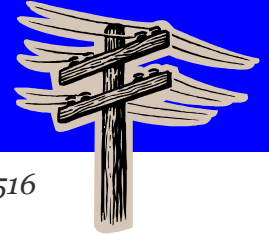


THE FEDERAL WIRE



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BroadbandUSA

When the Broadband Stimulus Notice of Funds Available (NOFA) was released right before the Independence Day weekend, I am sure many of you skipped your local fireworks shows to examine the 121 page document. If so, then you probably noticed several directives that were not leaked prior to the release of the NOFA. If you have not had a chance to read the NOFA, the regulations will be discussed in this issue which should help clarify a few aspects of the programs.

Since NTIA and RUS are working so closely together on the allocation of the grants and loans, they created the website www.BroadbandUSA.gov. All the information including the NOFA, registration, application packet, upcoming workshops, and frequently asked questions can be found on this website. Companies that plan on applying for funds no longer need to search and apply on the grants.gov website, as originally thought.

Companies do need to be registered with Central Contractor Registration (CCR) and their website is www.ccr.gov. The only other sight they need to be registered is with the USDA for a Level 1 eAuthentication ID:
<https://eauth.sc.egov.usda.gov/eAuth/selfRegistration/selfRegLevel1Step1.jsp>

NTIA and RUS hoped to simplify the application process as much as possible. This combined one-stop website definitely makes things easier than bouncing around from one program's website to another's.

Applicants may choose to apply to RUS, BTOP, or both agencies simultaneously; however, each agency will use its own objective evaluation criteria for selection purposes. RUS will not fund more than one project to any given geographic area. Should RUS review a project and decide not to fund it, NTIA may make awards with respect to applications NTIA determines to be meritorious. However, NTIA funding cannot be applied in the same area funded by RUS under the Recovery Act.

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The Application Packet

The Broadband Stimulus application packet is now available to download on the BroadbandUSA website: http://broadbandusa.sc.egov.usda.gov/download_app.htm

The 54-page comprehensive application packet contains a mixture of multiple-choice questions, tables, charts, and short answer summaries. It is extremely detail orientated. Some of the categories include: executive summary, project funded service area, proposed service offerings, technology strategy, project timeline, and a budget. Attachments for additional forms and schedules are also included. It also seeks financial disclosure of the previous 2-years in addition to a 5-year forecast period.

The application includes all the recommended attachments that would improve the likelihood of a first round (Step One) approval. Should an application proceed to the second round, the application includes the required documents that will be needed to be gathered for the Step Two consideration.

The Broadband Infrastructure Last Mile and Middle Mile projects for unserved areas are the main focus of this NOFA. However, despite how closely the RUS and NTIA are working together, the programs are not identical. Each was given a different allocation of funds, and while RUS focuses strictly on rural communities, the NTIA has broader appeal.

Application Review Development

Earlier this week, the NTIA announced that they are seeking volunteers to review broadband stimulus applications for approval and denial. This has set off a firestorm of criticism and protest from the telecom industry. There is concern that large companies will load the process with their employees. Some volunteers may be able to work from home, which would make them vulnerable for tampering and unfair influence. The telecoms also have questions concerning the volunteers' qualifications and skills. RUS has stated that they will not use volunteers to review applications and will retain Federal employees and contractors.

RUS - BIP Breakdown

If you had not heard of the Broadband Initiatives Program (BIP) prior to last week's newsletter, you are not alone. BIP is the newly created program under Rural Utilities Service (RUS) to oversee the broadband stimulus funding.

BIP will allocate a majority \$2 billion out of its \$2.4 billion for grants in the most remote areas in the United States. **Remote** means an unserved, rural area 50 miles from the limits of a non-rural area. In all cases, 75% of the proposed service area must be rural and lack sufficient access to high-speed broadband service. Awards will be given in grants, loans, and a combination of grants and loans.

Last Mile Infrastructure (up to \$1.2 billion): \$400 million for remote grants: any broadband infrastructure project that provides broadband service to the end user or to end-user devices only in a remote area(s) eligible for BIP funding.

\$800 million for loans or grant/loan combinations for non-remote areas: any broadband infrastructure project (or group of projects) that is not exclusively a last mile remote area project, and that provides broadband service to the end user or end-user devices in a service area eligible for BIP funding.

Middle Mile Infrastructure (up to \$800 million): a broadband infrastructure project that does not predominantly provide broadband service to end users or to end-user devices, and may include interoffice transport, backhaul, Internet connectivity, or special access.

