

**CALIFORNIA PUC SUMMARY OF FEDERAL BROADBAND STIMULUS FUND  
APPLICATION GUIDELINES  
July 2, 2009**

The following summary provides an overview of key dates, definitions, and the grant/loan process for federal broadband stimulus funds, but does not include all details or application requirements. For the complete Notice of Funds Availability, please go to [http://broadbandusa.sc.egov.usda.gov/files/BB%20NOFA%20FINAL%20with%20disclaimer\\_1.pdf](http://broadbandusa.sc.egov.usda.gov/files/BB%20NOFA%20FINAL%20with%20disclaimer_1.pdf)<sup>1</sup>

**Background:** The American Recovery and Reinvestment Act of 2009 (ARRA) provides the Rural Utilities Service (RUS) and the National Telecommunications and Information Agency (NTIA) with \$7.2 billion for broadband stimulus funding.

- Under ARRA, NTIA has established the Broadband Technology Opportunities Program (BTOP) (\$4.7 billion) and RUS has established the Broadband Initiatives Program (BIP) (\$2.5 billion).
- The BTOP is intended to provide stimulus funding for broadband infrastructure projects and broadband subscribership/adoption programs. The BIP program is focused on funding broadband infrastructure projects in rural areas (where at least 75% of the area is a “rural area” that lacks sufficient access to highspeed broadband service). Both programs have the additional goal of creating economic growth and jobs.

NTIA is also responsible for administering the Broadband Data Improvement Act (BDIA), which provides \$350 million for the purpose of developing and maintaining a broadband inventory map.

**Notices of Funds Availability (NOFA) Issued:** On July 1, 2009, RUS and NTIA issued the first Joint Notice of Funds Availability (NOFA) establishing the application process, eligibility criteria, key definitions, guidelines, and deadlines for applying for stimulus funds under the BTOP and BIP.

Separately, NTIA also issued a NOFA for the BDIA mapping program on July 1, 2009. Discussion of the NOFA for BDIA is set forth separately at the end of this summary.

**Summary of Joint NOFA for BTOP and BIP:** NOFA allocates approximately \$4 billion in funding.

- RUS will distribute \$2.325 billion and NTIA will distribute \$1.6 billion.
- The remainder of funds will be distributed pursuant to two subsequent NOFAs. The entire amount of funding will be awarded by September 30, 2010.

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<sup>1</sup> See also <http://www.ntia.doc.gov/broadbandgrants/> for additional information about the federal grant program.

- **Application Review Process:** NTIA and RUS will review applications in a two-step process.
  - Step One: NTIA and RUS will review and create a pool of viable and potential applications that meet the eligibility criteria and application guidelines.
  - Step Two: NTIA and RUS will validate the applications and identify the most highly qualified applications. NTIA will send to the Governor’s Office of each state a list of its identified pool of applications under consideration for the BTOP during the second step. States may provide a list and prioritization of recommended projects, along with an explanation of why the selected projects meets the greatest needs of the state. States are strongly encouraged to provide mapping and planning data to support their recommendations. States participating in the Broadband Data and Development Grant Program may rely on that submission under that program to fulfill that request. *States have 20 calendar days from the receipt of this list to submit its recommendations to NTIA.*
- **Key Dates for BTOP and BIP Applications:**
  - Application window for grants under the BTOP and BIP pursuant to this NOFA: July 14, 2009 8:00 a.m. (ET)- August 14, 2009 (ET).
  - NTIA and RUS plan to announce awards starting on or about November 7, 2009.
    - Projects advancing to StepTwo – “due diligence” stage – will not be announced before September 14, 2009. Additional information must be submitted by applicants within 30 days after the applicant has received a request, or by October 15, 2009, whichever is later.
  - All awards must be made by September 30, 2010.
  - A project must be substantially completed within 2 years from the date of the award, and fully completed by 3 years of the date of the award.
- **Eligible Entities:**
  - States, local governments, agency subdivision, instrumentality, or political subdivision thereof; District of Columbia; territory or possession of the U.S.; Indian tribe; native Hawaiian organization; non-profit foundations or corporations or entities; for-profit corporations; limited liability companies; and cooperative or mutual organizations.
- **Key Definitions:**
  - **BIP:** the Broadband Initiatives Program, administered by the RUS, under ARRA
  - **Broadband:** 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.
  - **BTOP:** the Broadband Technology Opportunities Program, administered by NTIA, under ARRA.

