

Broadband Stimulus NOFA Published in Federal Register

July 8, 2009

The Notice of Funds Availability issued jointly by the Rural Utilities Service and the National Telecommunications and Information Administration was published in the [Federal Register](#) today. The NOFA is 121 pages long and lists the rules for applying to receive funding in the first round, which will make available up to \$4 billion of the total commitment of \$7.2 billion in broadband stimulus monies. This represents nearly all the RUS funds (\$2.4 billion) and about 1/3 of the NTIA funds (\$1.6 billion). The RUS funds are provided under the heading of the Broadband Initiatives Program (BIP) and the NTIA funds are in the Broadband Technology Opportunities Program (BTOP). Applications seeking more than \$1 million must be submitted electronically and *be filed no later than 5:00 p.m. EDT on August 14, 2009.* Paper applications may be filed by applicants seeking less than \$1 million (if electronic filing would be a hardship) and by any applicant whose representative is an individual with disabilities. Those applications *also must be filed by 5 p.m. EDT on August 14, 2009.*

BIP funds from RUS are limited by statute to projects to provide service to areas which are at least 75 percent rural and lack access to sufficient high speed broadband to facilitate economic development. *Grants* may be obtained to serve exclusively remote, unserved rural areas. *Loans* will be given for plans to serve non-remote but underserved rural areas. The funds are to be made available in categories: up to \$1.2 billion for Last Mile projects (i.e., ones that serve end users); up to \$800 million for Middle Mile projects (i.e., ones that do not serve end users directly but instead provide internet backbone and the like); and up to \$325 million is available for a “national reserve.” Unused funds will be made available for subsequent rounds of applications.

NTIA has divided its BTOP funds into three categories: Broadband Infrastructure (both Last Mile and Middle Mile), Public Computer Centers, and Sustainable Broadband Adoption. The funds in this first round of applications are to be allocated as follows: up to \$1.2 billion for Broadband Infrastructure; up to \$50 million for Public Computer Center projects; and up to \$150 million for Sustainable Broadband Adoption.

The complete eligibility criteria and application requirements can be found in the NOFA. However, potential applicants should be aware that *all* Last Mile projects for either BIP or BTOP must be for service to areas that are either “*unserved*” or “*underserved*”. An “*unserved*” area is composed of census blocks where at least 90 percent of households lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at speeds of 200 kbps upstream and 768 kbps downstream. Obviously, this restriction is extremely limiting to Last Mile projects. Similarly, “*underserved*” areas are made up of census blocks where (i) no more than 50% of households have access to terrestrial broadband at speeds of 200/768 kbps; or (ii) no provider advertises broadband at speeds of 3 MBps or higher; or (iii) the “take rate” for broadband subscription is 40% or less of total households. Again, the first two of these criteria are extremely limiting in geographical scope, while the third one suffers from a lack of data on which to base a proposal.