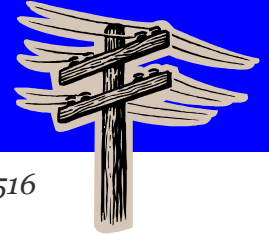


# THE FEDERAL WIRE



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## Stimulus Applicants Posted

It had been a quiet few weeks since the closing of the first round of BTOP and BIP on August 20. A few companies and communities announced in press releases that they applied for funding. The states of [Georgia](#) and [New York](#) announced every organization that applied for funding in their states on their stimulus accountability websites (it would be great if Nebraska followed in their footsteps). Other details are trickled out about the first round applicants as well. Finally, just a few days ago, the NTIA and RUS posted a searchable database on their [BroadbandUSA website](#) of all the projects that applied for the first round of funding.

Despite that fact that the major telecoms are sitting out the first round, over 2200 applications were filed for \$28 billion from NTIA and RUS. That is 7 times the allocated \$4 billion that will be dispersed in the first round. When including about \$10.5 billion in matching funds committed by the applicants, there are over \$38 billion in proposed broadband projects. Applications came in from a diverse range of parties including state, local, and tribal governments; nonprofits; industry; anchor institutions, such as libraries, universities, community colleges, and hospitals; public safety organizations; and other entities in rural, suburban, and urban areas. These numbers do not include non-electronic submissions.

As you can imagine, projects varied in cost and objective. Some were as little as \$100 thousand; while others requested over \$150 million. While a majority of the requests were fiber upgrades and wireless tower installation, there were a couple of creative ideas that will receive additional points on their applications. For example, an application from Missouri proposes to build a 31 tower, 760 sq mi broadband wireless network to remote, unserved areas providing up to 3Mbps connections to residents who only have dial-up service. It includes 31 2.4kW windmills connected to a smart grid at a landowner's home plus uses solar to power wireless equipment for a "200 percent Green" project for a cost of just under \$1.5 million.

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## 1<sup>st</sup> Round Observations

It will be interesting to see which applications advance to the second phase of review, and, ultimately, which ones are declared winners. On the surface, it appears that some of the companies applying for funding did not meet all the specifications required in the guidelines. Without a national broadband map currently in place, there is no telling how some of the organizations came up with the data and maps they need to provide to demonstrate that areas are unserved or underserved.

In Nebraska alone, a company called Flow Mobile submitted applications to BIP to install WiFi towers in 9 "remote" communities in Eastern Nebraska to provide 3 Mbps wireless service. Based on the NOFA's definition of remote and unserved, towns like Hickman, Wilber, Waverly, and Crete do not meet those criteria. They are within 50 miles of a town with 20,000 residents; and no less than 90% of the households have access to fixed or wireless service with speeds above 768 kbps. Due to the definitions, many organizations should be weeded out with little chance of advancing to the second phase, especially with so many applications. It mostly depends on how well the reviewers research the proposals.

That being said, there has not been any details released on how to challenge an application, but I will update you once that information is determined.

Also, expect many of the applications that are rejected in the first round to tweak their proposals and reapply in round two.

## Nationwide Application Breakdown

According to the NTIA press release, the applications break down as follows:

### Infrastructure:

More than 260 applications were filed solely with NTIA's Broadband Technology Opportunities Program (BTOP), requesting over \$5.4 billion in grants to fund broadband infrastructure projects in unserved and underserved areas.

More than 400 applications were filed solely with RUS's Broadband Initiatives Program (BIP), requesting nearly \$5 billion in grants and loans for broadband infrastructure projects in rural areas.

More than 830 applications were filed with both NTIA's BTOP and RUS's BIP, requesting nearly \$12.8 billion in infrastructure funding. (Applicants for infrastructure projects in rural areas must apply to BIP but were given the opportunity to jointly apply to BTOP in case RUS declines to fund their application.)

### Sustainable Broadband Adoption:

More than 320 applications were filed with NTIA requesting nearly \$2.5 billion in grants from BTOP for projects that promote sustainable demand for broadband services, including projects to provide broadband education, awareness, training, access, equipment or support, particularly among vulnerable population groups where broadband technology has traditionally been underutilized. (The Recovery Act directs NTIA to make at least \$250 million available for programs that encourage sustainable adoption of broadband services, of which up to \$150 million is allocated in this first round of grants.)

