



**NATIVE PUBLIC MEDIA**

## Changes, Requirements and Critical Details: Final Broadband Stimulus Opportunity for BTOP

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The American Recovery and Reinvestment Act of 2009 (ARRA), more commonly known as the Stimulus Act, allocated \$7.2 billion for broadband projects. Administrated by the US Department of Agriculture Rural Utilities Service (RUS) Broadband Initiatives Program (BIP) and the National Telecommunications and Information Administration (NTIA) Broadband Technology Opportunities Program (BTOP), the first round of funding was announced through a Notice of Funding Availability (NOFA) in July 2009 made \$2.4 billion available through and, \$1.6 billion through NTIA.

On January 15, 2010, NTIA announced the second and final round of broadband stimulus funding. This NOFA makes up to \$2.6 billion available through BTOP, including approximately \$2.35 billion for Comprehensive Community Infrastructure; at least \$150 million for Public Computer Center; and at least \$100 million for Sustainable Broadband adoption.

This paper distills the critical details of the January 15, 2010, NOFA that communities and organizations need in order to develop strategies for applying for this final round. Additionally, this paper outlines how this round differs from the first round and how those changes affect applicants.

The Open Technology Initiative will publish follow-ups to our first round application guides for all the broadband stimulus opportunities in the coming week.

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# Important Highlights and Recommendations

## Key Changes

- Separate BTOP and BIP Applications and Notices of Funding Availability (NOFAs).
- For this round of funding, NTIA will award grants in three categories of eligible projects: Comprehensive Community Infrastructure (CCI), Public Computer Centers (PCC), and Sustainable Broadband Adoption (SBA).
- NTIA's top priority is to fund "Comprehensive Community" Infrastructure Projects focusing on Middle Mile broadband projects and new or substantially upgraded connections to key community anchor institutions. Priority will be given to projects that include a Middle Mile component.
- NTIA is removing the requirement that infrastructure projects connecting community anchor institutions, including community colleges, must be located in unserved or underserved areas, though projects in unserved and underserved areas will receive additional consideration.
- Eligible applicants for both programs can choose whether to apply for BIP or BTOP, but should only apply for one for each project.
- Eliminates the proposed funded service area mapping tool and modifies the service area delineations from Census blocks to Census tracts and block groups.
- Revises BTOP's eligibility factors and will use just three criteria: eligible entities, fully completed application, and matching.
- NTIA will give additional consideration to projects that propose to contribute a non-federal cost share/match that equals or exceeds 30 percent of the total eligible costs of the project.
- NTIA has removed the budget reasonableness and technical feasibility factors from the eligibility requirements, because these categories are more effectively evaluated during the expert review and due diligence phases of application consideration.
- NTIA has changed the number of expert reviewers from at least three to at least two.
- NTIA will now collect the information most essential to project review in the application itself, with the option to collect additional data during the due diligence review, as needed.
- NTIA has reduced the overall number of attachments to the applications.
- All applicants are required to submit their applications electronically at <https://applyonline.broadbandusa.gov>. Applications will not be accepted via paper, facsimile machine transmission, electronic mail, or other media format, except through the request of waiver.

## Strategic Guidance

The Round 2 NOFA gives greater guidance to applicants, in terms of what types of proposals NTIA will look on most favorably. NTIA has reclassified the Round 1 Middle and Last Mile infrastructure proposals as "Comprehensive Community Initiatives (CCI)." As OTI recommended in its guidance on the first round, infrastructure applications that propose collaborative, multi-use, high-speed, high-impact networks with significant participation from anchor institutions in high-need areas will receive higher priority. In addition, higher priority will be given to CCI projects that bolster growth in economically distressed areas; serve community colleges and public safety entities; or deploy Middle Mile broadband infrastructure that includes (i) a Last Mile infrastructure component in unserved or underserved areas, or (ii) commitments or non-binding letters of intent from one or more Last Mile broadband service providers.

Applicants should attempt to raise as much matching funding as possible and be ready to certify their fiscal readiness in the second phase of the review process. Budget reasonableness will not be an eligibility requirement, but applications with budgets that maintain "clarity, level of detail, comprehensiveness, appropriateness" and a greater than 30% match and with lower costs per subscriber will receive higher grades.

The revisions to Round 2 have simplified the application process. Separate applications for Public Computer Center and Sustainable Broadband Adoption funds, allow applicants to focus on funding opportunities. Application for these funds remains a two-step process, but many of the rigorous technical and financial requirements found in the Round 1 application have been moved to the second phase in the process to be done by reviewing experts. An application will succeed in the first phase of review as long as the applicant is an eligible entity, the application is complete, and the funding match (or waiver) is documented. Many of the Round 1 criteria that were required for eligibility have become simply favorable indicators, which in turn will allow more applications to make it to the due diligence phase of the review process. With this, some of the attachments required with first round applications have been waived; others have been clarified.