Federal Reserve (up to \$325 million): Can be allocated across programs or saved for future NOFAs.

Broadband NOFA 2009 Schedule

July 14: Application window opens

August 14: Application deadline

Next 30 Days: Step One of review process

September 14: Announcement of top scoring candidates; invitation to send additional documentation

Next 60 Days: Step Two review process; due diligence for qualified applications

October 15: Step Two due diligence deadline

In Step Two: Governors will be given the opportunity to recommend prioritization of their states for mapping and planning date (BTOP applicants only)

November 7: Award announcements begin

Next 60 Days: End of first round of grants

NTIA – BTOP Breakdown

The NTIA's Broadband Technology Opportunities Program (BTOP) splits \$1.4 billion into 3 targeted categories for funding, with additional funds held in the Federal Reserve. At least 20% of the total project cost must be funded by the applicant. There will be at least one grant awarded in each state, to the extent possible. Awards will be given in grants only.

Broadband Infrastructure (up to \$1.2 billion): will fund projects that deliver broadband service through Last Mile or Middle Mile facilities to unserved and underserved areas.

Sustainable Broadband Adoption (\$150 million): will fund innovative projects that promote broadband demand, such as projects focused on broadband education, awareness, training, access, equipment or support, particularly among vulnerable populations.

Public Computer Center (\$50 million): will fund projects that expand computer center capacity at entities that permit the public to use these computer centers, such as community colleges and public libraries.

Federal Reserve (up to \$200 million): Can be allocated across programs or saved for future NOFAs.

While the focus of this NOFA is rural and unserved, the NTIA has reserved two-thirds of their funding for subsequent NOFAs. It is likely that there will be a larger emphasis on underserved areas in the next rounds.

Transparency

In the last issue of *The Federal Wire*, the Nondiscrimination and Interconnection Obligations were listed. The NOFA and the American Recovery Act also sets forth several other transparency regulations that must be adhered to if an application is approved for funding. In addition to being compliant with Federal and State laws set forth, here are other regulations:

Audits: financial audits may be conducted at anytime.

Sale or Lease of Project Assets: the sale or lease of any portion of the award-funded broadband facilities during their life is prohibited, except as provided herein. The agencies may approve a sale or lease if it is: 1) for adequate consideration; 2) the purchaser or lessee agrees to fulfill the terms and conditions relating to the project after such sale or lease; 3) the sale or lease is set forth in the original application and is part of the applicant’s proposal for funds or the agencies waive this provision for any sale or lease occurring after the tenth year from the date of issuance. Awardees are required to notify the agencies in the event of a proposed transfer of award-funded facilities.

Confidentially: applicants are encouraged to identify and label any confidential and proprietary information contained in their applications. Agencies will protect this information from public disclosure to the fullest extent authorized by the law.

Davis-Bacon Wage Requirements: any project using Recovery Act funds requires the payment of not less than the prevailing wages for all laborers and mechanics employed by contractors and subcontractors.

State Broadband Data and Development Program: all BTOP Broadband Infrastructure grant recipients that offer Internet access services for a fee must agree to participate in the State Broadband Data and Development Program that is intended to support the development of the broadband mapping project.

Recovery Act Logo: lastly, all projects that are funded by the Recovery Act must display signage throughout the construction phase that features the Primary Emblem in a size no less than 6 inches in diameter.

You Can’t: use broadband stimulus funds to pay for previous costs; acquire some other company; or pay for the operating expenses of your project.

Websites and Registration Links

[BroadbandUSA](#)

[Broadband Stimulus Notice of Funds Available \(NOFA\)](#)

[Federal Register NOFA](#)

[Central Contractor Registration \(CCR\)](#)

[USDA Level 1 eAuthentication ID](#)

[Broadband Technology Opportunities Program \(BTOP\)](#)

[Broadband Stimulus Application Packet](#)

Odds and Ends

If you know coworkers or anyone else that would be interested in receiving this electronic publication of *The Federal Wire*, please have them contact David Slattery (dslattery@ssbcpas.com) to be added to the email list.

If you do not wish to receive newsletter updates in the future, please reply to this email and type unsubscribe in the subject line.

Filing Deadlines

July	August
21 Form 497: Lifeline and Link Work Up Worksheet	3 Form 499Q
31 Form 507: ICLS Line Counts	3 Form 502
31 2008 Cost Studies to NECA	14 BTOP & BIP
31 Federal USF Data Request	22 Elect NECA to administer 2008 FCC Regulatory Fees
	31 Lifeline Verification Surveys and Certifications
	31 NECA Company Services Questionnaire