### Public Computer Centers:

More than 360 applications were filed with NTIA requesting more than \$1.9 billion in grants from BTOP for public computer center projects, which will expand access to broadband service and enhance broadband capacity at public libraries, community colleges, and other institutions that provide the benefits of broadband to the general public or specific vulnerable populations. (The Recovery Act directs NTIA to make at least \$200 million available for expanding public computer center capacity, of which up to \$50 million is allocated in this first round of grants.)

### Updated NTIA Proposed NOFA Schedule

Round Two BTOP Request for Information (RFI) **Fall 2009**

Round Two BTOP NOFA Released **Winter 2009**

Round Three BTOP RFI Released **Winter/Spring 2010**

Round Three BTOP NOFA Released **Spring 2010**

## In Case you Missed It...

### Stimulus Spending Too Fast, Group Warns

By Kim Hart, [www.thehill.com](http://www.thehill.com)

Public interest groups are concerned that the government is spending billions in stimulus dollars to expand high-speed Internet networks without first knowing where they are most needed.

Their concerns highlight one of the biggest challenges that Obama administration is facing with the contentious stimulus signed into law this year. Many have criticized the White House for not circulating money fast enough to create jobs and boost the economy. But some are worried about just the opposite - that it is spending without properly assessing where the dollars will have the most impact.

<http://www.thehill.com/homenews/administration/56795-stimulus-spending-too-fast-group-warns>

### Rural Areas Pass on Fast Connections

By Paul Hammel, *World-Herald Bureau*

LINCOLN — Most Nebraska and Iowa telephone companies, mirroring a national trend, appear to be taking a pass on seeking federal stimulus funds to extend and improve broadband Internet services in rural areas.

The \$7.2 billion in funds were intended to expand high-speed services to underserved and unserved areas, and Sen. Ben Nelson, D-Neb., was among those urging companies to apply.

<http://www.omaha.com/article/20090824/NEWS01/708249908>

## Congressional Hearing

House Subcommittee on Communications, Technology, and the Internet: Oversight of the ARRA: Broadband – Part 2

Thursday September 10, 2009

One day after NTIA and RUS posted all the applications on the BroadbandUSA website, Larry E. Strickling (Assistant Secretary for Communications and Information, NTIA) and Jonathan S. Adelstein, (Administrator, RUS) testified before the House Subcommittee on Communications, Technology, and the Internet. Here are a few things learned from their testimony:

- An interactive map will be released in the next few days of all the proposed applications service areas.
- States will not be reviewing full applications, just prioritizing and commenting for their greatest needs.
- It is not determined if point scores of the winning applications will be published, but they will be published in order to serve as guides for other applicants for the next rounds.
- Due to the overwhelming amount of applications and amount requested, the possibility has been raised that there will only be one more funding round, rather than two more rounds.
- There are strict conflict of interest rules for volunteer reviewers. Over 10% of volunteers applicants were rejected based on the rules.
- If an applicant applied to both BIP and BTOP, NTIA and RUS are reviewing the applications simultaneously. RUS is reviewing all applications first. Their goal is to stretch the public funding as much as possible.

-The incumbents do not have veto power on applications; their objections are part of the review process and taken into consideration.

-Many of the Members of Congress expressed concern over the “remote” and “rural” definitions in the first NOFA and want them changed in the second NOFA. "Almost the entire Eastern U.S. is disqualified from 80 to 100 percent grants by this inappropriate standard, which in mountainous terrain is not a reasonable yardstick for determining need," Chairman Boucher said. NTIA and RUS agreed and the terms will most likely be redefined for the next round.

### 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 \(BTOP\)](#)

## 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](mailto: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

#### September

**17** FCC Form 507  
**22** LSS Projection Data Form

#### October

**1** USAC Rural Use Certifications for High Cost support  
**15** Form 497

#### November

**2** NTIPS Contact and Data Base Update and NTIPS Compliance Affidavit  
**2** USAC Form 499-Q