIA BTOP Sustainable Broadband Adoption Grant	$150 Million
NTIA BTOP Public Computing Center	$50 Million
NTIA State Broadband Data & Development Grant	$240 Million
Total	$4.04 Billion

Common Deadlines

- Application Available 7/7/2009
- Application period begins 7/14/2009
- All applications for first NOFA (BIP and BTOP) and State Broadband Data and Development Grant Program must be submitted by 8/14/2009
- First award notices expected approx. 11/7/2009
- SBDD grant program award announcements expected 9/15/2009

Common Requirements

- DUNS Number
- Central Contractor Registration
- Projects greater than $1 million must be filed electronically
- Applications will be judged by point system of evaluation criteria, not against each other
- For-profit firms may apply

Regional Workshops

- July 7, 2009 – Washington, DC Area (Harbor, MD)
- July 8, 2009 – Boston, MA
- July 10, 2009 -- Charleston, WV
- July 14, 2009 -- Birmingham, AL
- July 15, 2009 – Memphis, TN
- July 16, 2009 -- Lonoke, AR
- July 17, 2009 -- Billings, MT
- July 21, 2009 -- Minneapolis, MN
- July 23, 2009 -- Albuquerque, NM
- July 24, 2009 -- Los Angeles, CA

Registration:

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

Definitions

- Broadband = Two-way data transmission with 768 kbps downstream and 200 kbps upstream to end user, or sufficient capability in a middle-mile project to support those speeds to end users in a project area.
  - Will favor projects with higher speeds
  - Leverages FCC expertise
  - Allows projects for difficult-to-serve areas
  - Technology neutral
  - Allows “served” area to qualify as underserved

Definitions

- Unserved = One or more contiguous census blocks where at least 90 percent of households lack access to facilities-based terrestrial broadband.
  - A definition requiring 100 percent lacking access would have been overly restrictive and could have unintentionally excluded entire areas from BTOP funding.
  - Does not consider satellite-based broadband service in order to prevent a finding that no area in the United States is unserved.

Definitions

- Underserved = One or more contiguous census blocks where one of the following factors is met (assumption is that multiple factors will exist)
  - No more than 50 percent of households have access, and/or
  - No advertised speeds of 3 mbps downstream, and/or
  - Adoption rate in area is 40 percent or less.
- Low adoption rates are proxy for price, income, and demographics

Infrastructure Programs

- All awardees must adhere to non-discrimination and interconnection requirements
  - Must agree to five conditions:
    - Adherence to FCC Internet Policy Statement
    - No favoritism among lawful Internet applications and content
    - Prominent display of network management policies
    - Connection to the Internet and not exist as entirely closed network
    - Interconnection, including ability to connect to public Internet and physical interconnection

Infrastructure Programs

- NTIA and RUS have two-step application process
  - Step one is to create “pool of viable...fundable candidates”
    - First pass at elimination of unrealistic applications
  - Step two is to validate pool from step one and identify awardees
    - “Due Diligence” phase

RUS Broadband Initiatives Program (BIP)

- $2.4 Billion in first NOFA
  - $1.2 billion for Last Mile Projects
    - $400 million in grants for remote area projects
    - $800 million for loans or loan/grant combos for non-remote projects
  - $800 million for Middle Mile Projects
- Remote area = unserved, rural area 50 miles from any non-rural area

RUS Broadband Initiatives Program (BIP)

- Grants for remote, unserved rural areas loans and grant/loan combinations for non-remote and underserved areas
- 75 percent of funded area must be rural and lack broadband access
- Rural = any area not within a city or town with population greater than 20,000 or within an urbanized area contiguous and adjacent to a city or town with population greater than 50,000

Evaluation Criteria – BIP Program

- **Project Purpose (25 points)**
  - **Proportion of Rural Residents Served in Unserved Areas (5)**
  - **Rural Area Targeting (5)**
  - **Remote Area Targeting (5)**
  - **RUS Title II Borrowers (5)**
  - **Recovery Act government collaboration (5)**
- **Project Benefits (25 points)**
  - **Performance of offered service (10)**
  - **Affordability (5)**
  - **Critical Community Facilities served (5)**
- **Project Viability (25 points)**
  - **Applicant's capability (12)**
  - **Support from local communities (2)**
  - **Shovel Ready (10)**
  - **Disadvantaged Small Businesses (1)**
- **Budget and Sustainability (25 points)**
  - **Reasonableness of budget (5)**
  - **Leverage outside resources (10)**
  - **Extent of grant funding (grant funds/loan funds) (10)**