## **General Information**

- For this round of funding, NTIA will award grants in three categories of eligible projects: Comprehensive Community Infrastructure (CCI), Public Computer Centers (PCC), and Sustainable Broadband Adoption (SBA). [NOFA p. 8]
- *Broadband* means providing two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users, or providing sufficient capacity in a Middle Mile project to support the provision of broadband service to end users. [NOFA p. 23]
- *Unserved Area* means a Last Mile or Middle Mile service area in which at least 90 percent of the households lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed (set forth in the definition of broadband above). An unserved area may include individual Census block groups or tracts that on their own would not be considered unserved. A household has access to broadband service if the household readily can subscribe to that service upon request. The availability of or subscribership rates for satellite broadband service are not considered for the purpose of determining whether an area is unserved. [NOFA p. 28]
- *Underserved Area* means a Last Mile or Middle Mile service area, where at least one of the following factors is met: (i) no more than 50 percent of the households in the Last Mile or Middle Mile service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed (set forth in the definition of broadband above); (ii) no fixed or mobile terrestrial broadband service provider advertises to residential end users broadband transmission speeds of at least three megabits per second (3.0 Mbps) downstream in the Last Mile or Middle Mile service area; or (iii) the rate of terrestrial broadband subscribership for the Last Mile or Middle Mile service area is 40 percent of households or less. An underserved area may include individual Census block groups or tracts that on their own would not be considered underserved. The availability of or subscribership rates for satellite

broadband service are not considered for the purpose of determining whether an area is underserved.

- *Community anchor institutions* means schools, libraries, medical and healthcare providers, public safety entities, community colleges and other institutions of higher education, and other community support organizations and agencies that provide outreach, access, equipment, and support services to facilitate greater use of broadband service by vulnerable populations, including low-income, the unemployed, and the aged.
- *Economically distressed area* means an area that has: (i) a per capita income of 80 percent or less of the national average; and (ii) an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percent greater than the national average unemployment rate. [NOFA p. 24]
- *Middle Mile* means those components of a CCI project that provide broadband service from one or more centralized facilities, (i.e., the central office, the cable headend, the wireless switching station, or other equivalent centralized facility) to an Internet point of presence. The Middle Mile includes, among other things, the centralized facilities and all of the equipment in those facilities, except for any equipment that would qualify as part of a Last Mile component as defined in this NOFA. [NOFA p. 25]
- *Public computer center* means a place, including but not limited to community colleges, libraries, schools, youth centers, employment service centers, Native American chapter houses, community centers, senior centers, assistive technology centers for people with disabilities, community health centers, and Neighborhood Network Centers in public housing developments, that provide broadband access to the general public or a specific vulnerable population, such as low-income, unemployed, aged, children, minorities, and people with disabilities. [NOFA p. 26]
- Applicants are permitted to apply to one or more of the project categories. [NOFA p. 7]
- Some information from the applications will be made publicly available, including the following: [NOFA p. 38, 51, 53]
  - Identity of the applicant, general applicant, and project information;
  - Executive summary;
  - Information regarding the proposed funded service area;
  - The federal grant request and cost match; and
  - An announcement identifying each CCI application along with a list of the Census block groups or tracts that each infrastructure applicant has proposed to serve through its project, at

The NTIA expects to make awards within the following ranges:

- Comprehensive Community Infrastructure: \$5 million - \$150 million
- Public Computer Center: \$500,000 - \$15 million

<http://www.broadbandusa.gov>.

### **Comprehensive Community Infrastructure (CCI)**

The CCI category will focus on Middle Mile broadband infrastructure projects that offer new or substantially upgraded connections to community anchor institutions, especially community colleges. [NOFA p. 7]

NTIA will prioritize CCI applications for merit review in the order that they satisfy the most highly ranked criteria below, as follows. [NOFA p. 14 - 15]:

- 1st priority: applications satisfying criteria 1 – 7
- 2nd priority: applications satisfying criteria 1 – 6
- 3rd priority: applications satisfying criteria 1 - 5
- 4th priority: applications satisfying criteria 1 - 4
- 5th priority: applications satisfying criteria 1 - 3
- 6th priority: applications satisfying criteria 1 - 2
- 7th priority: applications satisfying only the 1st criterion

The criteria are listed below.

1. Projects that will deploy Middle Mile broadband infrastructure with a commitment to offer new or substantially upgraded service to community anchor institutions. Those projects proposing to serve a significant number of community anchor institutions that have expressed a demand or indicated a need for access or improved access to broadband service will receive higher priority.
2. Projects that will deploy Middle Mile broadband infrastructure and incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stakeholders, particularly those that have expressed a demand or indicated a need for access or improved access to broadband service
3. Projects that will deploy Middle Mile broadband infrastructure with the intent to bolster growth in economically distressed areas
4. Projects that will deploy Middle Mile broadband infrastructure with a commitment to serve community colleges that have expressed a demand or indicated a need for access or improved access to broadband service
5. Projects that will deploy Middle Mile broadband infrastructure with a commitment to serve public safety entities that have expressed a demand or indicated a need for access or improved access to broadband service
6. Projects that will deploy Middle Mile broadband infrastructure that includes (i) a Last Mile infrastructure component in unserved or underserved areas; or (ii) commitments or non-binding letters of intent from one or more Last Mile broadband service providers
7. Projects that will deploy Middle Mile broadband infrastructure and propose to contribute a non-federal cost match that equals or exceeds 30 percent of the total eligible costs of the project

NTIA strongly recommends that CCI applicants that are currently RUS loan or grant recipients, as well as any CCI applicant whose project will include a Last Mile service area that is at least 75 percent rural, apply to BIP for funding. Applications from such applicants will not be viewed favorably by NTIA and will not be a funding priority. [NOFA p. 16]

#### **Public Computer Centers (PCC)**

The PCC category will help expand public access to broadband service and enhance broadband capacity at entities that permit the public to use these computing centers, such as community colleges and public libraries. [NOFA p. 8]

#### **Sustainable Broadband Adoption (SBA)**

The SBA category will fund innovative projects that promote broadband demand, including projects focused on providing broadband education, awareness,

training, access, equipment, or support, particularly among vulnerable population groups that traditionally have underutilized broadband technology. [NOFA p. 8]

