

Broadband Initiatives Program (BIP) Satellite Grant Program



Satellite Program Information Sources



1. Round Two Notice Of Funds Available (NOFA) - Published on January 22, 2010.
2. Request For Proposals (RFP) - Published on May 7, 2010.

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Changes in the RFP

NOFA Funding: Customer Premises Equipment, reduce monthly service cost, terrestrial ground facilities

RFP Funding: Reimbursement with grant funds for connecting a unserved rural premises



New Definitions in the RFP

Basic Service Package: Satellite Broadband Service offered at no greater than \$50 per month to the end user.

Expanded Service Package: The provision of Satellite Broadband Service at speeds of at least 1.5 Mbps downstream and greater than 200 kbps upstream to end users.

Commercial Service Package: The provision of Satellite Broadband Service at speeds of at least 2 megabits per second (Mbps) downstream and greater than 200 kbps upstream to end users.



New Definitions cont.

National Application: A Satellite application covering at least six of the Satellite Regions, and shall be treated as a single application.

Proposed Subscriber Amount: The amount which the Applicant proposes to accept in federal assistance as payment in exchange for providing broadband service, on the terms as identified in its proposal and as required in this RFP, to each eligible, unserved rural premises.

Regional Application: A Satellite application for one or more Satellite Regions, which shall be treated as a separate application for each of the Satellite Regions being applied for.



New Definitions cont.

Satellite Broadband Service: Broadband that is delivered to the end user through a satellite based system and not an ancillary or terrestrial based system.

Satellite Project: Any project to provide Satellite Broadband Service to unserved rural premises (including households, businesses, public safety entities, and critical community facilities).

Satellite Region: Any of the eight regions available for a satellite project, identified in Section IV.C.1(a).



Purpose and Eligibility

- The Satellite project category was established to reach premises left unserved by other technologies funded under the First and Second Round NOFAs.
- RUS, through BIP, will accept applications to reimburse costs for the provision of satellite broadband service to eligible, **unserved rural premises** listed in Section IV.C.1(a) in the RFP.



Unserved Rural Premises

CANNOT INCLUDE:

Premises located within service areas of Last Mile Awardees under the First Round NOFA, Second Round NOFA, or BTOP NOFA

Premises already receiving broadband satellite service.

Premises that have received broadband service under this program and have disconnected



Funding Target and Eligible Entities

- **Available Funds:** Up to \$100,000,000 in grant funds.
- **Eligible Entities:**
 - A satellite Internet Service Provider (ISP);
 - A reseller of satellite ISP service;
 - A distributor or dealer of satellite ISP service; and
 - A consortium of more than one of the above eligible entities, except for a consortium of more than one Satellite ISP.



Project Eligibility

- Application must be complete;
- Application must demonstrate timely completion with all award funds being drawn within 3 years;
- The project must offer service meeting the definition of Broadband as defined in the Second Round NOFA and the RFP;
- The project must propose to serve an eligible Satellite Region as listed in Section IV.C.1(a) of the RFP;
- The project must demonstrate the extent to which unserved rural premises will benefit under their proposals; and
- The Project must be financially and technically feasible and demonstrate sustainability.



Evaluation Criteria

- The price of the service to the end-user;
- The proposed amount per subscriber that is being requested;
- The length of any proposed discounted service;
- The quality and transmission speed of the proposed services, especially the Basic Service Package;
- How potential requests for service will be handled; and
- The amount of outside investment in the project.



Application Submission

- The application packages for all programs are available at: <http://www.broadbandusa.gov>.
- Applications for the Satellite Program must be submitted by June 7, 2010.
- Applications must be submitted in **paper format**.
 - Paper applications must be typed, single-sided and single-spaced on 8 ½” by 11” paper.
 - Fonts should be no less than 12 points and margins should be no less than one inch.
 - The application and certifications must have original signatures when submitted in paper format.



Where do I send my completed Application?

One original and one copy of the completed applications must be mailed, shipped, or sent overnight express to:

Package Service Delivery Address	Hand-Delivery Location
Broadband Initiatives Program Rural Utilities Service U.S. Department of Agriculture 1400 Independence Avenue, SW Stop 1599 Washington, DC 20250-1599	Broadband Initiatives Program Rural Utilities Service U.S. Department of Agriculture 1400 Independence Avenue, SW Room 2868 Washington, DC 20250



Completing a Satellite Application

Satellite Application Information Form:

- General information about the applicant and its organization;
- **If Applicable** - Information about the co-applicant(s);
- A project description;
- Region(s) the applicant is proposing to serve;
- Applicant's congressional district;
- Service area information;
- Project costs;
- Required item/attachment checklist; and
- Certification requirements.