BTOP Programs: Role of States

- States have opportunity for input in step two of application process
- Governor will receive a list of considered applications and may provide a prioritization list and justification for those applications
- States strongly encouraged to include mapping and planning data
- States may use State Broadband Data & Development Grant Program submission
- States have 20 calendar days after receiving application list from NTIA

BTOP Infrastructure Grant Program

- $1.2 billion available in this NOFA
- 20 percent non-federal match required
  - May be waived
- Can fund Last Mile or Middle Mile projects
- Must advance one or more of ARRA purposes
- Projects that serve public interest will get extra consideration

Evaluation Criteria – BTOP Infrastructure Program

- **Project Purpose (30 points)**
  - **Fit statutory purpose**
  - **Recovery Act/other governmental collaboration**
  - **Enhanced services health care, education and children**
  - **Socially & economic disadvantage small businesses**
- **Project Benefits (25 points)**
  - **BTOP Last Mile Projects**
    - **Cost-effectiveness**
    - **Performance of delivered services**
    - **Affordability**
    - **Nondiscrimination, interconnection & choice of provider**
  - **BTOP Middle Mile Projects**
    - **Impact on area served**
    - **Level of need of area**
    - **Network capacity built – consideration for scalability to meet future needs**
    - **Affordability**
    - **Nondiscrimination, interconnection & choice of provider**

Evaluation Criteria – BTOP Infrastructure Program

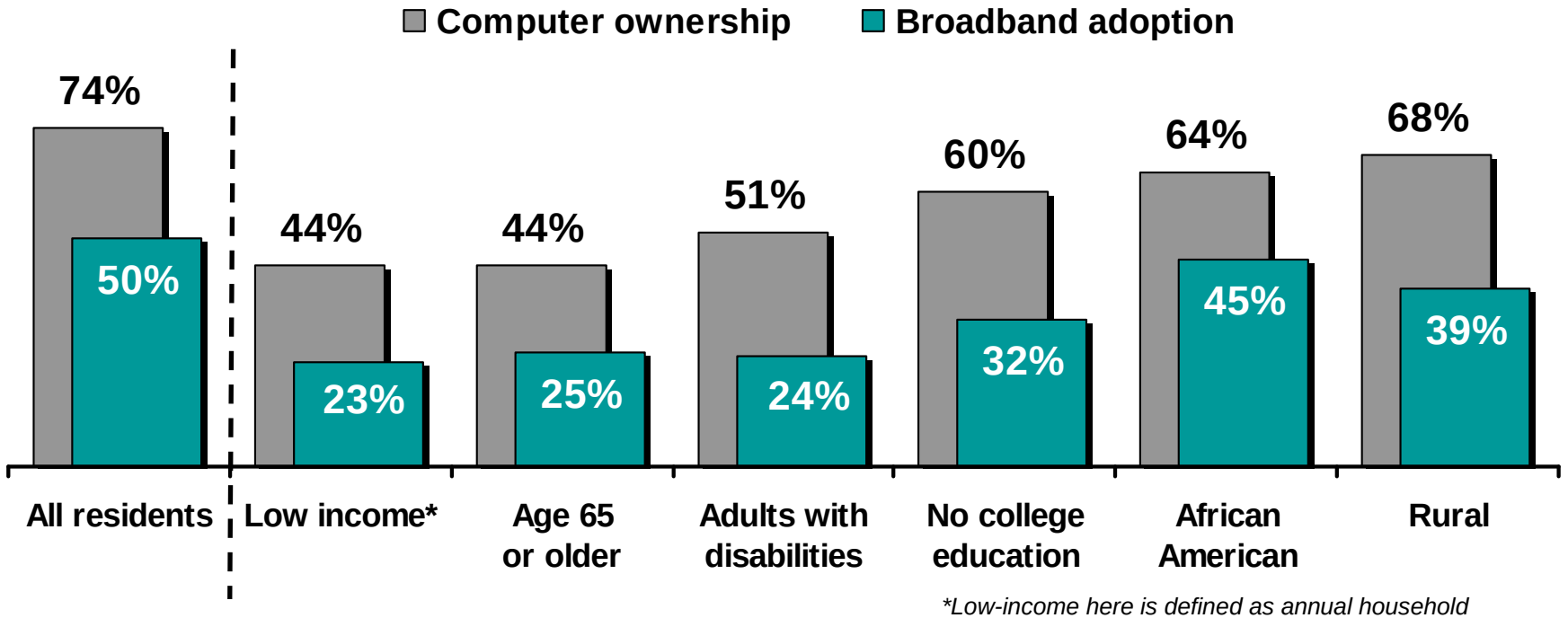
- Project Viability (25 points)
  - Technical feasibility: comprehensiveness and appropriateness of the technical solution and the clarity, level of detail, and coherence of the system designs.
  - Applicant's organizational capability
  - Level of community involvement
  - Shovel ready
- Project Budget and Sustainability (20 points)
  - Budget reasonableness
  - Sustainability: business plans, market projections, third party funding commitments
  - Leverage of outside resources

