



**RURAL UTILITIES SERVICE  
TELECOMMUNICATIONS PROGRAM**

**2009 Oregon Connections  
Telecommunications Conference**



**Mary M. Campanola  
Outreach Coordinator  
Rural Utilities Service**

**[mary.campanola@wdc.usda.gov](mailto:mary.campanola@wdc.usda.gov)**

**202-720-8822**



## *The Rural Utilities Service Telecommunications Program loan and grant programs*



- **Infrastructure Loan Program:** Loans to local telephone companies for improving telecommunications service in rural communities
- **Broadband Access Loan Program and Community Connect Grant Program:** Loans and grants for local telephone companies and other service providers who offer Broadband (high-speed Internet) services in eligible communities
- **Distance Learning/Telemedicine Loan and Grant Program:** Loans and grants for providing Distance Learning and Telemedicine services to rural residents
- **American Recovery and Reinvestment Act of 2009 (ARRA) Broadband Initiatives Program:** Loans, grants and loan/grant combinations for broadband in rural communities

# American Recovery and Reinvestment Act of 2009 (“ARRA”)





# ARRA Broadband Funding

## **USDA Rural Utilities Service:**

\$2.5 billion total budget authority authorized under the ARRA in the form of loans, grants and loan/grant combinations for broadband infrastructure

### *The RUS Broadband Initiatives Program (BIP)*

First NOFA: \$2.4 billion program level funding

- Up to \$1.2 billion for Last Mile projects
- Up to \$800 million for Middle Mile projects
- Up to \$325 million for a National Reserve



# ARRA Broadband Funding

## Department of Commerce – National Telecommunications Information Administration:

\$4.7 billion total budget authority authorized under the ARRA in the form of grants

### *The Broadband Technologies Opportunities Program (BTOP)*

First NOFA: \$1.4 billion program level funding

- Up to \$1.2 billion for broadband infrastructure projects
- Up to \$50 million for Public Computer Center projects
- Up to \$150 million for Sustainable Broadband Adoption projects

(Separate NOFA issued for \$350 million in funds available to states for broadband mapping)



## RUS BIP Project Requirements

- 75 percent of the areas to be served by a project receiving funds from such grants or loans shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development;
- Priority shall be given to:
  - Projects that will deliver end users a choice of more than one service provider;
  - Projects that provide service to the highest proportion of rural residents that do not have access to broadband service;
  - Current or former RUS Title II borrowers
  - Projects that commence immediately upon approval.



## **Creating the ARRA Broadband Programs – Joint Endeavor between RUS and NTIA**

- A joint Request for Information was published by RUS and NTIA in March and public comments were solicited on how the program should be developed
  - Examples of issues: How should broadband be defined? What should be the role of the state governments? How can broadband help in the economic development in rural communities?
- Public meetings were held in Washington DC, Las Vegas, NV and Flagstaff, AZ.
- Public comments were reviewed and were considered during the development of the program



## First Round of Funding under ARRA for BIP and BTOP

- First Notice Of Funds Availability (NOFA) was announced by Vice President Biden, Agriculture Secretary Vilsack and Commerce Secretary Locke on July 1, 2009.
- The joint BIP/BTOP NOFA was published in the Federal Register on July 9, 2009
- Application window opened July 14
- Electronic application portal available from July 31-August 20, 2009
- Outreach and Training:
  - Ten how-to-apply workshops were held jointly by RUS and NTIA from July 7-24, 2009
  - FCC also participated in the workshops
  - 2,474 non-Federal government attendees
  - Pre-workshop seminars targeted to minorities and tribes
- Applications are currently being reviewed
- Awards are expected to be announced later this year
- All funds must be awarded by September 30, 2010
- All projects must be substantially completed in two years and fully completed in three years



## Key Definitions in the First NOFA :

- **BB** - **2-way data** transmission w/ advertised speeds of **at least 768 KBPS down + at least 200 KBPS up** to end users, **OR** providing sufficient capacity in a middle mile project to support provision of BB service to end users.
- **REMOTE** - an **unserved, rural area 50 miles** from limits of a **non-rural** area.
- **RURAL** - any area, as confirmed by the latest decennial census, NOT located within: **1)** a city, town, or incorporated area w/ pop. greater than 20,000 people; or **2)** an urbanized area contiguous and adjacent to a city or town w/ pop. greater than 50,000 people -- **URBAN** - a densely populated territory as defined in the latest decennial census.
- **UNDERSERVED** - a proposed service area, composed of one or more contiguous census blocks meeting certain criteria -- Specifically, proposed service area may qualify as **underserved** for **Last Mile** projects if **at least one of following factors is met**:
  - **No more than 50% households** in proposed service area **HAVE ACCESS** to facilities-based, terrestrial broadband service at greater than minimum BB transmission;
  - **NO fixed or mobile BB provider w/advertised BB speeds** of **at least 3 MBPS** downstream; or
  - **BB subscribership** for proposed service area = **40% of households or less** -- A proposed service area may qualify as underserved for Middle Mile projects if one interconnection point terminates in a proposed funded service area that qualifies as unserved or underserved for Last Mile projects.



## Key Definitions in the First NOFA (continued):

- **UNSERVED** - proposed service area, composed of 1 or more contiguous census blocks, where **at least 90% of households lack access to facilities-based, terrestrial BB service**, either fixed or mobile, at minimum BB speed. A household has access to BB service if household can readily subscribe to service upon request.
- **LAST MILE** – *Last Mile project* means any infrastructure project the predominant purpose of which is to provide broadband service to end users or end-user devices (including households, businesses, community anchor institutions, public safety entities, and critical community facilities).
- **MIDDLE MILE** - *Middle Mile project* means 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.



## Applications Received – Disclaimer: statistics are based on applicant-provided information (pending verification)

- Information on the applications received is available on [www.broadbandusa.gov](http://www.broadbandusa.gov), including a searchable database of the applications and access to maps of the proposed service areas; the public has the opportunity to comment on the description of the proposed service areas as being unserved or underserved
- Applicants proposing to serve rural areas had to apply to BIP but could file jointly with BTOP
- 401 BIP only broadband infrastructure applications were received, for \$4.9 billion in requested funding
  - Last Mile Remote: 214 applications, requesting \$1.4 billion
  - Last Mile Not Remote: 131 applications, requesting \$2.9 billion
  - Middle Mile: 56 applications, requesting \$710 million



## Applications Received continued

- 833 joint BIP/BTOP broadband infrastructure applications were received, for \$12.8 billion in requested funding
  - Last Mile Remote: 169 applications, requesting \$2.4 billion
  - Last Mile Not Remote: 502 applications, requesting \$5.8 billion
  - Middle Mile: 162 applications, requesting \$4.6 billion



## Timeline for Next Round of Funding

- One additional round of funding is planned
- A joint NTIA/RUS Request for Information will be published soon
  - Seeking comments on the first NOFA, such as the requirements and the processes
  - NTIA and RUS will take comments into account in developing the NOFA for the second round of funding
- A second NOFA will be announced by the end of the year
- The second NOFA may include modifications to the requirements, definitions and processes of the first NOFA
- Application window is not known at this time
- Again, all awards must be obligated by September 30, 2010