### **State and Tribal Consultation**

After the application deadline, NTIA will invite each state, via its Governor, to provide input on those geographic areas within the state for which NTIA should give priority in selecting projects for funding. States and tribes will not be required to rank or comment on BTOP applications in order for applications affecting their areas to receive funding. [NOFA p. 19 - 20]. NTIA also will extend the invitation to tribal entities to comment upon applications that propose to serve tribal communities in an effort to fund projects that best meet the needs of their tribal lands. NTIA will also share data that is available on the publicly searchable application database with each relevant state and tribe. States and tribes that wish to review additional information regarding applications proposing to serve areas within their jurisdiction may request such information from applicants directly. [NOFA p. 19 - 20]

### **Incumbent Challenges**

Posting of the service area announcement of a CCI application will provide existing broadband service providers with a 15-day window to submit voluntarily to NTIA information about the broadband services they currently offer in their respective service territories by Census block group or tract. NTIA will consider the comments of existing broadband service providers as a factor in its evaluation of the applicant's Last Mile or Middle Mile service area(s), provided that they include the following information, some of which will be made public: (1) the name of the company providing information on its broadband service offerings; (2) a summary describing the information the provider has presented to NTIA; (3) the number of households and businesses that have access to broadband service in the provider's service territory by Census block group or tract; (4) the type of broadband services the provider offers in its service territory by Census block group or tract and the technology used to provide those services, including, for wireless carriers, the spectrum that is used; (5) the prices at which the broadband services are offered; (6) the speed of the broadband services that are offered; (7) the number of subscribers that the provider currently has for each of the broadband services it offers in its service territory by Census block group or tract; and (8) optionally, a list of the provider's Points of Presence (POPs) in or near Census block groups or tracts listed by the announcement. [NOFA p. 39]

The information described in items (1) and (2) above, which includes the identity of the company submitting information and a summary of its response, will be made publicly available. [NOFA p. 39]

NTIA may consider any information submitted by existing broadband service providers as relevant to its prioritization and review of CCI applications and as part of its evaluation of the merits of a highly qualified CCI application. NTIA will contact the applicant as necessary for additional information to evaluate the unserved or underserved status of its Last Mile or Middle Mile service area(s), if applicable, and may take other data, such as existing state broadband maps and FCC Form 477 data, into account during this examination. [NOFA p. 39]

### **Websites**

For additional information on broadband stimulus opportunities please visit:

- The Open Technology Initiative's Broadband Stimulus Resource: <http://www.newamerica.net/broadbandstimulus>
- Broadband USA: <http://www.broadbandusa.gov>

- Notice of Funding Availability (NOFA) for Broadband Technology Opportunities Program:  
<http://www.broadbandusa.gov/files/BTOP%20NOFA%201-1510%20with%20disclaimer.pdf>
- ARRA Statutory language:  
[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf)
- Additional Information is available at the Broadband USA Information Library:  
[http://broadbandusa.sc.egov.usda.gov/info\\_lib.htm](http://broadbandusa.sc.egov.usda.gov/info_lib.htm)
- Broadband Match (to find potential application partners):  
<http://match.broadbandusa.gov/BTOPpartners/BPMhome.aspx>

### **Available Funds**

This NOFA provides up to \$2.6 Billion through BTOP distributed as follows:  
[NOFA p. 8]

- Approximately \$2.35 billion for Comprehensive Community Infrastructure;
- At least \$150 million for Public Computer Center; and,
- At least \$100 million for Sustainable Broadband adoption.

### **Eligibility and Requirements**

- The following entities are eligible to apply for funding: (a) states, local governments, or any agency, subdivision, instrumentality, or political subdivision thereof; (b) the District of Columbia; (c) a territory or possession of the United States; (d) an Indian tribe (as defined in Section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450b)); (e) a native Hawaiian organization; (f) a non-profit foundation, a non-profit corporation, a non-profit institution, or a non-profit association; (g) other non-profit entities; (h) for-profit corporations; (i) limited liability companies; and, (j) cooperative or mutual organizations. [NOFA p. 30-31]
- NTIA will continue to permit for-profit corporations and non-profit entities (not otherwise encompassed by Section 6001(e)(1)(B)) that are willing to promote the goals of the Recovery Act and comply with the statutory requirements of BTOP to be eligible for a grant. [NOFA p.31]
- Applicants that are eligible for both BIP and BTOP have the option to apply to either agency for funding for a project. However, applicants should apply to only one agency for a given project. [NOFA p. 48]
- All applications for funding BTOP projects must be submitted between February 16, 2010, at 8:00 a.m. Eastern Standard Time (EST) and March 15, 2010, at 5:00 p.m. Eastern Daylight Time (EDT). [NOFA p. 56]
- A CCI project may exclusively contain a Last Mile component, but it will only be considered for merit review and funding after all projects with a Middle Mile component have been considered. [NOFA p. 17]
- All applications will be evaluated initially to ensure that they are fully complete, certified, and contain all supporting documentation. [NOFA p. 32]