Importance of Research

- Applications require significant information to support proposals
  - For example, NTIA and RUS use the criteria of low adoption rates as a proxy for pricing plans, median income, or demographic characteristics
  - Sustainable adoption program requires information on barriers and strategy for overcoming them
- Localized research helps drive supply-side and demand-side advancement
- Understanding of barriers to/reasons for adoption and technology trends will help leverage matching funds
- Research will assist in project reporting after awards

Computer Ownership and Broadband Adoption Among Demographic Groups

Computer ownership and broadband adoption are lower than average among several demographic groups.

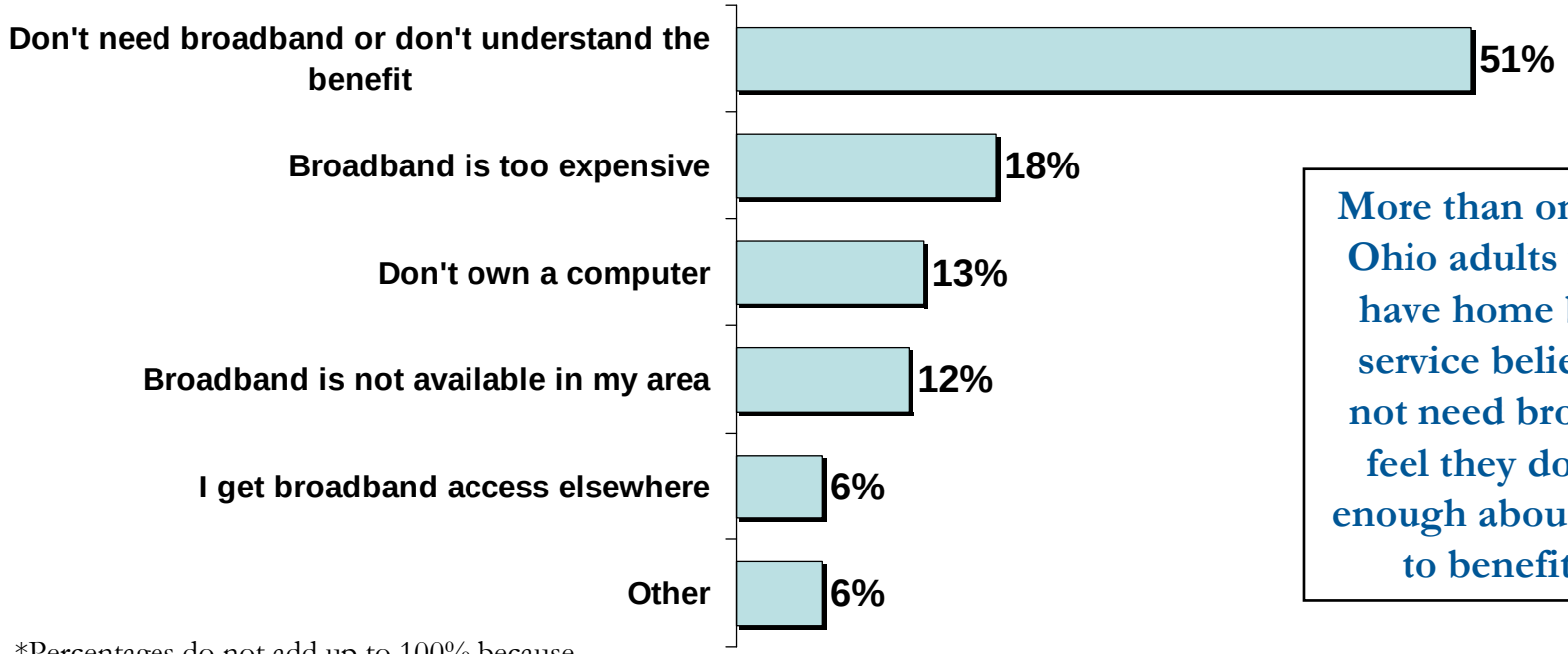


Q: Does your household have a computer?
Q: Which of the following describe the type of Internet service you have at home?
n = 3,005 residents in Ohio, Tennessee and Kentucky

