

ACUTA Alert: 2nd Round of Broadband Stimulus Funding

The National Telecommunications and Information Administration and the Rural Utilities Service have announced the release of separate notices of funds availability for the second round of broadband stimulus funding. Copies of the NTIA and RUS notices of funds availability (NOFAs) and other relevant documents are available at <http://broadbandusa.sc.egov.usda.gov/>. Applications for funding for the second round will be accepted starting February 16 and are due by March 15.

In addition to setting the application deadline, the notices modify some of the rules adopted for the first round and announce some new policies. The key changes are as follows:

- **Remaining funding rounds:** This will be the last round of funding for NTIA. RUS will open one more funding window for specific services (described in more detail below).
- **No joint applications:** Applicants that wish to apply to both the NTIA BTOP program and the RUS BIP program must file separate applications. The agencies concluded that the original rule, permitting joint applications, was burdensome for applicants and slowed NTIA's application review process.
- **Focus on "comprehensive community" infrastructure projects:** The NTIA has replaced the "broadband infrastructure" category of funding with a "comprehensive community infrastructure" category, which focuses on middle mile projects and the connection of community anchor institutions.
- **Service to community anchor institutions:** Community anchor institutions are schools, libraries, medical and health care providers, public safety entities, community colleges and other institutions of higher education, and other community support organizations and agencies that provide services and equipment to facilitate increased use of broadband by vulnerable populations, such as low-income households, the unemployed and the aged. Comprehensive community infrastructure projects should "in the first instance include providing broadband service" to these types of institutions. Applicants should provide details on their partnerships with these organizations.
- **Unserved and underserved area requirements scaled back:** Comprehensive community infrastructure projects will not be required to serve unserved or underserved areas, although there will be preferences for such projects.
- **Modified application process:** NTIA claims that it has made the process more user-friendly. Fewer attachments will be required, the mapping tool has been eliminated and service areas will be designated by Census tracts and block groups, rather than by Census blocks.
- **Simplified eligibility criteria:** NTIA will consider just three factors – eligibility of the entity, whether the application is complete and matching – to determine whether an application is eligible for consideration. Several factors that previously were

considered in evaluating eligibility, including technical feasibility and funding, will now be part of the expert review and due diligence phases of the application process.

- **Modified evaluation factors:** In addition to the adoption of the comprehensive communities approach to BTOP funding, NTIA will be giving additional consideration to projects that propose at least 30 percent matching funding and has adopted new rules for waivers of the matching funds requirement, the last mile coverage obligation and the restriction on the sale or lease of project assets. (Applicants seeking to waive the matching requirement will need to show their current financial condition and demonstrate that they have been denied funding by private or public lending institutions. NTIA will give consideration to waivers of the last mile requirement for applicants serving areas with extremely large Census blocks, for service areas inconsistent with Census blocks, for service areas with unusual geographic, demographic or other characteristics or for unusually high costs to provide service to portions of an area. The sale or lease limitation will not be applied to transfers of control, and will be waived if the sale or lease is for adequate consideration, the buyer or lessee agrees to fulfill the terms of the grant and the transaction is in the best interests of those served by the project.)
- **NTIA funding allocation:** NTIA intends to make \$2.35 billion available for infrastructure projects, to make at least \$150 million available for public computing centers, and to make at least \$100 million for sustainable broadband adoption.
- **RUS funding allocation:** RUS intends to make \$2.2 billion available for broadband infrastructure projects. In a second funding window, RUS will provide grants for satellite services for places that are unserved after all other broadband stimulus funding is granted; make grants available to develop plans to use broadband for regional economic development; and to make grants to provide broadband service to rural libraries.

Watch the ACUTA website and your e-mail for further updates on the broadband technology grant and loan programs.

Legislative/Regulatory Affairs Committee