- Awardees under BTOP are required by statute to provide matching funds of at least 20 percent toward the total eligible costs of the project unless the Assistant Secretary grants a waiver. Requesting a waiver of the matching requirement, an applicant should fully explain and document its inability to provide the required 20 percent matching share of the eligible costs of the proposed project. [NOFA p. 32 - 33]
- In-kind contributions, including third party in-kind contributions, are non-cash donations to a project that may count toward satisfying the non-federal matching requirement of a project's total budgeted costs. In-kind contributions must be allowable project expenses. [NOFA p. 32]
- Applicants that propose to provide a cost match that is all cash will be given additional favorable consideration in the application review process. Additionally, applicants will be given favorable consideration in the selection process by proposing to contribute a non-federal cost match that equals or exceeds 30 percent of the total eligible costs of the projects. [NOFA p. 33]
- Applicants must demonstrate that the project can be substantially completed within two years of the start date of the grant award and fully completed no later than three years following the date of issuance of the grant award ("substantially complete" meaning when a grantee has met 67 percent of the project milestones and received 67 percent of its award funds). [NOFA p. 34]
- Pursuant to the Recovery Act requirement that applicants demonstrate that a project would not have been implemented during the grant period without federal assistance, NTIA may seek to adjust the amount of funds made available for the federal share of the project to a level warranted based on this — **[[missing symbol?]]** "but for " test [NOFA p. 21]
- Grantees are required to account for any Program income directly generated by projects financed in whole or in part with federal funds. Program income must be used in one or more of the following ways: (1) added to the funds committed to the project by NTIA and the recipient to conduct additional activities that will further eligible project objectives, including (a) reinvestment in project facilities, (b) funding BTOP compliance costs, and (c) paying operating expenses of the project; or (2) used to finance the non-federal share of the project. [NOFA p. 46 - 47]
- The sale or lease of any portion of the award-funded broadband facilities or equipment during the life of the facilities or equipment is prohibited, except upon request of a waiver from NTIA, wherein NTIA will consider a petition for waiver of the above restriction if: (a) the transaction is for adequate consideration; (b) the purchaser or lessee agrees to fulfill the terms and conditions relating to the project after such sale or lease; and (c) the transaction would be in the best interests of those served by the project. [NOFA p. 71 - 72]
- All CCI awardees that offer Internet access service to the public for a fee must agree to participate in the State Broadband Data and Development Grant Program pursuant to the BDIA and Section 6001(l) of the Recovery Act. [NOFA p. 73]

- All BTOP award recipients must comply with the reporting requirements set forth in the NOFA. [NOFA p. 75 - 78]
- With respect to funds made available under the Recovery Act to state or local governments for infrastructure investments, the governor, mayor, or other chief executive, as appropriate, must certify that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. [NOFA p. 83]
- None of the funds appropriated or otherwise made available by the Recovery Act may be used for the construction, alteration, maintenance, or repair of a public building or public work (as such terms are defined in 2 C.F.R. § 176.140) unless all of the iron, steel, and manufacturing goods used in the project are produced in the United States. The Buy American provision was lifted for the use of certain broadband equipment (See 74 Fed. Reg. 31402; July 1, 2009). [NOFA p. 85]

### **Comprehensive Community Infrastructure Projects (CCI)**

- The project should meet the significant needs of the community, which in the first instance should include providing broadband service to community anchor institutions, such as community colleges, schools, libraries, medical and healthcare providers, community support organizations, and public safety entities. [NOFA p. 49]
- Projects should be technically feasible, sustainable, and scalable, and address BTOP's priority needs, including offering substantial economic, educational, healthcare, and public safety benefits relative to the costs of providing service. [NOFA p. 49]
- All CCI applicants must propose to offer service meeting the definition of broadband. [NOFA p. 35]
- All CCI applicants must commit to the following Nondiscrimination and Interconnection Obligation [NOFA p. 35 - 36]:
  1. Adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005) or any subsequent ruling or statement;
  2. Not favor any lawful Internet applications and content over others;
  3. Display any network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies (awardees must describe any business practices or technical mechanisms they employ, other than standard best efforts Internet delivery, to allocate capacity; differentiate among applications, providers, or sources; limit usage; and manage illegal or harmful content);
  4. Connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network; and,
  5. Offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, at reasonable rates and terms to be negotiated with requesting parties. This includes both the ability to connect to the public Internet and physical interconnection for the exchange of traffic.
- These conditions apply to the awardee and will remain in effect for the life of the awardee's federally funded facilities and equipment used in the project. These conditions will not apply to any existing network arrangements or to non-awardees using the network. [NOFA p. 37]

- For Last Mile infrastructure components of CCI project in rural areas, the additional costs of the Last Mile component used to offer service to residential consumers and non-community anchor institutions may not exceed more than 20 percent of the total eligible costs of the project. [NOFA p. 14, 49]
- Additionally, the applicant must demonstrate the cost reasonableness and effectiveness of the Last Mile component of its project. Specifically, applicants must ensure that this aspect of the proposal yields total eligible project costs that are less than \$10,000 per household or per subscriber. NTIA will look more favorably upon applications with lower costs per household or per subscriber. [NOFA p. 49] [NOFA p. 49]
- Last Mile Coverage Obligation: An applicant for a CCI project that includes a Last Mile component must identify the Last Mile service area(s) selected for the project. There is a presumption that the applicant will provide service to the entire Last Mile service area(s). An applicant may petition for a waiver of the Last Mile Coverage Obligation if it provides a reasoned explanation as to why providing service or coverage for the entire Last Mile service area is extremely burdensome for the applicant. [NOFA p. 37]
- Eligible costs are generally capital expenses, and not operating expenses. An applicant proposing to use any portion of the grant funds for any ineligible cost will be instructed to revise its proposed budget to remove such costs prior to the award of a grant. [See NOFA p.40 - 41 for a full list of eligible and ineligible costs]