**Low-income here is defined as annual household income less than $25,000*
Source: 2007-2008 ConnectKentucky, Connected Tennessee, and Connect Ohio Residential Technology Assessments

Barriers to Broadband Adoption

Among Ohio residents who do not subscribe to home broadband service:*



More than one-half of all Ohio adults who do not have home broadband service believe they do not need broadband, or feel they do not know enough about broadband to benefit from it.

*Percentages do not add up to 100% because respondents could give multiple responses.

Q: Why don't you subscribe to broadband Internet service?
Or if broadband is not available:
Q: Why wouldn't you subscribe to broadband Internet service?
(n = 542 OH residents with no home broadband service)

Source: 2008 Connect Ohio Statewide Residential Technology Assessment

BTOP Public Computing Center Program

- $50 million available in this NOFA
- To create or expand access to general public or specific vulnerable population
- Should address a specific public need
- Factors will include expertise of employees; number of hours open per week; and whether center is free or fee-based

Evaluation Criteria – BTOP Computing Center (Up to $50M)

- Project Purpose (30 points)
  - Fit statutory purpose
  - Recovery Act/other governmental collaboration
  - Enhanced services health care, education and children
  - Socially & economic disadvantage small businesses
- Project Benefits (25 points)
  - Accessibility of the computer center to the public – capacity, hours of operation, population served, accessibility to persons with disabilities. Affordability to users and Services rendered: Quality of training and educational programs offered; qualifications of consulting and teaching staff.

Evaluation Criteria – BTOP Computing Centers

- Project Viability (30 points)
  - comprehensiveness and appropriateness of the technical solution and the clarity, level of detail, and coherence of the system designs
- Project Sustainability (25 points)
  - business plans, market projections, third party funding commitments, and other data as may be appropriate.

BTOP Sustainable Broadband Adoption Program

- $150 million available in this NOFA
- Must demonstrate a sustainable increase in demand and adoption
- Should describe barriers to adoption and methods to overcome those barriers
- Should address a specific public need
- Can include training or education, equipment, or awareness campaign

Importance of Demand Aggregation

- True benefits of broadband realized by higher broadband adoption rates
  - Erasing the digital divide
  - Education, healthcare, and job training apply when broadband is *used,* not just available
- Economic benefits strongly tied to increases in broadband adoption rate
- Connected Nation research indicates a seven percentage point increase in broadband adoption represents a potential annual economic benefit of $134 billion

Evaluation Criteria – BTOP Sustainable Broadband Adoption Projects

- Project Purpose (30 points)
  - Number of new users, both overall and the proportion that new subscribers and users represent of the number of non-subscribers and non-users in the area. Cost per new user. Innovation
- Project Benefits (25 points)
  - Technical feasibility: operational details of project, nimble and innovative solutions for demand stimulation
  - Applicant's organizational capability
  - Level of community involvement
  - Shovel ready

Evaluation Criteria – BTOP Sustainable Broadband Adoption Projects

- Project Viability (30 points)
  - Number of new users, both overall and the proportion that new subscribers and users represent of the number of non-subscribers and non-users in the area. Cost per new user. Innovation
- Project Sustainability (25 points)
  - Project sustainability beyond grant program

State Broadband Data and Development Grant Program

- One time grant program July 14–August 14, 2009
- $240M total funding available
- $1.9M - $3.8M anticipated mapping awards of between per state
- 20% match required – cash or in-kind
- Up to $500,000 per state will be available for "planning" can be combined with mapping applications and used for one or more of the other components of the BDIA state development grant program:
  - research regarding demand drivers and barriers
  - local planning and demand stimulation programs
  - computer/Internet programs

State Broadband Data and Development Grant Program

- Purpose to facilitate national broadband map, statewide broadband inventory maps and broadband planning initiatives
- Preference for projects that can provide substantially complete data sets by 11/1/2009
- Mapping projects to span five years, include semi-annual updates

