

Broadband Opportunities in the New Federal Stimulus Act

Thursday, February 26, 2009 10 AM

Presented by:



Agenda

Introduction

- Dr. Alex Hills, Alex Hills Associates

Welcome

- Steve Smith, University of Alaska
- Ben Ellis, Institute of the North

Broadband provisions of the Act

- Dr. Alex Hills, Alex Hills Associates

Existing RUS and NTIA programs

- Rich Greenfield, University of Alaska

Discussion

- All participants

American Recovery and Reinvestment Act of 2009 (ARRA)

**Passed by Congress
February 13, 2009**

**Signed by President Obama
February 17, 2009**

**Total appropriation
\$787 billion (\$787B)
includes \$7.2 billion (\$7.2B) for broadband**

ARRA Broadband Provisions

\$7.2B for broadband infrastructure

- **\$2.5B to Rural Utilities Service (RUS)**
- **\$4.7B to National Telecommunication and Information Administration (NTIA)**

Additional \$650M to NTIA for DTV transition

**Federal Communications Commission (FCC)
must submit a national broadband plan to
Congress by February 17, 2010**

Rural Utilities Service (RUS): \$2.5B

\$2.5B for grants, loans, and loan guarantees

- **Effective amount depends on mix**

At least 75% to rural areas lacking sufficient broadband speed

Priorities:

- **Provide choice of more than one provider**
- **Unserved areas**
- **RUS/REA former borrowers**
- **Fully funded (with RUS funds) projects**
- **Projects that can begin promptly**
 - **“Shovel ready”**

Rural Utilities Service (RUS): \$2.5B

**Eligible entities: Government entities,
non-profits, cooperatives, limited liability
corporations**

**Preference to RUS/REA present and former
borrowers**

RUS – Next Likely Steps

Skip rulemaking process

Issue “Notice of Funding Availability”

- **Within two months**

Program may be similar to existing programs

- **Distance Learning and Telemedicine**
- **Community Connect**
- **Rural Broadband Access Loan and Loan Guarantee Program**

NTIA: \$4.7B

Up to \$350M: Broadband mapping

At least \$200M: “Expand public computer center capability, including at community colleges and public libraries.”

At least \$250M: “Innovative programs to encourage broadband adoption...to schools, libraries, medical and healthcare providers, community colleges and other institutions of higher education.”

Approx \$140M for auditing and administration

Remainder: Broadband Technology Opportunities Program (approx. \$3.8B)

NTIA: Broadband Technology Opportunities Program

Competitive grants (technology neutral) to providers of last mile, middle mile, and long haul services

Grants to: state and municipal governments, Indian tribes and Hawaiian native organizations, non-profits, private companies, public-private partnerships

**Grants to all parts of US: rural, suburban, urban
If possible, at least one grant per state**

Grants to projects that would not have been possible without this funding

NTIA: Broadband Technology Opportunities Program

Projects must be completed within two years of award

Preference to “highest possible next-generation broadband speeds”

Grants subject to “non-discrimination and interconnection obligations” to be jointly developed by NTIA and FCC

20% match required (waiver possible)

NTIA may seek advice of states

NTIA has sole discretion in making awards

All grant awards before September 30, 2010

NTIA – Next Likely Steps

Rulemaking process

- **Draft of rules scheduled to be released in approx two weeks**
- **Final rules to be issued in April**

NTIA will hold meetings with interested parties beginning week of March 2, 2009

- **1401 Constitution Ave NW, Washington, DC**
- **Contact Barbara Brown, (202) 482-4374
email: bbrown@ntia.doc.gov**

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Existing RUS Broadband Programs

1. Distance Learning and Telemedicine (DLT)

- 100% Grant
- Grant/Loan Combinations
- Loans and Loan Guarantees

2. Community Connect

- Program description at:
<http://www.usda.gov/rus/telecom/commconnect.htm>
- Alaska awards at:
<http://www.usda.gov/rus/telecom/commconnect/pdfs/2008Alaska.pdf>

3. Rural Broadband Access Loan and Loan Guarantee Program description at:

- <http://www.usda.gov/rus/telecom/broadband.htm>

DLT 100% Grants

Match: 15% match in cash or in-kind (new, non-depreciated items)

Eligible Purposes: Acquisition of eligible equipment (Computer hardware and software, audio and video equipment, computer network components, terminal equipment, data terminal equipment, inside wiring, interactive video equipment)

Other facilities that further DLT services:

- **Acquisition of instructional programming**
- **Acquisition of technical assistance**
- **Instruction for eligible equipment use**

Annual deadline usually in March

DLT Loan/Grant Combinations

Applications accepted year-round, non-competitive, do not require matching funds.

Eligible Purposes:

- **All eligible grant purposes**
- **Medical or educational equipment**
- **Links between teachers and students or medical professionals in the same facility**
- **Site development and alteration of buildings**
- **Purchase of land**
- **Purchase or construction of buildings**
- **Acquisition of telecommunications transmission facilities provided no facilities exist**

DLT 100% Loans and Guarantees

DLT loan applications are accepted year-round, are noncompetitive, and do not require the applicant to provide matching funds (but do require operating funds on hand).

Loan awards can range from a minimum of \$50,000 up to a maximum of \$10,000,000.

Eligible purposes same as loan/grant combinations plus:

- Project operating costs for the first two years**
- Distance learning broadcasting**

Past DLT Grants to Alaska

In the last 15 years (1993-2008), at least 41 grants and 1 loan, totaling almost \$20 million, have been awarded in Alaska, including:

- 15 School Districts**
- 8 Health Organizations**
- 3 Tribal Organizations**
- 2 Telecommunication Providers**
- 1 Community Services Provider**

While 100% grant applications have a March 24, 2009 deadline, it may be wiser to wait for greater ARRA program clarity.

<http://www.usda.gov/rus/telecom/dlt/dlt.htm>

Technology Opportunities Program

Purpose: TOP promoted the widespread availability and use of digital network technologies in the public and non-profit sectors through grants for model projects demonstrating innovative uses of network technologies.

TOP Website: Still contains types of projects, searchable database of all the grants, links to websites of nearly 300 TOP grantees in 49 states and territories, and links to a resource center.

<http://www.ntia.doc.gov/top/grants/grants.htm>

Technology Opportunities Program

Grants: From 1994 to 2004, TOP made 610 matching grants to state, local and tribal governments, health care providers, schools, libraries, police departments, and community-based non-profit organizations. At least 13 TOP grants amounting to over \$4 million were awarded in Alaska, including:

Alaska Native Tribal Health Consortium;
Alaska Housing Finance Corporation; Alaska Pacific University; Bethel Broadcasting, Inc.;
Council of Athabascan Tribal Government;
Galena City School District North Slope Borough; Kawerak, Inc.; Southeast Regional Resource Center; and the University of Alaska.

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Follow up

Next briefing: 2-4 weeks (TBA)

Web site

- **Next briefing announcement**
- **ARRA-Broadband Documents**
- **Submission of questions and comments between now and next briefing**
- **<http://www.alaska.edu/oit/events>**