Completing a Satellite Application cont.



Executive Summary

- The number of unserved rural premises proposed to be served by the applicant within each of the Satellite Region
- The amount and length of any proposed discounted service;
- The different service packages and service contracts that will be offered;
- The operational relationship between the applicant and any co-applicants; and
- How the project promotes rural economic development, supports persistent poverty counties, demonstrates cost effectiveness, and offers low-cost service options.



Completing a Satellite Application cont.



Proposed Service Offerings

- Applicant's Ability to Provide Service:
 - Describe the Applicant's ability to cover the entire Satellite Region(s) being applied for with Satellite service.
 - Complete **Attachment C – Service Provisions.**
- Service Offerings:
 - Describe the proposed service offerings, including quality of service, transmission speed, and associated pricing plans for a Basic Service Package, an Expanded Service Package, and a Commercial Service Package.
 - Complete **Attachment D - Service Offerings.**



Completing a Satellite Application cont.

Qualifications of Management Team and Organizational Readiness

- Management Team Resume:
 - Provide resumes of the senior management team and project team members significant to the project's success.
 - Complete **Attachment E – Management Team Resumes.**
- Organizational Readiness:
 - Describe key factors to indicate how your organization will be prepared to implement, manage and operate a satellite network.
 - Complete **Attachment F – Organizational Readiness.**



Completing a Satellite Application cont.

Qualifications of Management Team and Organizational Readiness cont.

- Organizational Chart:
 - Detail the structure of your organization including any parent, subsidiary, affiliates, or partnership organizations.
 - An applicant's organizational chart(s) should reflect both company structure and the names and titles of key staff, whether this is achieved using one or more charts.
 - Complete **Attachment G – Organizational Chart.**



Completing a Satellite Application cont.

Sustainability

- Historical Financial Statements:
 - Provide for the last two years, an Income Statement, Balance Sheet, and Statement of Cash Flow (CPA audits if available); start-up firms should provide the most recent financial statements.
- Broadband Subscriber Estimates:
 - Provide subscriber projections for each of your service regions, along with a brief description of the methodology used to forecast this on a separate sheet.
 - Complete **Attachment H - Subscriber Estimates**.



Completing a Satellite Application cont.



Sustainability cont.

- Pro Forma 5-Year Financial Forecast and Assumptions:
 - Provide a forecast that covers at least five years and be inclusive of ALL operations of the applicant, existing and projected.
 - Provide a detailed list of financial narrative assumptions used to produce the financials and a brief explanation of why each assumption is reasonable for your business case.
 - Show all grant funds being drawn down by year 3 of the pro forma.
 - Complete **Attachment I - Pro Forma 5-Year Financial Forecast.**



Completing a Satellite Application cont.



Sustainability cont.

- Commitment of Capital Funding Support:
 - Identify all sources of funding committed to the project including the funds from federal and non-federal sources.
 - Complete **Attachment J – Commitment of Capital Funding Support.**

- Outstanding Obligations:
 - Provide a list of all outstanding and contingent obligations.
 - Complete **Attachment K - Schedule of Debt and Equity Funding.**



Completing a Satellite Application cont.

Sustainability cont.

- Service Metrics:
 - Provide a description of measurable service metrics and target service level objectives that will be provided to the customer.
 - Provide a description of the approach and methodology for monitoring ongoing service delivery and service quality for the services being employed.
 - Complete **Attachment L – Service Metrics.**



Completing a Satellite Application cont.

Sustainability cont.

- Required Certifications:
 - Attachment M – Legal Opinion
 - Attachment N - Equal Opportunity and Nondiscrimination Certification;
 - Attachment O - Certification Regarding Debarment, Suspension, and Other Responsibility Matters –Primary Covered Transactions; and
 - Attachment P - Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements.

Award Process



- Successful Applicants will be notified of the details of the award, and must accept the offer within the time specified in the grant offer.
- RUS reserves the right to decline funding in any Satellite Region for which no satisfactory application is received.
- The Awardee shall be entitled to the approved proposed subscriber amount of federal assistance for each new eligible subscriber up to the total amount of the grant award.



Questions:

Please direct all questions not answered during this presentation to the Broadband USA Help Desk:

Phone: 877-508-8364

Email: BroadbandUSA@usda.gov