Importance of Broadband Mapping

- Granular and accurate broadband inventory maps will help drive supply-side projects and are intended to help inform federal infrastructure grants
- States strongly encouraged to include maps when submitting project preferences
- National map must be complete within two years
- Broadband mapping that can identify unserved and underserved, community anchor institutions and critical community facilities will help justify all project applications

Data Requirements – Mapping

- Geographic areas in which broadband service is available
- Technologies used to provide broadband
- Spectrum used for provision of wireless broadband
- Speeds at which broadband is available
- Average Revenue Per User (ARPU)
- Broadband availability at public schools, libraries, hospitals, colleges and universities, and government buildings.
- NTIA reserves the right to perform the necessary broadband collection in the event states fail to produce a grant awardee.

State Broadband Data and Development Grant Program

- Participation in BIP or BTOP infrastructure programs includes agreement to participate in SBDD program
- In-kind contributions, including data, allowed
- Proprietary data to remain confidential (though given to NTIA) and NDAs allowed

State Broadband Data and Development Grant Program

- In-kind contributions:
  - Employee or volunteer services
  - Equipment; supplies; hardware/software
  - Existing program expenditures
  - “Fair Market Value” of relevant data previously collected

State Broadband Data and Development Grant Program

- Non-disclosure agreements allowed
- Confidential Information includes data that:
  - Identifies type and technical specification of infrastructure
  - Identification of ARPU
  - Explicit identification of provider and Service Area

State Broadband Data and Development Grant Program

- Substantially complete data set contains data on service provided
  - by 70 percent of providers
  - to 80 percent of households in a state
  - to 90 percent of household in rural areas
  - and 95 percent of Community Anchor Institutions

Evaluation Criteria - Mapping

- Data (30%)
- Project Feasibility (30%)
- Expedient Data Delivery (20%)
- Process for Repeated Data Updating (10%)
- Planning and Collaboration (10%)

Time Frame – Mapping Accelerated, One-Time Program

- Application Process
  - Application Guidelines: Tentatively 07/7
  - Application Period: 07/14-08/14
  - Notification: 09/15
  - Contract Delivery: 30 days after notification
- Program Deliverables
  - Preferred Data Delivery: 11/01
  - Final Data Delivery: 03/01/2010
- Time Frame
  - **Semi-annual data updates for at least 5 year**

Connected Nation's Initiatives

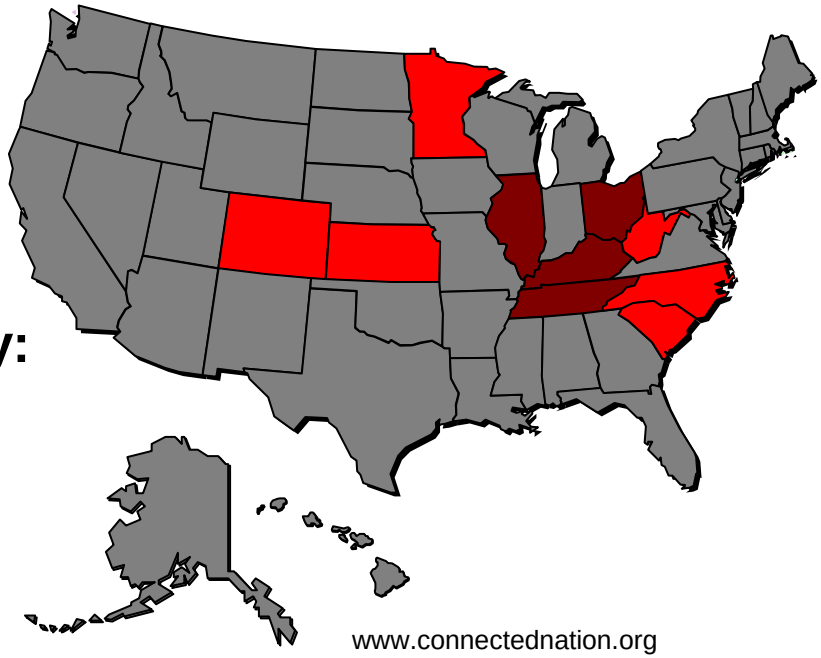
✓ **Four "Comprehensive" Initiatives:**

CONNECTKENTUCKY℠ · CONNECTED Tennessee — THE TRAIL TO INNOVATION℠ · CONNECT OHIO℠ · CONNECT illinois

In total, Connected Nation has data-sharing agreements with over 342 broadband providers of all shapes and sizes across ten states.

