



USDA & Commerce provide \$4.8 billion & better targeting for broadband projects

By Agri-Pulse Staff

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Washington, Jan. 15 – USDA’s Rural Utilities Service (RUS) and the Commerce Department’s National Telecommunications and Information Administration (NTIA) announced Friday that \$4.8 billion in American Recovery and Reinvestment Act (ARRA) grants and loans are available to expand broadband access across America. This is the second funding round for the agencies’ broadband programs designed to “bridge the technological divide, boost economic growth, and create jobs.”

NTIA and RUS also announced the rules for applying in this funding round, which have been modified to make the application process easier for applicants and better target program resources.

“In response to lessons learned from the first funding round, RUS is making important changes that will make the process easier for applicants and target our resources toward ‘last-mile’ broadband connections to homes and businesses,” said Jonathan Adelstein, Administrator, of USDA’s Rural Utilities Service. “This draws on our long experience in improving rural networks to the most difficult-to-reach areas of our country that need it most. We’ve streamlined the application process, added support for satellite service for rural residents left unserved after other funds are awarded, and provided ourselves more flexibility to target areas of greatest need. We are going to stretch every last dime to maximize economic development in rural areas that currently lack adequate broadband service.”

“Based on the feedback we received from stakeholders and our own experience in the first funding round, we are making the application process more user-friendly, sharpening our funding focus to make the biggest impact with this investment, and streamlining our review process to increase efficiency,” said Lawrence E. Strickling, Assistant Secretary for Communications and Information and Administrator of NTIA.

The agencies announced the rules for this funding round in two separate but complementary Notices of Funds Availability (NOFAs) that promote each agency’s distinct objectives.

NTIA's Broadband Technology Opportunities Program (BTOP)

NTIA's NOFA allocates approximately \$2.6 billion in this funding round of which approximately \$2.35 billion will be made available for infrastructure projects. In this round, NTIA is adopting a "comprehensive communities" approach as its top priority in awarding infrastructure grants, focusing on middle mile broadband projects that connect key community anchor institutions - such as libraries, hospitals, community colleges, universities, and public safety institutions. Comprehensive Community Infrastructure projects maximize the benefits of BTOP by leveraging resources, promoting sustainable community growth, and ultimately laying the foundation for reasonably priced broadband service to consumers and businesses.

In addition, NTIA plans to award at least \$150 million of the funding for Public Computer Center projects, which will expand access to broadband service and enhance broadband capacity at public libraries, community colleges, and other institutions that service the general public. NTIA also plans to award at least \$100 million for Sustainable Broadband Adoption projects, which include projects to provide broadband education, training, and equipment, particularly to vulnerable population groups where broadband technology has traditionally been underutilized.

RUS's Broadband Initiatives Program (BIP)

RUS's NOFA allocates approximately \$2.2 billion in this funding round for broadband infrastructure projects. A second funding window will open later which will provide grants for satellite service for premises that remain unserved after all other Recovery Act broadband funding is awarded, make Technical Assistance grants for developing plans using broadband for regional economic development, and grants to provide broadband service to rural libraries funded by USDA under the Recovery Act.

RUS will focus this round on last mile projects, which are anticipated to receive the vast majority of funding. RUS will also fund middle mile projects involving current RUS program participants. The first NOFA had two funding options - grants up to 100 percent in remote rural areas, and 50/50 loan/grant combinations in non-remote rural areas. In the second NOFA, RUS has eliminated this distinction and adopted a base 75/25 grant/loan combination for all projects. The new approach provides RUS with flexibility to seek a waiver if additional grant resources are needed for areas that are difficult to serve, and priority for those who seek lower grant levels. RUS believes this simplified and flexible funding strategy will promote rural economic development.

Separate NOFAs will allow applicants to apply directly to either program. RUS also eliminates the two-step process for BIP applicants to improve program efficiency. These changes will also add valuable time for applicants to focus on one specific program in preparing a more solid application.

Incorporated into the RUS NOFA is an opportunity for the reconsideration of BIP requests to provide viable applications with every chance for funding. There is also a second application review process during which RUS would allow an applicant to adjust its application to better meet program objectives and for the Administrator to provide discretionary points or to increase a grant component to meet rural economic objectives.

Public Workshops

Also Friday, NTIA and RUS announced a series of public workshops to review the application process and answer questions from prospective applicants. The workshops will be held in Portland, Ore. Jan. 26; Reno, Nev. Jan. 27; Denver, Colo. Jan. 29; San Antonio, Tex. Feb. 1; Eureka, Mo. Feb. 2; Sioux Falls, S.D. Feb. 4; Detroit, Mich. Feb. 5; Blacksburg, Va. Feb. 9; Fayetteville, N.C. Feb. 11; and Atlanta, Ga. Feb. 12. Interested parties can register for the workshops at www.broadbandusa.gov.

The agencies plan to accept applications from February 16, 2010, to March 15, 2010, and announce all awards by September 30, 2010.

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.

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