### **Public Computer Center Projects (PCC)**

- Applications for PCC projects must expand public computer center capacity, including at community colleges and public libraries. [NOFA p. 50]
- They must provide broadband access or improve broadband access to the general public or a specific vulnerable population, such as low-income, unemployed, aged, children, minorities, and people with disabilities. [NOFA p. 50]
- Projects must create or expand a public computer center meeting a specific public need for broadband service, including, but not limited to, education, employment, economic development, and enhanced service for healthcare delivery, children, and vulnerable populations. [NOFA p. 50]
- NTIA expects a high degree of verification that will demonstrate the effectiveness of various approaches to building sustainable broadband adoption, including market research and surveys. [NOFA p. 50]
- Eligible costs for projects include [NOFA p. 43 - 45]:
  1. Acquiring broadband-related equipment, instrumentation, networking capability, hardware and software, and digital network technology for broadband services;
  2. Developing and providing training, education, support, and awareness programs or web-based resources, including reasonable compensation for qualified instructors, technicians, managers, and other employees essential for these types of programs;
  3. Facilitating access to broadband services, including, but not limited to, making public computer centers accessible to the disabled;
  4. Installing or upgrading broadband facilities on a one-time, capital improvement, basis in order to increase broadband capacity;
  5. Constructing, acquiring, or leasing a new facility, provided that the applicant explains why it is necessary to construct, acquire, or

- lease a new facility to facilitate public access to broadband services or expand computer center capacity;
  - 6. Funding reasonable indirect costs [See NOFA p. 41];
  - 7. Undertaking such other projects and activities as the Assistant Secretary finds to be consistent with the purposes for which the Program;
  - 8. Paying for reasonable pre-application expenses in an amount not to exceed five percent of the award.
- Ineligible costs: grant funds may not be used to fund purchases that are not used predominantly for expanding public access to broadband service or enhancing broadband capacity at public computer center locations. [NOFA p. 45]

### **Sustainable Broadband Adoption Projects (SBA)**

- NTIA seeks SBA projects that, after establishing a subscribership baseline in a given community, demonstrate a clear ability to measure and sustain the expected increase in broadband adoption without ongoing federal grant assistance, so that the nation will continue to see the benefits of these projects well after the period of performance for the grant award has ended. [NOFA p. 18]
- Projects should demonstrate a sustainable increase in demand for and subscribership to broadband services. [NOFA p. 50]
- Projects should meet a specific public need for broadband service, including, but not limited to, education, employment, economic development, and enhanced service for healthcare delivery, children, and vulnerable populations. [NOFA p. 50]
- Projects should describe the barriers to adoption in a given area, especially among vulnerable populations, and propose an innovative and persuasive solution to achieve increased adoption. [NOFA p. 50]
- Eligible costs for projects include the following [NOFA p. 45- 46]:
  1. Acquiring broadband-related equipment, instrumentation, networking capability, hardware and software, and digital network technology for broadband services;
  2. Developing and providing training, education, support, and awareness programs, as well as web-based content that is incidental to the program's purposes, and includes reasonable compensation for qualified instructors for these types of programs;
  3. Conducting broadband-related public education, outreach, support, and awareness campaigns;
  4. Implementing programs to facilitate greater access to broadband service, devices, and equipment;
  5. Funding reasonable indirect costs [See NOFA p. 41];
  6. Undertaking such other projects and activities as the Assistant Secretary finds to be consistent with the purposes for which the Program is established; and
  7. Paying for reasonable pre-application expenses in an amount not to exceed five percent of the award.
- Ineligible costs: grant funds may not be used for expenses or purchases that are not used predominantly for the provision of broadband education, awareness, training, access, equipment, and support. Additionally, costs associated with constructing or leasing broadband facilities and infrastructure are not eligible. [NOFA p. 46]

## **Important Dates**

- Applications are due March 15, 5:00 pm. All applications for funding BTOP projects must be submitted between February 16, 2010, at 8:00 a.m. Eastern Standard Time (EST) and March 15, 2010, at 5:00 p.m. Eastern Daylight Time (EDT).
- Awards Date: NTIA intends to announce BTOP Round 2 awards on a rolling basis starting in June 2010. All awards under BTOP must be made no later than September 30, 2010.

## **Application Process**

### ***Initial Review***

NTIA will conduct an initial review of applications to determine whether they meet the eligibility requirements set forth in Section V.A. through V.C. of this NOFA. These requirements are mandatory, and applicants that fail to meet them will not have their applications considered further. [NOFA p. 18]

### ***Scoring Applications***

Applications that satisfy the BTOP priorities and score highly when evaluated against the objective evaluation criteria will advance to the due diligence stage of review, where NTIA may request additional information and adjustments to the proposal. [NOFA p. 7]

For PCC and SBA projects, applications will receive an Evaluation Criteria Review score by at least two objective expert reviewers who may be federal employees or non-federal persons. [NOFA p. 18]

### ***Due Diligence Review***

During due diligence review, applicants may be asked to submit additional information, as appropriate, to clarify or to further substantiate the representations made in their applications. [NOFA p. 20]

Upon approval of the OTIA Associate Administrator or designee, the BTOP Director's recommendations then will be presented to the Selecting Official. The Assistant Secretary selects the applications for grant awards, taking into consideration the BTOP Director's and the OTIA Associate Administrator's, or his or her designees', recommendations and the degree to which the application package, taken as a whole, satisfies the selection factors described above and the Program's statutory purposes and priorities

## **The Selection Process**

The BTOP Director's recommendations and the OTIA Associate Administrator's review and approval will consider the following selection factors [NOFA p. 21]:

- a. The Evaluation Criteria Review score of the objective expert reviewers;
- b. The analysis of NTIA Program staff;
- c. Satisfaction of the statutory purposes and BTOP priorities set forth in Section II;
- d. The extent to which the non-federal cost match equals or exceeds 30 percent of the total eligible costs of the project;
- e. The geographic distribution of the proposed grant awards (e.g., ensuring that, to the extent practical, NTIA awards not less than one grant in each state as set forth in the Recovery Act);
- f. The range of technologies and uses of the technologies employed by the proposed grant awards;
- g. Avoidance of redundancy, duplication, and conflicts with the initiatives

of other federal agencies, including Department of Agriculture loan and grant programs for broadband services, applicable universal service programs authorized by the Federal Communications Commission, and, to the extent practical, avoidance of unjust enrichment;

h. The availability of funds;

i. If applicable, the comments of states, including, but not limited to, such comments as described in their application for the Broadband Mapping Program or as subsequently provided to NTIA either on their own or along with the submission of state-level broadband maps; and

j. If applicable, the comments of tribal entities.