✓ **Three Other States Mapped:**

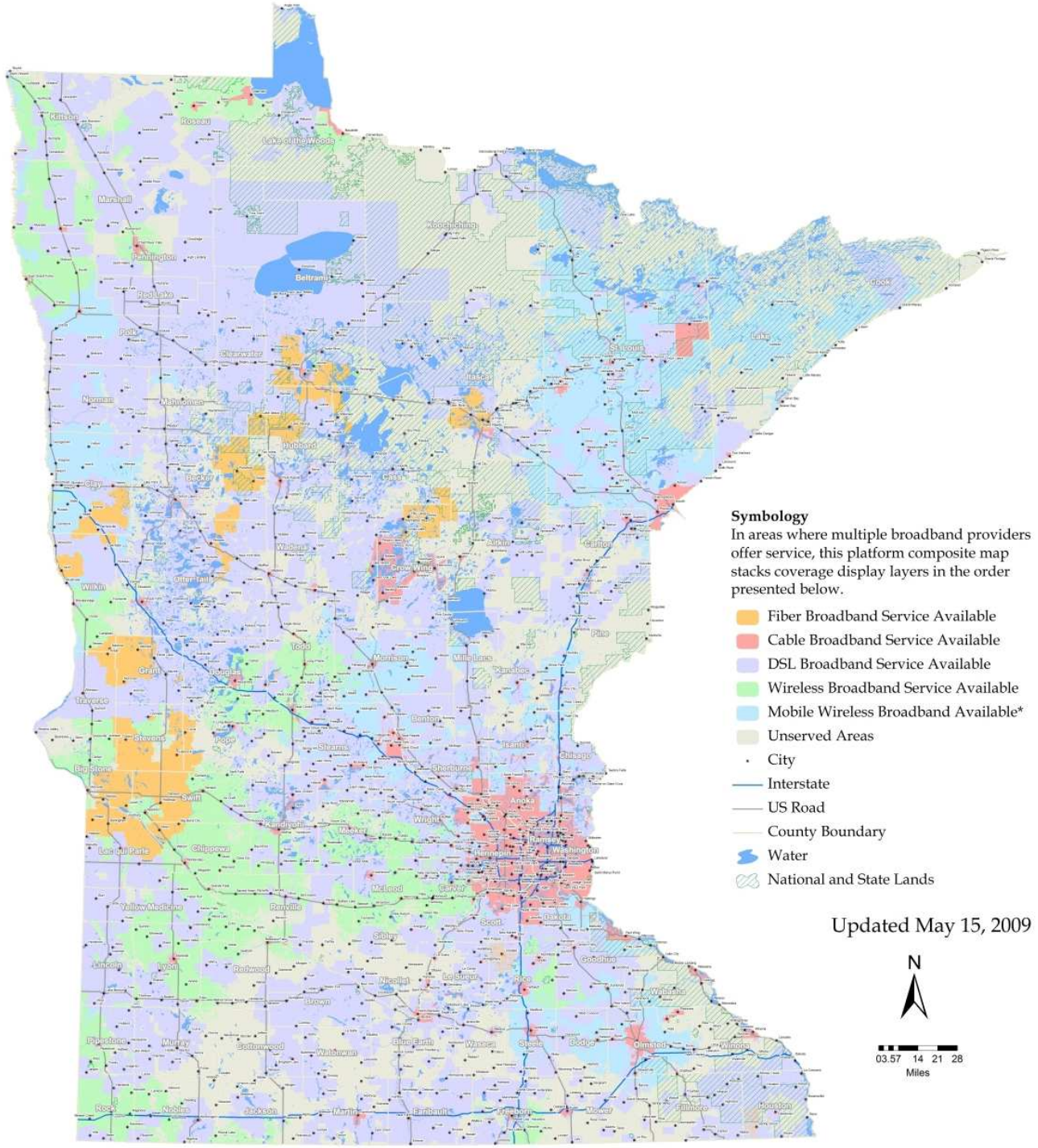
CONNECT Minnesota℠ · CONNECT south carolina℠ · CONNECT west Virginia℠



