

# DCEO TECHNOLOGY AND INDUSTRIAL COMPETITIVENESS PROGRAMS

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## **AMERICAN RECOVERY & REINVESTMENT ACT - BROADBAND FUNDING OPPORTUNITIES**

The American Recovery & Reinvestment Act (ARRA) provides \$7.2 billion in federal funding for broadband infrastructure, mapping, training, and education to underserved communities. Of this amount, \$2.5 billion will flow through the U.S. Department of Agriculture (USDA), Rural Utilities Services Distance Learning, Telemedicine, and Broadband Program and \$4.7 billion will flow through the National Telecommunications and Information Administration (NTIA) Broadband Technology Opportunities Program (TOP). The purpose of these funds is to build broadband infrastructure and accelerate deployment and adoption in underserved communities to promote economic development and job creation. While the specific application guidelines have not been released by the USDA or NTIA, it is important to note that these are competitive grant and loan programs.

## **NATIONAL TELECOMMUNICATIONS & INFORMATION ADMINISTRATION BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (\$4.7 Billion)**

The National Telecommunications and Information Administration (NTIA), with help from the Federal Communications Commission, must create a broadband deployment program that complements other Federal broadband programs. The purpose of the Broadband Technology Opportunities Program is to:

- Provide broadband access in unserved areas
- Improve access in underserved areas
- Improve access by public safety agencies
- Stimulate broadband demand
- Give education/awareness/training/access/equipment/ and support

## **FUNDING OPPORTUNITIES**

The American Recovery & Reinvestment Act (ARRA) requires the NTIA to develop and fund the programs listed below. While there is an emphasis on coordinating efforts within the NTIA, USDA and FCC, the initial plan includes four separate programs and application guidelines.

- Up to \$3.9 billion for the broadband deployment and expansion program
- Up to \$350 million on broadband mapping and planning
- At least \$200 million on public computer center capacity grants
- At least \$250 million for innovative programs to encourage sustainable broadband adoption

## **PROGRAM DEVELOPMENT**

The NTIA is seeking public comment from all stakeholders in an effort to craft the application guidelines. A series of public meetings/hearings will be held for this purpose. The meetings will be webcast and comments posted at [www.ntia.doc.gov/broadbandgrants](http://www.ntia.doc.gov/broadbandgrants).

## **APPLICATION / IMPLEMENTATION TIMELINE**

The legislation requires the National Telecommunications and Information Administration to ensure that awards are made before September 30, 2010 and that grantees will complete projects no later than 2 years after funding. The NTIA's initial plan includes three competitive grant rounds for each program authorized by the ARRA. This will allow the NTIA to get the stimulus money out as rapidly as possible and to give people who need a chance to spend more time on their application to put the application together. The initial release date ranges are listed below:

- Round One      April/June 2009
- Round Two      October/December 2009
- Round Three     April/June 2010

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## **ELIGIBLE APPLICANTS**

The eligible applicants under this program include:

- US States or political subdivisions
- Nonprofit foundations, corporations, institutions, associations or
- Any other entity NTIA finds to be in the public interest including broadband service or infrastructure providers. The NTIA will develop this process.

## **APPLICATION PROCESS**

Eligible applicants must submit an application containing all information the NTIA requests that:

- Explains how any amount received will be used efficiently and expeditiously
- Shows that the project would not have been implemented without grant assistance
- Demonstrates that they can carry out the project competently and lawfully
- Discloses the source/amount of other funding sources they receive or have applied for
- Provides assurances and procedures to ensure funds are used appropriately

## **MATCHING REQUIREMENT & ALLOWABLE EXPENDITURES**

The federal share of any project may not exceed 80 percent, unless the applicant petitions the NTIA for a waiver and the NTIA determines the applicant demonstrates financial need. The allowable expenditures under this program include:

- Acquiring broadband equipment, including
  - Instrumentation
  - Networking capability
  - Hardware and software
  - Digital network technology
  - Infrastructure
- Constructing and deploying broadband infrastructure
- Ensuring access by “community anchor institutions”
- Bringing broadband-based educational and employment opportunities to vulnerable groups
- Constructing and deploying public safety broadband networks
- Undertaking other activities consistent with the program purpose

It is also important to note that the ARRA requires that applicants demonstrate that projects would not have been implemented in the time period without the federal assistance. Applicants must also disclose other federal or state funding that is either applied for or already received.

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## RURAL UTILITIES SERVICES BROADBAND PROGRAM UNITED STATES DEPARTMENT OF AGRICULTURE (\$2.5 Billion)

### CURRENT PROGRAM DISCRIPTION (Related Program)

#### *Distance Learning and Telemedicine Loan and Grant Program*

The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies. With DLT grants, loans, and loan-grant combinations, the USDA helps rural communities enjoy enhanced educational opportunities, improved health care services and greater economic development. In the Grant Program, the focus is primarily on funding user equipment that operates via telecommunications to connect students and teachers or medical providers and patients at separate locations. The Loan and Combination Loan/Grant Program fund additional resources that help improve education and medical care in rural America.

### FUNDING OPPORTUNITY

The American Recovery & Reinvestment Act (ARRA) provides more than \$2 billion for the USDA to help deploy a broadband service program in rural America. The USDA has the ability to deploy all of the funds as grants or could convert some of that budget authority to loans, which USDA intends to do.

### PROGRAM DEVELOPMENT

The USDA is seeking public comment from all stakeholders in an effort to craft the application guidelines. The USDA will be participating in the series of public meetings coordinated by the FCC and NTIC. The meetings will be webcast and comments posted at <http://www.rurdev.usda.gov/index.html>.

### APPLICATION / IMPLEMENTATION TIMELINE

The legislation requires the USDA to ensure that awards are made before September 30, 2010 and that grantees will complete projects no later than 2 years after funding. The USDA's initial plan includes publishing a series of applications in April/June 2009. The USDA anticipates at least three application rounds. The timing of the subsequent application rounds will be determined at a later date.

### ELIGIBLE APPLICANTS

The ARRA requires that 75 percent of the area to be served by the project to be in a rural area without sufficient access to high-speed broadband service to facilitate rural economic development.

### PROGRAM FOCUS

The USDA will give priority to project applications for:

- broadband systems that deliver end users a choice of more than one service provider,
- projects that provide service to the highest proportion of rural residents who do not have access to broadband service,
- projects that include applications from current or former RUS participants,
- projects that will be fully-funded if they get the federal award, and
- projects that can be started quickly and completed if funded.