- Last Mile project: any infrastructure project the predominant purpose of which is to provide broadband service to end users or end-user devices (including households, businesses, Community anchor institutions, public safety entities, and critical community facilities).
- Middle Mile project: a broadband infrastructure project that does not predominantly provide broadband service to end-users or to end-user devices, and may include interoffice transport, backhaul, Internet connectivity, or special access.
- Public computer center: 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.
- Proposed Funded Service Area: the area (either in all or part of the service area or a new service area) where the applicant is requesting BIP or BTOP funds to provide broadband service pursuant to this NOFA
- Rural Area: any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within:
  - A city, town, or incorporated area that has a population of greater than 20,000; or
  - An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000. For purposes of the definition of rural area, an urbanized area means a densely populated territory as defined in the latest decennial census of the U.S. Census Bureau.
- Service Area: the entire area within which a service provider either offers or intends to offer broadband service and may include the proposed funded service area.
- Underserved Area: a proposed funded service area, composed of one or more contiguous census blocks. A proposed funded service area qualifies as ***underserved for Last Mile projects*** if at least one of the following factors is met:
  - 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 (set forth in the definition of broadband above);
  - No fixed or mobile broadband service provider advertises broadband transmission speeds of at least three megabits per second (“mbps”) downstream in the proposed funded service area; or
  - The rate of broadband subscribership for the proposed funded service area is 40 percent of households or less.

A proposed funded service area may qualify as *underserved for Middle Mile projects* if one interconnection point terminates in a proposed funded service area that qualifies as unserved or underserved for Last Mile projects.

- **Unserved area:** a proposed funded service area, composed of one or more contiguous census blocks, where at least 90 percent of households in the proposed funded service area lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed (set forth in the definition of broadband above). A household has access to broadband service if the household can readily subscribe to that service upon request.
- **NTIA BTOP NOFA Summary:** Purpose is to provide grants for deploying broadband infrastructure in unserved and underserved areas, enhancing broadband capacity at public computer centers, and promoting sustainable broadband adoption projects. This NOFA provides \$1.6 billion available for funding BTOP projects.
  - Broadband infrastructure: \$1.2 billion
  - Public Computer Centers: \$50 million
  - Sustainable broadband adoption: \$150 million
  - National reserve:<sup>2</sup> \$200 million
- **General BTOP Application Requirements:**
  - Project must advance at least one of the statutory purposes for BTOP
  - Awardees will be required to provide documentation of matching funds for at least 20% of the total eligible project cost
  - Applicants must demonstrate that the project could not be implemented but for federal grant assistance
  - A project is only eligible if it demonstrates that its budget is appropriate and costs are reasonable
  - Awards will be issued on a technologically neutral basis
  - Projects are expected to demonstrate ability to be sustained beyond the funding period.
- **BTOP Broadband Infrastructure Specific Requirements:**
  - Meeting the specific service standards
  - Technical feasibility: determined through design and project timeline to be certified by a professional engineer
  - Funds for broadband infrastructure are to be used for infrastructure only and not for operating expenses of a project.
  - Applicant must agree to nondiscrimination and interconnection requirements:
    - (1) the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005);<sup>3</sup>
    - (2) not favor any lawful Internet applications and content over others;

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<sup>2</sup> The "national reserve" may be used to augment the BTOP funding categories established above, or remain unused for subsequent NOFAs. In any event, all funds will be spent by September 30, 2010.

<sup>3</sup> <http://www.publicknowledge.org/pdf/FCC-05-151A1.pdf>

- (3) display any network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies;
  - (4) connect to the public Internet directly or indirectly such that the project is not and entirely private closed network; and ,
  - (5) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity , on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and the physical interconnection for the exchange of traffic. *Applicants must disclose their proposed interconnection, nondiscrimination, and network management practices with their applications.*
- Scoring Criteria (100 points total possible): 30 points for project purpose; 25 points for project benefits; 25 points for project viability; and 20 points for project budget and sustainability.
  - BTOP Contact: Anthony Wilhelm, Deputy Associate Administrator, Infrastructure Division, Office of Telecommunications and Information Applications, NTIA, DOC, email: [btop@ntia.doc.gov](mailto:btop@ntia.doc.gov)
  - **Rural Utilities Service BIP NOFA Summary:** Purpose is to extend loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas:
    - 75% of a funded area must be in a rural area that lacks sufficient access to high speed broadband services
    - Preference for higher percentage of loan funds or 100% loans as opposed to grants
    - Preference for projects that can commence construction promptly and demonstrate technical and financial feasibility, organizational capacity, and compliance with other Administration priorities
    - Grants are for funding applications proposing to exclusively serve remote, unserved, rural areas
    - Loans and loan/grant combinations are available for applications proposing to serve non-remote and underserved rural areas
  - Total of \$2.4 billion in program level funding under this NOFA
    - \$1.2 billion in Last Mile projects
    - \$800 million for loans or loan/grants for Middle Mile projects
    - \$325 million available as a national reserve
  - Priority for projects that:
    - Give end users a choice of providers;
    - Serve the highest proportion of rural residents that lack access to broadband service;
    - Are projects of current or former RUS borrowers, and
    - Are fully funded and ready to start once Recovery Act funding is received