✓ **Three States with Mapping Underway:**

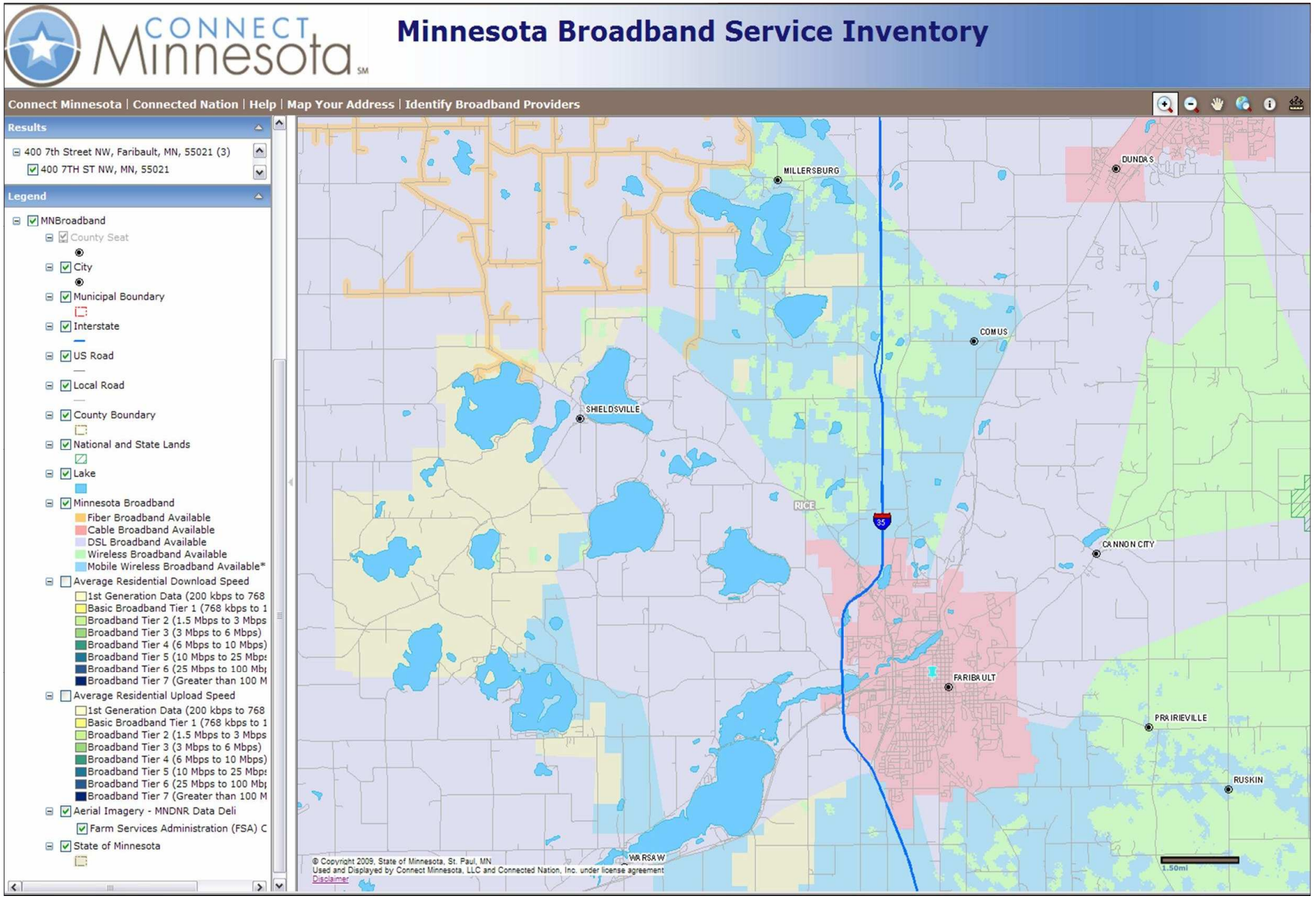
CONNECT Colorado · CONNECT north carolina℠ · CONNECT KANSAS℠

Minnesota Broadband Service Availability Map



CONNECT Minnesota SM

www.connectednation.org



Useful Websites

http://www.broadbandusa.gov

http://www.ntia.doc.gov/broadbandgrants/

http://www.usda.gov/rus/telecom/

http://broadbandusa.sc.egov.usda.gov/download_app.htm

For More Information

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