

Broadband Initiatives Program (BIP) Guide

An Overview of the US Department of Agriculture's Rural Utilities Service (RUS) Broadband Program for the Recovery Effort

Second Round of Funding
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Presented by

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COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

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Overview of Broadband Initiatives Program (BIP)

As a part of the American Recovery and Reinvestment Act of 2009, funds totaling \$2.5 billion were allocated to the U.S. Department of Agriculture's Rural Utilities Service (RUS) to accelerate broadband deployment in rural areas of the country through the Broadband Initiative Program (BIP). RUS will award grants, loans and loan/grant combinations to fund broadband infrastructure throughout the country. The Recovery Act requires that a minimum 75 percent of the funded area be rural areas that lack access to high speed broadband. RUS has now announced a second round of funding in which RUS will focus on Last Mile projects with approximately \$2.2 billion in funding available under this Notice of Funds Availability (NOFA).

Changes from the First NOFA

- The joint application process combining NTIA-RUS has been eliminated. In this round each agency will use its own separate application and apply individual funding priorities. (For example, NTIA will focus on Comprehensive Infrastructure projects, while RUS will focus on Last Mile Rural Infrastructure projects).
- Changes in funding categories:
 - New funding categories: Rural Library Broadband and Technical Assistance
 - Eliminated funding category: Last Mile Remote Projects
- Modification of Eligible Service Areas: In this round the RUS is focusing its efforts on rural economic development.
- Change in Loan/Grant Award combination: Because this second round NOFA combines rural remote and rural non-remote funding, a standard award will be given of 75/25 grant/loan allocation (as opposed to the different grant/loan combinations available in the first round, based on remote/non-remote classification).
- Elimination of Two-Step Application process: upon evaluating the first round process, RUS determined that a one-step application process will best streamline BIP.
- Removal of census block reporting in favor of other means of specifying proposed funded service areas.
- No longer accepting paper applications for Last Mile and Middle Mile projects. The review of applications was significantly slowed by the use of paper applications in the first round and RUS has determined that the electronic application process for the second round complies with the requirements of the Rehabilitation Act, catering to individuals with disabilities.

Project Categories and Funding

In this round, applicants will have the opportunity to apply for Last Mile, Middle Mile, Satellite, Technical Assistance and Rural Library Broadband.

Last Mile – An infrastructure project in which the main purpose is to provide broadband service directly to end users or end-user devices (including households, businesses, public safety entities, and key community facilities). The standard award available for this category is a grant/loan combination of 75 percent grant and 25 percent loan.

Middle Mile – A broadband infrastructure project aimed at providing interoffice transport, backhaul, internet connectivity, or special access (including point-to-point projects) which advances rural economic development.

The standard award available for this category is a grant/loan combination of 75 percent grant and 25 percent loan.

Satellite – A project that would provide satellite broadband service to unserved rural locations (including households, businesses, public safety units, and key community facilities), either by funding customer-premises equipment, terrestrial equipment and/or by providing discounted broadband service for one year at minimum. Funding allocation and application deadlines will be published in a subsequent NOFA.

Technical Assistance – Programs that work in public/private partnerships to develop a USDA-approved regional plan to provide broadband service in rural areas that remain critically unserved. Grants in this category can be made up to \$200,000. Applications for technical Assistance grants will be accepted in paper form only.

Rural Library Broadband – A project that provides broadband service to a library in a rural area. Funding allocation and application deadlines will be published in a subsequent NOFA.

Eligibility

The following requirements apply:

- Applicants must submit a complete application and all supporting documents.
- Applicants must demonstrate the project can be substantially completed **within two years** of the grant issuance date and **fully completed within three**.
- Applicants must propose to offer “broadband” service as defined as “two-way data transmission with advertised speeds of at least 768 kbps downstream and at least 200kbps upstream to end user”; or sufficient capacity in a middle-mile project to support “broadband” service to end users.
- For any project requesting over **\$1 million**, the applicant must submit a system design, and a project timeline certified by a professional engineer in order to demonstrate that the proposed project is technically feasible.
- The applicant must commit to the program’s Nondiscrimination and Interconnection Obligations.
- The applicant must demonstrate that at least **75 percent of the proposed funded area qualifies as rural area** without sufficient access to broadband service to facilitate rural economic development.
- RUS will not fund more than one project to serve any given geographic region.
- All project costs must be able to be fully funded once grant, loan or grant / loan is awarded.
- Projects must be financially feasible and /or sustainable as determines by RUS.

Disadvantaged and small businesses who meet the definition under section 8(a) of the Small Business Act will be awarded an additional point during evaluations.

Additional requirements may be outlined in the Notice of Funds Availability (NOFA).

Procedure

Applications will be accepted for Last Mile and Middle Mile Projects from **February 16, 2010** through **March 15, 2010**. Electronic submissions are available at <http://www.broadbandusa.gov>. The application period for Satellite,

Technical Assistance, and rural Library Broadband projects will be announced in a separate notice in the **Federal Register**.

Applications will undergo a preliminary review to ensure all mandatory threshold requirements are met. A satisfactory application will advance to be scored against objective criteria and not against other applications. Some of these criteria for scoring include: proportion of rural residents served in unserved areas, rural area targeting, distance from non-rural areas, service to critical community facilities and addressing socially and economically disadvantaged small business concerns.

RUS intends to make final award announcements by *September 30, 2010*.

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Additional Information: <http://broadbandusa.gov>

Information compiled using the following sources:

Federal Register. "Broadband Initiatives Program." January 22, 2010.
http://www.broadbandusa.gov/files/FedRegNOFA_R2_RUS.pdf