Broadband Technology Opportunities Program
Notice of Funds Availability—Fact Sheet
July 2009

Overview

NTIA and the USDA's Rural Utilities Service (RUS) jointly issued a Notice of Funds Availability (NOFA) and solicitation of applications on July 1, 2009, describing the availability of funds and application requirements for the broadband initiatives contained in the American Recovery and Reinvestment Act of 2009—NTIA's Broadband Technology Opportunities Program (BTOP), and the RUS Broadband Initiatives Program (BIP).[1] Funded at $4.7 billion, BTOP provides grants to support the deployment of broadband infrastructure in unserved and underserved areas, to enhance broadband capacity at public computer centers, and to encourage sustainable adoption of broadband service. Through this support, BTOP will also advance the Recovery Act's objectives to spur job creation and stimulate long-term economic growth and opportunity.

Project Categories and Funding

Up to $1.6 billion in BTOP funds is available to be awarded under this NOFA and is allocated as follows.[2] Additional funds will be available in subsequent funding rounds, and all awards must be made no later than September 30, 2010.

- The ***Broadband Infrastructure*** category (up to $1.2 billion) will fund projects that deliver broadband service through Last Mile or Middle Mile facilities to unserved and underserved areas.[3]

  Unserved Area: an 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 speed (see below).

  Underserved Area: Last Mile Projects—an area composed of one or more contiguous census blocks where at least one of the following is met: 1) no more than 50 percent of households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband speed; 2) no fixed or mobile broadband service provider advertises broadband speeds of at least 3 Mbps downstream in the proposed funded service area; or 3) the rate of broadband subscribership for the proposed service area is 40 percent of households or less. **Middle Mile Projects**—an area composed of one or more contiguous census blocks where one interconnection point terminates in a census block area(s) that qualifies as unserved or underserved for Last Mile projects.

  All Broadband Infrastructure grant recipients that offer Internet access services for a fee must agree to participate in the State Broadband Data and Development Program.

- The ***Public Computer Center*** category (up to $50 million) will fund projects that expand computer center capacity at entities that permit the public to use these computer centers, such as community colleges and public libraries.

- The ***Sustainable Broadband Adoption*** category (up to $150 million) will fund innovative projects that promote broadband demand, such as projects focused on broadband education, awareness, training, access, equipment or support, particularly among vulnerable populations.

Eligible Entities

The NOFA states that it is **in the public interest** to allow for-profit corporations and other organizations not otherwise encompassed in the Recovery Act to be eligible for BTOP grants so as to promote the goals of the Recovery Act. A more detailed listing of all entities eligible for BTOP grants can be found in the NOFA. (*See* Sec. 6001(e)(1) of the Recovery Act.)

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[1] Pub. L. No. 111-5, 123 Stat. 115 (2009). This Fact Sheet summarizes elements of the NOFA related to BTOP only. See the NTIA/RUS NOFA for all requirements at www.broadbandusa.gov.

[2] NTIA retains the discretion to divert funds from one project category to another. The $1.6 billion total includes $200 million that is available to augment any of the individual BTOP funding categories in this round or that can be used pursuant to subsequent NOFAs.

[3] For projects that are at least 75 percent rural (as defined in the NOFA) applications must be submitted to RUS for consideration under BIP. Such applications can also be submitted to NTIA for a BTOP grant, if applicants complete the additional elements required under BTOP. If an application reviewed by RUS is not funded, NTIA may still determine it to be meritorious and make a grant award. For proposed service areas that are less than 75 percent rural, applications must be submitted only to NTIA for consideration under BTOP.

Other eligibility factors require that all BTOP applicants: submit a complete application and all supporting documents; demonstrate the project can be substantially completed within two years of the grant issuance date and fully completed within three years of the grant issuance date; advance one or more of BTOP's five statutory purposes; provide matching funds of at least 20 percent toward total eligible project costs (unless a waiver petition is approved); document that the project would not be implemented during the grant period but for a federal grant; and demonstrate that the budget is reasonable.

The following additional factors are required of applicants for Broadband Infrastructure grants:

- The applicant must propose to offer "**broadband**" service as defined in the NOFA—i.e., two-way data transmission with advertised speeds of at least 768 kbps downstream and at least 200 kbps upstream to end users; or sufficient capacity in a middle-mile project to support "broadband" service to end users.
- NTIA must be able to determine that the proposed project is technically feasible, including submitting a system design and project timeline certified by a professional engineer for any project requesting funds over $1 million.
- The applicant must demonstrate the ability of the project to be sustained beyond the funding period.
- The applicant must commit to the program's **Nondiscrimination and Interconnection Obligations**— 1) adherence to the FCC's Internet Policy Statement; 2) not favor some lawful applications and content over others; 3) describe and display any network management policies; 4) connect to the public Internet and not be an entirely private closed network; and 5) offer interconnection, including the ability to connect to the public Internet and physical interconnection for the exchange of traffic.[4]
- Applicants for Last Mile infrastructure projects must provide service to the entire territory of each census block included in the funded service area unless the applicant can provide a reasoned explanation as to why providing coverage for an entire census block is infeasible.

Application Information and Two-Step Review Process

The BTOP application review is a two-step process. After an initial screening to determine whether applications meet eligibility factors, such as application completeness, each BTOP application will be scored against objective evaluation criteria and not against other applications. A description of each step follows.[5]

Step One - Evaluation
Applications will be evaluated by at least three expert reviewers against evaluation criteria. Scores will be averaged and applications considered to be the most highly qualified will advance for further consideration.

Step Two – Due Diligence
For applications that advance to this "due diligence" phase, NTIA will request applicants to submit additional information as necessary to substantiate representations made in their application. The nature and scope of additional information requested will depend on the BTOP funding category in which the application was made. NTIA will review and analyze supplemental information and assign a rating, based on a five-point scale, reflecting the consistency of the application with supporting documents.

States will be provided an opportunity to make recommendations concerning the allocation of funds for qualifying projects in or affecting the individual states during step two of the BTOP application process. States participating in the related broadband mapping program will also have an opportunity during Step One to describe unserved and unserved areas of their states.

Other Key Provisions

- **Eligible Costs**: BTOP grant funds can be used only to pay eligible costs, which must be reasonable, allocable, and necessary to the project.
- **Buy American**: On June 19, 2009, the Secretary of Commerce granted a limited waiver of the Buy American provision of the Recovery Act with respect to certain broadband equipment. A waiver with respect to other items may be requested on a case-by-case basis.
- **Application Submission and Deadline**: Application packages for electronic and paper submissions will be available at: http://www.broadbandusa.gov. Applications will be accepted between July 14–August 14, 2009.

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[4] Applicants must disclose proposed interconnection, nondiscrimination, and network management practices in the application.   These requirements are subject to the needs of law enforcement and reasonable network management. See the NTIA/RUS NOFA for details.

[5] See NTIA/RUS NOFA for a complete listing and description of required application information.