## **Application Requirements**

Complete application packages, including required federal forms and instructions, will be available at <http://www.broadbandusa.gov>. Additional information for BTOP can be found in the Application Guidelines at <http://www.broadbandusa.gov>.

All applicants are required to submit their applications electronically at <https://applyonline.broadbandusa.gov>. Applications will not be accepted via paper, facsimile machine transmission, electronic mail, or other media format, except through the request of waiver. [NOFA p. 54]

## **Required for all Applications**

1. Central Contractor Registration (CCR):  
<http://www.ccr.gov/StartRegistration.aspx>.
2. DUNS Number: Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at 1-866-705-5711 or via the Internet at <http://www.dunandbradstreet.com>.

## **Required Documents for First Step of the Review Process**

Comprehensive Community Infrastructure Applications [NOFA p. 51 - 53]

1. The identity of the applicant and general applicant and project information;
2. An executive summary of the project;
3. Information regarding the proposed funded service area;
4. The federal grant request and cost match;
5. A description of the applicant's nondiscrimination, interconnection, and network management plans;
6. Details on local community involvement and partnerships with government, community, and community anchor institutions, and involvement of socially and economically disadvantaged small business concerns;
7. A description of how the applicant will advance the objectives of the Recovery Act, as well as the specific objectives of BTOP;
8. Description of the proposed service offerings, including the pricing of the services and information on available services in the area;
9. Technical details of the proposed project;
10. A timeline for the implementation of the project, including key milestones for implementation of the project, preparations, and risk factors;
11. Information regarding the organization's capacity and readiness;
12. Details on the project budget and funding, including the level of need for federal funding, details on other federal funding received by the applicant, and information regarding matching funds;

13. Pro forma financial analysis related to the sustainability of the project across an eight-year forecast period;
14. Completion of the Environmental Questionnaire;
15. Historical financial statements and Certified Public Accountant (CPA) audits if applicable;
16. Competitor data;
17. Network diagram and system design;
18. Maps of the proposed service areas;
19. Build out timeline;
20. Management team resumes and organization chart;
21. List of community anchor institutions;
22. Governance and key partnerships;
23. Pro forma financial projections and subscriber estimates;
24. Authorized Organization Representation and Compliance and Assurance Certification. [See NOFA p.73]

Public Computer Centers and Sustainable Broadband Adoption Applications  
[NOFA p. 53 - 55]

1. The identity of the applicant and general applicant and project information;
2. An executive summary of the project;
3. The federal grant request and cost match;
4. A description of how the applicant will advance the objectives of the Recovery Act, as well as the specific objectives of BTOP;
5. A summary of the viability of the project;
6. Proposed budget and sustainability information;
7. Completion of an environmental checklist or the Environmental Questionnaire;
8. Governance and key partnerships;
9. Historical financial statements, as applicable;
10. Public center detail [not required for SBA application];
11. Management team resumes and organization chart;
12. SF-424 budget;
13. Detailed budget;
14. Authorized Organization Representative and Compliance and Assurance Certification. [See NOFA p.73]

**Required Documents for Second Step (Due Diligence Phase) of the Review Process**

Applications that are considered to be most highly qualified (i.e., receiving the highest scores) will advance to due diligence and will be processed with priority given to projects that best conform with the statutory purposes and program priorities. In due diligence, applicants may be asked to submit additional information, as appropriate, to clarify or to further substantiate the representations made in their application and allow federal staff to evaluate fully the proposed project with respect to the eligibility factors, general Program requirements, evaluation criteria, and selection factors specified in this NOFA. Due diligence applies to all three categories of projects.

**Recommendations for Creating a Highly Competitive Application Priorities and Point System for BTOP Projects**

**All Projects:**

Project Purpose (20 points)

- **Fit with Statutory Purposes.** Reviewers will consider, relative to each purpose, whether the applicant is addressing a compelling problem of the sort that the statute is intended to resolve, whether the applicant has offered an effective solution to that problem, and whether the proposed solution is of broad significance and includes developments that can be replicated to improve future projects. Additional consideration also will be given to applicants that address more than one statutory purpose and project category (e.g., CCI, PCC, or SBA) and the ability of the project to enhance broadband service for healthcare delivery, education, and children.
- **Fit with BTOP Priorities.** Reviewers will consider the priorities assigned for CCI projects, and additional consideration will be given for projects that satisfy more priorities. Additional consideration will be given to applicants satisfying the factors used to assess whether the application meets Program objectives.
- **Potential for Job Creation.** Reviewers will assess the methodology used to calculate job estimates, the number and quality of the jobs created, and how the project balances job creation with cost efficiency.
- **Recovery Act and Other Governmental Collaboration.** Applicants will be evaluated on their collaboration with Recovery Act or other state or federal development programs that leverage the impact of the proposed project. In each case, the applicant must convincingly demonstrate that these leveraging efforts are substantive and meaningful.
- **Indian Tribes and Socially and Economically Disadvantaged Small Businesses.** Reviewers will grant consideration to applicants that are Indian tribes or that certify that they meet the statutory definition of a socially and economically disadvantaged small business concern, or that have established agreements to partner or contract with Indian tribes or socially and economically disadvantaged businesses.

