



## **ACCESSING BROADBAND FUNDS IN THE AMERICAN RECOVERY & REINVESTMENT ACT**

The American Recovery and Reinvestment Act, or the “stimulus bill” as it is oft known, dedicates significant resources toward the development and extension of broadband internet access to unserved, under-served, and rural populations throughout the United States. Divided into two distinct but overlapping pools, the bill allots \$7.2 billion toward the advancement of these goals, managed by the Department of Commerce and Department of Agriculture.

**Underserved Broadband Access Program:** \$4.7 billion will be provided through the Broadband Technology Opportunities Program (BTOP), operated by the National Telecommunications and Information Administration (NTIA) at the Department of Commerce. BTOP is charged with extending broadband access to unserved and under-served populations and primacy will be given to projects that can be completed within two years of capital disbursement. Other qualifications contained in the bill are detailed below and can serve as useful guidelines in the development of grant applications.

BTOP contains a \$250 million earmark toward “sustainable adoption of broadband service,” meaning that NTIA will take into consideration not only whether a program is “shovel ready,” but its sustainability as well. Grantees are thus recommended to note provider advantages, such as a multi-functional platform, that could be operational in the near-term and strengthened in the long-term.

The statute also notes that funding should be distributed in a “technologically neutral fashion.” While this seems counter-intuitive to promoting the best possible technology, proposals should be framed on their benefits vis-à-vis application, rather than with respect to technological superiority. This adds an additional layer of nuance to the above point regarding sustainability, and technological innovations should be communicated via application and in achieving the bill’s stated goals.

**Rural Broadband Access Program:** The Department of Agriculture’s Rural Utilities Service (USDA/RUS) received \$2.5 billion in stimulus funding for the provision of broadband service to rural areas. Funding will be provided through grants, loans or loan guarantees, and primacy will be given to those proposals that demonstrate the greatest possible reach in terms of coverage area, among other criteria detailed below.

Grant-seekers should note that while rural populations indeed intersect with “unserved” and “under-served,” they are not synonymous. A rule will be issued in the Federal Register guiding NTIA and USDA proposal coordination in this overlap to avoid duplicative grants and ensure the greatest possible leveraging of stimulus funds.

It is also important to note that coordination between NTIA and USDA will be central to the grant-making process, as evidenced by the provision that: “No area of a project funded... under this paragraph (RUS) may [also] receive funding... under the Broadband Technology Opportunities Program (Division A, Title I).”

This provision stipulates that RUS and BTOP cannot both fund an element of a project, but this should not be misinterpreted to limiting project applications to only one source.

A large project can request funding from both sources; *elements* of that project can be funded by only one agency, either RUS or NTIA. Applicants should thus delineate the components of a project to determine which pool of funding is most appropriate, and proposals should clarify: 1. The specific elements for which funding is being sought, and 2. How multiple-source funding requests for a large project are complimentary.

### **Broadband Technology Opportunities Program (BTOP) National Telecommunications and Information Administration (NTIA/DOC)**

Funding: \$4.7 billion

- Earmark: \$200 million to expand public computer center capacities, including community college and public libraries
- Earmark: \$250 million for innovative programs to encourage sustainable adoption of broadband services

Distribution: Competitive Grants

Core Eligibility Requirements:

- U.S. State
- Nonprofit entity
- “Any other entity, including a broadband service or infrastructure provider that the Assistant Secretary find by rule to be in the public interest.”

Core Grant Criteria:

- Increase affordability and subscribership
- Provide greatest broadband speed to greatest population
- Enhance service for health care delivery, education or children
- Would not result in the unjust enrichment as a result
- Applicant is socially or economically disadvantaged small business

Other Requirements:

- Federal funding may not exceed 80% of the total grant

- Though one can petition for more with demonstrated financial need
- Applicant must demonstrate that their proposal would not have been implemented without Federal assistance
- Projects will be completed within two years of award

**Rural Utilities Service (RUS), Rural Development Office  
U.S. Department of Agriculture (USDA)**

Expenditure: \$2.5 billion

Distribution: Grants, Loans, Loan Guarantees

Core Criteria:

- “75% of the area to be served by a project receiving funds from such grants, loans or loan guarantees shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development.”

Priority Shall be Given to:

- Project applications for broadband systems 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;
- Project applications from borrowers or former borrowers under title II of the Rural Electrification Act of 1936 and for project applications that include such borrowers or former borrowers;
- Project applications that demonstrate that, if the application is approved, all project elements will be fully funded;
- Project applications for activities that can be completed if the requested funds are provided;
- Activities that can commence promptly following approval;
- No area of a project funded with amounts made available under this paragraph may receive funding to provide broadband service under the Broadband Technology Opportunities Program.