American Recovery and Reinvestment Act of 2009 Broadband Initiative

FOR IMMEDIATE RELEASE: November 10, 2009

NTIA Media Contact:	**USDA Media Contact:**
Jessica Schafer	Bartel Kendrick
202-482-5670	202-379-8400

NTIA AND RUS STREAMLINE PROGRAMS TO BRING BROADBAND, JOBS TO MORE AMERICANS

Agencies Plan to Consolidate Final Two Funding Rounds, Seek Comment on Program Enhancements

WASHINGTON – The USDA's Rural Utilities Service (RUS) and the Commerce Department's National Telecommunications and Information Administration (NTIA) today announced they are streamlining the American Recovery and Reinvestment Act's broadband grant and loan programs by awarding the remaining funding in just one more round, instead of two rounds, to increase efficiency and better accommodate applicants.

RUS's Broadband Initiatives Program (BIP) and NTIA's Broadband Technology Opportunities Program (BTOP) are intended to expand broadband access and adoption in America, advancing the goals of the Recovery Act by creating jobs and stimulating long-term economic growth and opportunity. The first round of these grant and loan programs produced about 2,200 applications requesting nearly $28 billion in funding – almost seven times the amount of funding available in that round – for proposed broadband projects reaching all 50 U.S. states, 5 territories, and the District of Columbia. The agencies are currently reviewing these applications and expect to award up to $4 billion in loans, grants, and loan/grant combinations in this round. The agencies expect to begin announcing funding awards in December 2009.

"Based on our experience with the first funding round, including the overwhelming response we've seen from applicants nationwide, we believe this consolidated approach brings a number of benefits," said Lawrence E. Strickling, Assistant Secretary for Communications and Information and Administrator of NTIA.

"This will get the funds out the door faster to stimulate the economy and create jobs. It gives applicants and communities a greater opportunity to come together to form networks and find more creative ways to connect to the global economy through broadband," said Jonathan Adelstein, Administrator, Rural Utilities Service, USDA. "We are listening to applicants, reviewing applications received, and all indications suggest a need to revisit the application process. We will consider changes in the next NOFA to make the process more 'applicant friendly' from beginning to end."

The agencies also announced they are seeking public comment on how best to administer the second round of funding for the programs in order to improve the applicant experience and maximize the ability of the programs to meet Recovery Act objectives.

"Stakeholders will have the opportunity to provide us with well-informed feedback on how the first round worked for applicants, the agencies will be able to make improvements to the process, and potential applicants will gain more time to form partnerships and create stronger project proposals. Ultimately, this approach can help us run the programs with increased efficiency and produce better results for the American public," Strickling said.

In a Request for Information (RFI) released today, the agencies are seeking feedback on procedural and policy aspects of BIP and BTOP. While inviting general input on the programs, the agencies identified specific areas for comment.

In terms of procedural matters, for example, the RFI seeks input on ways to streamline the application process while still ensuring that the agencies obtain the information necessary to make awards in accordance with statutory requirements. The RFI also asks whether the agencies can better balance the public's interest in transparency and openness with stakeholders' legitimate interest in maintaining the confidentiality of proprietary data.

Among policy matters raised, the RFI seeks comment on how to best target the remaining funds to achieve the goals of the Recovery Act. Commenters proposing a more targeted approach are asked to quantify the impact of their proposal based on metrics such as the number of end users or community anchor institutions connecting to service, the number of new jobs created, and the projected increase in broadband adoption rates. The RFI asks whether to focus second round funding on projects that create "comprehensive communities" by installing high capacity middle mile facilities between anchor institutions that bring essential health, medical, and educational services to citizens. The RFI also invites input on various other issues, including whether the definition of "remote area," which is used to determine grant eligibility under BIP, is too restrictive, how the agencies can best ensure that investments are cost effective, and ways the programs might impact regional economic development and stability.

RUS and NTIA will utilize the feedback received in response to the RFI to set the rules for the second funding round, which the agencies expect to announce through a Notice of Funds Availability early next year.

The American Recovery and Reinvestment Act provided a total of $7.2 billion to NTIA and RUS to fund projects that will expand access to and adoption of broadband services. Of that funding, NTIA will utilize $4.7 billion for grants to deploy broadband infrastructure in unserved and underserved areas in the United States, expand public computer center capacity, and encourage sustainable adoption of broadband service. RUS will use $2.5 billion in budget authority to support grants and loans to facilitate broadband deployment in primarily rural communities.

- # -