

STIMULUS BROADBAND FUNDING: WHY YOU NEED TO ACT NOW.

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Welcome

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- TeleCommUnity
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OPENING REMARKS

John Marks

- Mayor of the City of Tallahassee
- Vice Chair of U.S. Conference of Mayors Transportation & Communications Committee.



Broadband Presentation



Gerry Lederer

- TeleCommUnity
- Miller & Van Eaton



Program

- Introduction
- Purpose and Permitted Uses
- Eligibility and Attractiveness of your community's project
- What you should be doing now
- Other programs of interest
- \$\$ Checklist
- Help Available



Your Takeaway Messages

- Time is of the essence.
 - Money will be awarded QUICKLY.
 - All NTIA money by September 30, 2010.
- Rules could bar you before you even apply
 - Need to be proactive at NTIA, RUS and FCC
- You may be eligible for RUS money.
- Infrastructure/Network funds are not the only tech dollars available for technology in bill.



Introduction

- \$7.2 billion for broadband projects
- Split between NTIA (\$4.7 billion) and RUS (\$2.5 billion).
- NTIA is all “grants”—80/20 match
- RUS is loans and loan guarantees, plus grants
 - assume 75% of project must be “rural”
- Other money elsewhere?
 - E.g. \$2b available in Health IT programs.



Key Federal Agencies?

- Department of Commerce (National Telecommunications and Information Agency) will make 80/20 grants.
- Department of Agriculture (Rural Utilities Service) will make grants, loans, and loan guarantees.
- The FCC will join with NTIA and RUS to define lead terms and create Broadband map.



NTIA- Mandate

- “ (NTIA Administrator)... shall establish a national broadband service development and expansion program ...Broadband Technology Opportunities Program.”
 - Program shall complement and enhance but not conflict with other Federal broadband initiatives and programs.



Mandate (continued)

NTIA Administrator shall-

- establish and implement the grant program as expeditiously as practicable;
- ensure that all awards are made before the end of fiscal year 2010;
- seek such assurances that funded projects will be completed in 2 years following an award; and
- Report back to Congress on progress.



NTIA -- Purpose

- Broadband in **unserved** and **underserved** areas.
- Training and equipment “to facilitate greater use” of broadband by:
 - Schools
 - Libraries
 - Medical and healthcare providers
 - Higher education
 - Community support organizations
- Improve public safety access to and use of broadband



BTOPS Grants

- Request for Proposals
- Competitive Grants
- Eligible applicants
 - State & local governments,
 - Non-profits,
 - Public-private partnerships,
 - “any other entity” *that meets a to-be-defined “public interest” test.*
 - *When will this standard be established?*
 - *Local government needs a strict standard to get money where needed.*



How can I use these funds?

- Funds can be used to purchase:
 - Equipment,
 - Instrumentation,
 - Networking capability, hardware and software,
 - Digital network technology,
 - Innovative programs to encourage sustainable broadband adoption
 - Public computer center capacity, and
 - Infrastructure for broadband services.



Most Important Lesson

- Time is of the essence.
 - Money will be awarded QUICKLY.
 - All NTIA by September 30, 2010.



Other Specific \$ Allocations

- \$200 million is for expanding public computer center capacity. (Refers to community colleges and public libraries)
- \$250 million is for innovative programs to encourage sustainable broadband adoption.
- \$90 million for public outreach, education to vulnerable populations & one-to-one assistance for converter-box installs Funds may be transferred to the FCC.



NTIA Grant Program



Is my community eligible to apply?

- We cannot answer that question yet. It will turn on NTIA and the FCC's answers to the question of what is:
 - “unserved area”
 - “underserved area”
 - threshold obligations for a private party to seek funding.
- To the extent practical, NTIA is directed to award at least one grant per state.
- *We do know that the Federal government needs to hear why your project should be treated as eligible.*



What Rules will Govern the grant?

- “Buy American” terms are favored but not mandated.*
- Davis-Bacon Act Labor rates apply, i.e. employment salaries must meet or exceed the prevailing local rates.*
- Compliance with NTIA/FCC published "non-discrimination and interconnection obligations." (See FCC's 2005 Internet policy statement.)*



Is the Grant 100%?

- No, the NTIA grants require a 20% local match unless you are able to qualify for a waiver of the match.
- Local match terms are established at 15 C.F.R. 24.24, which provides for cash and in-kind matches.



What Counts as a In-Kind?

- In past, NTIA has approved grant with following non-cash contributions:
 - Wireless Site preparation in a mobile or fixed location.
 - Site analysis and make-ready costs,
 - Overhead costs as much as 20% of total project costs – e.g., wages and salaries
 - “Indirect cost rate” of up to 10%.
- NTIA has discretion to tighten these past criteria



How will my application be judged?