### **Comprehensive Community Infrastructure [NOFA p. 57 - 63]**

#### Project Benefits (20 points)

- **Level of Need in the Proposed Funded Service Area.** Reviewers will consider whether there are service providers already present in all or part of the area, as well as the pricing, coverage, and available capacity of those providers and what proportion of the projected end users are located in unserved or underserved areas and may take into account any comments submitted by existing broadband service providers. Reviewers may consider other details that are pertinent to determining the degree of need for the project in the area(s) (e.g., unemployment rates or median income levels).
- **Impact on the Proposed Funded Service Area(s).** Reviewers will consider the extent to which the proposed project will comprehensively meet, whether directly or indirectly, the key broadband needs of the communities within the proposed funded service area, particularly the need for Middle Mile capacity. This should include consideration of services for the community anchor institutions in the area(s), and access, transport, and wholesale services for other broadband service providers. Reviewers should give particular weight to services provided to community anchor institutions, especially those in unserved and underserved areas, as well as any community colleges within the proposed funded service area, whether or not they are located in unserved and underserved areas. Reviewers may take into account any comments submitted by existing broadband service providers in response to the

announcement. Reviewers also should consider the extent to which the project will provide, directly or indirectly, residential and business broadband services within the proposed funded service area(s).

- **Network Capacity and Performance.** Applicants will be evaluated on the ability of the proposed network to provide sufficient capacity, as well as scalability, to meet the comprehensive needs of the communities in the proposed funded service area(s). Applications that include Last Mile components also will be evaluated on the extent to which the advertised speed for the network's highest offered speed tier exceeds the minimum speed requirement for broadband service (768 kbps downstream and 200 kbps upstream). Networks with higher end-user speeds will receive greater consideration. Proposed networks with high latency will be viewed unfavorably. Applicants may gain additional consideration if the applicant can demonstrate a clear and affordable upgrade path for the network.
- **Affordability of Services Offered.** Projects will be evaluated on the pricing of the services offered compared to existing broadband services in the proposed funded service area(s) or based on nationwide averages. Applicants should demonstrate that this pricing is competitive and affordable to their target markets.
- **Nondiscrimination, Interconnection, and Choice of Provider.** Applications will be scored on the extent to which the applicant commits to exceeding the minimum requirements for interconnection and nondiscrimination. Additional consideration will be given for displaying the network's nondiscrimination and interconnection policies in a prominent location on the service provider's web page, and providing notice to customers of changes to these policies. Additional consideration will be given to applicants that commit to offering wholesale access to network elements and project facilities at reasonable rates and terms. Additional consideration also will be given to applicants that commit to binding private arbitration of disputes concerning the awardees' interconnection obligations. Reviewers also will consider whether the application proposes to construct infrastructure and implement a business plan that would allow more than one provider to serve end users in the proposed funded service area(s).

#### Project Viability (30 points)

- **Technical Feasibility of the Proposed Project.** Applications will be scored on the comprehensiveness and appropriateness of the technical solution and the clarity, level of detail, coherence, and cost-effectiveness of the system designs.
- **Applicant's Organizational Capability.** Reviewers will assess whether the applicant has the organizational capability necessary to undertake and complete the project. Reviewers will consider the years of experience and expertise of the project management team and the past track record of the organization with projects of a similar size and scope, as well as the organization's capacity and readiness.
- **Level of Community Involvement in the Project.** Reviewers will evaluate linkages to unaffiliated organizations in the project area (from the public, non-profit, and private sectors), particularly community anchor institutions and public safety organizations, as an ongoing and integral part of the project planning and operation. Applicants should demonstrate that each linkage is substantial and meaningful.

#### Project Budget and Sustainability (30 points)

- **Reasonableness of the Budget.** Reviewers will evaluate the reasonableness of the budget based on its clarity, level of detail, comprehensiveness, appropriateness to the proposed technical and programmatic solutions, the reasonableness of its costs, and whether the allocation of funds is sufficient to complete the tasks outlined in the project plan. To the extent that a CCI project includes a Last Mile component, the cost per household or cost per subscriber should not exceed \$10,000. Additional consideration will be given to applicants that present cost per household or cost per subscriber proposals below the \$10,000 maximum based on a sliding scale.
- **Sustainability of the Project.** Reviewers will consider business plans, market projections, third-party funding commitments, and other data as may be appropriate to the nature of the applicant and the proposed project.
- **Leverage of Outside Resources.** Reviewers will consider whether the applicant has demonstrated the ability to provide, from non-federal sources, funds required to meet or exceed the 20 percent matching funds requirement unless a waiver of that requirement has been requested. Additional consideration will be given to applicants that provide a cost match of 30 percent or greater of the total eligible costs of a project. Reviewers also will evaluate whether the applicant has tailored the proportion of federal funding to the level that is necessary to make the project economically feasible and sustainable. Reviewers will give additional consideration to proposals that provide cash matches.