- Applicants that are intending to serve areas that are at least 75% rural must submit applications to RUS to be considered under BIP. If applicants wish to be considered for BTOP funding, they must complete the additional requirements for NTIA applications. NTIA may only make awards after RUS has made its determination on any awards through BIP.
- BIP Application Requirements:
  - Meeting the specific service standards
  - Technical feasibility: determined through design and project timeline to be certified by a professional engineer
  - Nondiscrimination and interconnection requirements: Applicant must agree to the following:
    - (1) the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005);<sup>4</sup>
    - (2) not favor any lawful Internet applications and content over others;
    - (3) display any network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies;
    - (4) connect to the public Internet directly or indirectly such that the project is not and entirely private closed network; and ,
    - (5) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity , on reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and the physical interconnection for the exchange of traffic. *Applicants must disclose their proposed interconnection, nondiscrimination, and network management practices with their applications.*
  - BIP will not approve multiple projects with overlapping proposed service areas, the project to be granted funds will be the one with the highest score on the application
  - Applicants must secure and have verification of full funding for their proposed project
  - Applicants must be able to demonstrate that their proposed project is financially feasible and sustainable
- Scoring Criteria (100 total points): 25 points for project purpose; 25 points for project benefits; 25 points for project viability; 25 points for project budget and sustainability.
- Contact: David J. Villano, Assistant Administrator Telecommunications Program, Rural Utilities Service, USDA, email: [bip@wdc.usda.gov](mailto:bip@wdc.usda.gov)
- **Broadband Mapping NOFA Summary**
  - \$350 million available to fund the State Broadband Data and Development Grant Program authorized by the Broadband Data Improvement Act.<sup>5</sup> Purpose is to provide grants to eligible entities to develop and implement statewide initiatives to identify and

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<sup>4</sup> <http://www.publicknowledge.org/pdf/FCC-05-151A1.pdf>

<sup>5</sup> Pub. L. 110-385, 122 Stat. 4096 (to be codified at 47 U.S.C. § 1301 *et seq.*).

track the adoption/availability of broadband services and develop statewide broadband maps.

- High priority on developing and maintaining a national broadband map – intent to fund projects gathering data at the address-level on broadband availability, technology, speed, infrastructure, average revenue per user, and spectrum used across the project areas.
- Successful applicants should propose to provide comprehensive and verifiable data meeting Program standards; workable and sustainable framework for repeated updating of data; a plan for collaboration with state-level agencies, local authorities and other constituencies; feasible projects as demonstrated by reasonable and cost-efficient budget; and timeline for expedient data delivery.
- NTIA expects grant awards to range between \$1.9 million and \$3.8 million per state for the mapping portion of each project, and up to \$500,000 for the planning portion of each project. The exact size of any award will depend on the specifics of each project, the quality of each project as determined in NTIA's review, as well as demographic and geographic features unique to each state.
- Key dates for BDIA:
  - Application window opens July 14, 2009 at 8:00 am Eastern Time (ET) and closes August 14, 2009 at 11:59 pm ET.
  - Awards to be made no later than September 30, 2010. Period of performance will be five years from date of award.
  - NTIA will announce awards starting on or about September 15, 2009. Successful applicants must comply with applicable documentation requirements within 60 calendar days of award announcement.
- Eligible Applicants: agency or instrumentality of a state or municipality or other subdivision or agency or instrumentality; a nonprofit organization; or independent agency or commission in which an office of a State is a member on behalf of the State; or the single eligible entity in the State that has been designated by the State to receive a grant.
- Matching Funds: Awardees will be required to provide and document at least 20 percent non-federal matching funds toward the total eligible project cost.
- Confidentiality Requirements: Recipients of grants must treat any information that is a trade secret or commercial or financial information or privileged or confidential matter as confidential and not subject to public disclosure except as otherwise mutually agreed to by the broadband service provider and the entity.
- Scoring Criteria (100 total points): 30% for data proposed to be provided; 30% for project feasibility; 20% for expedient data delivery; 10% for the process of repeated data updating; and 10% for planning and collaboration.