- Competitive -- based on evaluation priorities.
- Priorities:
 - Construct and deploy broadband infrastructure to
 - Unserved
 - underserved
 - Service to “community anchor institutions”
 - “vulnerable populations” educational and employment opportunities
 - improve public safety broadband communications services



Application Steps

- Applicant is eligible
- Application meets NTIA terms
- Explain
 - grant will be used
 - to carry out the purposes of Act
 - in an efficient and expeditious manner
 - project would not have been implemented during the grant period without Federal grant assistance.
- Demonstrate
 - ability to comply with federal, state and local laws and ability to meet 20% match.



Priorities – how to increase your chance of winning

Follow the Rules and priority is to be given to projects which:

- Enhance public safety or emergency response;
- Increase the affordability of broadband subscribership to the greatest population of underserved users;
- Enhance health care delivery or education;
- Enhance computer ownership or literacy;
- Will not result in unjust enrichment from another Federal program;
- Improve interoperable broadband communications for public safety; and
- Engage a socially and economically disadvantaged small business concern.



Tie-breakers:

- Benefit the “greatest population of users in the area.”
- Increase service affordability and subscribership.
- Greatest broadband speed possible
- Enhance service for
 - health care delivery, education & children
- No “unjust enrichment” through another Federal program
- Applicant is “disadvantaged small business.”



Other ways to enhance winning

Ensure your project demonstrates it will:

- Make broadband more affordable and increase subscribership in your area;
- Increase speed of service in area;
- Enhance service for health care delivery, education, and children; and
- Not result in unjust enrichment.



What role will my state play?

- NTIA has sole discretion in decision making, but it may seek the advice of the states as it reviews grant applications, with regard to identification of unserved and underserved areas and the state's view on priority of the project.
- **RECOMMENDATION:** Talk to your state about your plans so that your proposal will be identified by the state as a priority.
- **CAVEAT:** State may compete with your community for these funds as they are eligible applicants.



RUS Program

Yes – the whole area in your project need not be rural to qualify, but you cannot have any NTIA BTOPs money in your area.



RUS Program

- \$2.5 billion in funding.
- Funds are available for grants, loans and loan guarantees.
- Funds can be used
 - “...in any area of the United States ...[so long as]
 - ... at least 75 percent of the area to be served by a project receiving funds from such grants, loans or loan guarantees shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development....”



RUS Priorities -- How to increase your chance of winning

Priority will be given to:

- “broadband systems that will deliver end users a choice of more than one service provider;”
 - This means that the presence of another provider does not disqualify your project.
- “projects that provide service to the highest proportion of rural residents that do not have access to broadband service....”



RUS Priorities (continued)

Priorities will further be granted to applications that:

- Are made by existing or former RUS borrowers;
- Can demonstrate “all project elements will be fully funded”
- Can be completed if the requested funds are provided.
- Can commence promptly following approval.



What Should I be doing now?



What Should I be doing now?

- Make your local elected officials aware.
- Define the goals, scope and cost of your project as soon as possible.
 - a project cost-study for the geographic area
 - a build-out schedule (completed in two years!)
 - Address every possible priority
 - DO IT FAST



What Should I be doing now?

- Enlist as allies those that the program will serve:
 - Who will the project serve? (Local schools, public safety agencies, low-income, unemployed, aged, and otherwise vulnerable populations)
- Share your plans with your state and federal elected officials.
- Application forms and grant rules have yet to be created.
- Help Define the terms of the program:
 - Communicate with NTIA, FCC and RUS
 - Ask TeleCommUnity and national orgs to share similar comments with the Federal agencies on your behalf.



Additional Programs of Interest

- National Broadband Plan
- DTV Education funds



National Broadband Plan

- FCC must provide plan that:
 - Seeks to ensure that all people in the U.S. have access to broadband;
 - Sets benchmarks for achieving that goal;
 - Includes an analysis of the:
 - most efficient mechanism;
 - a detailed strategy;
 - the status of deployment; and
 - projects funded by this bill.



DTV Education Program

- \$90M public outreach and education to vulnerable populations.
- This money may be used at NTIA or at the FCC.
- Consider applying for local out-reach and one-to-one assistance for converter-box installation.



\$ DOLLAR CHECKLIST \$

Have you applied for:

- \$4.35b for Broadband Technology Opportunities Program (NTIA).
- \$2.5b. for RUS grants, loans and loan guarantees.
- \$200m for public computer centers.
- \$250m for innovative programs to encourage sustainable broadband adoption.
- \$90m for public outreach and education to vulnerable populations.
- \$2b for Health IT records conversion.



Necessary Next Steps

- At NTIA, FCC and RUS, Local Government must:
 - Assist in defining terms such as unserved and underserved;
 - Assist in crafting grant applications to improve eligibility and competitive priority;
 - Advocate for strict obligations on private providers who seek funds:
 - Speed, build out and interconnection.



Professional Assistance

- As you assemble your project, identify project professionals who can work quickly to assist in the technical aspects of a project.
 - Engineers
 - Financial analysts
 - Legal/Contract Assistance
- Educate federal agencies as they define an “unserved area,” “underserved area,” “Open Access,” and “wireless open access”.



Miller & Van Eaton: We Assist Local Governments In Achieving The Full Benefits Of The Communications Age For Their Communities



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