#### **Public Computer Center Projects [NOFA p. 63 - 66]**

##### Project Benefits (20 points)

- **Availability to the Public.** Applications will be scored on the availability of the computer center to the public. Reviewers will consider the capacity of the computer center, its hours of availability, any membership or usage fees charged, restrictions on usage, the proportionality of the computer center's capacity and hours of availability to the population the applicant proposes to serve, public outreach, and the computer center's accessibility to persons with disabilities, accounting for both the physical accessibility of the facility and the accessibility of the computer equipment and software.
- **Training and Educational Programs Offered.** Applicants will be scored on the availability, accessibility, and quality of training and educational programs offered through the computer center. Reviewers will consider the degree to which the programs meet the documented needs of the community.
- **Availability and Qualifications of Consulting and Teaching Staff.** Applications will be evaluated on the strength of the consulting and teaching staff at the computer center. Reviewers will consider the qualifications and training required of such staff as well as whether the number of available staff is sufficient for the capacity of the computer center.
- **Projects in Community Colleges.** Reviewers will grant consideration to applicants that will create computer centers in community colleges, especially where the applicant can demonstrate that such computer centers will deliver substantive benefits to the college's core mission.

##### Project Viability (30 points)

- **Technical Feasibility of the Proposed Project.** Applications will be scored on the comprehensiveness and appropriateness of the technical

solution and the clarity, level of detail, and coherence of the system designs.

- **Applicant's Organizational Capability.** Reviewers will assess whether the applicant has the organizational capability necessary to undertake and complete the project. Reviewers will consider the years of experience and expertise of the project management team and the past track record of the organization with projects of a similar size and scope, as well as the organization's capacity and readiness.
- **Level of Community Involvement in the Project.** Reviewers will evaluate linkages to unaffiliated organizations in the project area (from the public, nonprofit, and private sectors), particularly community anchor institutions and public safety organizations, as an ongoing and integral part of the project planning and operation. Applicants should demonstrate that each linkage is substantial and meaningful.

#### Project Budget and Sustainability (30 points)

- **Reasonableness of the Budget.** Reviewers will evaluate the reasonableness of the budget based on its clarity, level of detail, comprehensiveness, appropriateness to the proposed technical and programmatic solutions, the reasonableness of its costs, and whether the allocation of funds is sufficient to complete the tasks outlined in the project plan.
- **Sustainability of the Project.** Applicants must convincingly demonstrate the ability of the project to be sustained beyond the funding period. Reviewers will consider past performance of the applicant, community and institutional support for the project, third-party funding commitments, and other data as may be appropriate to the nature of the applicant and the proposed project.
- **Leverage of Outside Resources.** Reviewers will consider whether the applicant has demonstrated the ability to provide, from non-federal sources, funds required to meet or exceed the 20 percent matching funds requirement unless a waiver of that requirement has been requested. Reviewers also will give additional consideration to proposals that provide cash matches. For purposes of this evaluation, applicants that have received a full or partial waiver of the cost-matching requirement will be treated as having provided a 20 percent non-cash match.

#### Sustainable Broadband Adoption Projects [NOFA p. 66 - 70]

##### Project Benefits (20 points)

- **Number of New Subscribers.** Applications will be scored on the number of new broadband subscribers and other regular users the project will generate. Reviewers will take into consideration both the overall number of new subscribers and users and the proportion that these new subscribers and users represent of the number of non-subscribers and non-users in the relevant area. Reviewers also will consider the applicant's plan to effectively track and measure the benefits generated by the project.
- **Cost Per New User.** Applications will be evaluated on the cost-effectiveness of the program. Reviewers will consider the cost per projected new subscriber or other regular user, taking into account the applicant's explanation of why the approach selected is a cost-effective approach given the particular circumstances of the project.

- **Innovation.** Applications will be evaluated on the degree to which the project demonstrates replicable new ideas, approaches, and methods to encourage sustainable broadband adoption.
- **Support for Vulnerable Populations.** Reviewers will evaluate applications on their level of support for vulnerable populations. In this regard, reviewers will assess both the numbers of people in vulnerable populations likely to be affected by the project as well as the steps that the applicant plans to take to engage and address the specific needs of those populations.

#### Project Viability (30 points)

- **Operational Feasibility of the Proposed Project.** Reviewers will assess the operational details of the project. Applicants will be scored on the clarity and detail of their project plan and how convincing the rationale behind the plan is.
- **Applicant's Organizational Capability.** Reviewers will assess whether the applicant has the organizational capability necessary to undertake and complete the project. Reviewers will consider the years of experience and expertise of the project management team and the past track record of the organization with projects of a similar size and scope, as well as the organization's capacity and readiness.
- **Level of Community Involvement in the Project.** Reviewers will evaluate linkages to unaffiliated organizations in the project area (from the public, non-profit, and private sectors), particularly community anchor institutions and public safety organizations, as an ongoing and integral part of the project planning and operation. Applicants should demonstrate that each linkage is substantial and meaningful.

#### Project Budget and Sustainability (30 points)

- **Reasonableness of the Budget.** Reviewers will evaluate the reasonableness of the budget based on its clarity, level of detail, comprehensiveness, appropriateness to the proposed technical and programmatic solutions, the reasonableness of its costs, and whether the allocation of funds is sufficient to complete the tasks outlined in the project plan.
- **Sustainability of the Project Impact.** Reviewers will consider whether the increases in broadband adoption rates in the project area caused by the project will be sustained beyond the conclusion of the project.
- **Leverage of Outside Resources.** Reviewers will consider whether the applicant has demonstrated the ability to provide, from non-federal sources, the funds required to meet or exceed the 20 percent matching funds requirement, unless a waiver of that requirement has been requested. Reviewers also will give additional consideration to proposals that provide cash matches. For purposes of this evaluation, applicants that have received a full or partial waiver of the cost-matching requirement will be treated as having provided a 20 percent non-cash match.