



Broadband Stimulus Grants: Seizing the Opportunity

March 18, 2009

Presenter: Michael Fitch, PCIA



Michael Fitch is President and CEO of PCIA – the Wireless Infrastructure Association.

Prior to PCIA, Fitch held senior positions in industry and government. He began his career at the Federal Communications Commission as an attorney and advanced through management positions to Bureau Chief and Senior Legal and International Advisor to the Chairman. Fitch moved from the FCC to the U.S. Department of State, where he was an Office Director and Deputy Assistant Secretary for International Communications and Information Policy.

He headed U.S. delegations to International Telecommunication Union and Inmarsat conferences as well as bilateral negotiations with other countries. From the State Department, Fitch moved to Hughes Communications as Vice President for Spectrum Management. After the acquisition of Hughes Space and Communications by Boeing, he continued in that responsibility for Boeing Satellite Systems and was also responsible for new Homeland Security programs. Fitch received a Bachelor of Science degree in Electrical Engineering from Purdue University and a Juris Doctor degree from Columbia University.

Presenter: James Troup, Venable LLP



James Troup
jtroup@Venable.com
202.344.8066

James Troup focuses his practice on providing comprehensive representation on transactional, regulatory and litigation matters for the full spectrum of companies involved in electronic communications to the public such as the telecommunications, broadcast radio and TV, cable TV and Internet industries.

Mr. Troup has extensive experience negotiating and arbitrating interconnection agreements pursuant to the Telecommunications Act of 1996, incumbent local exchange carrier rate regulation, preparing tariff and cost support, universal service and access reform issues, carrier-customer negotiations, CALEA compliance, and compliance by computer and communications equipment manufacturers with FCC Parts 2 and 15 testing and equipment authorization procedures. His practice includes addressing the specialized problems of wireless telecommunications companies, satellite companies, prepaid debit card companies, online service providers, voice messaging companies and other enhanced service providers.

He has negotiated, closed, and implemented numerous mergers, acquisitions, joint ventures, and other transactions involving service providers in the telephone, broadcast radio and TV, cable TV, satellite, wireless telecommunications and Internet service industries.

Presenter: Rick Joyce, Venable LLP



Frederick M. Joyce
rjoyce@Venable.com
202.344.4653

Rick Joyce focuses on telecommunications law, and is chair of Venable's Communications Group.

He focuses on wireless communications and new communications technologies such as Voice Over the Internet (VOIP) services and Broadband over Power Line (BPL).

He has represented clients in matters involving domestic and international regulations and treaties, public and private financial transactions and appellate and civil litigation pertaining to telecommunications and state/federal telecommunications legislation.

Mr. Joyce's experience with wireless operations goes back to the first cellular radiotelephone networks in the United States and the first deployment of overseas wireless networks. He helped create the first clearinghouse and standards for Short Messaging Services (SMS) throughout South America and the first inter-carrier roaming agreements in South America.

Presenter: Tony Lee, Venable LLP



Tony Lee
tslee@Venable.com
202.344.8065

Tony Lee focuses his practice on representing wireline and wireless telecommunications carriers, cable TV, and Internet companies in regulatory issues and proceedings before the FCC and state utility commissions. Mr. Lee advises local exchange and long distance carriers regarding state and federal regulatory issues, including intercarrier compensation, universal service and compliance matters. He is engaged in substantive and complex litigation regarding intercarrier compensation and interconnection issues in federal court and before state commissions and the Federal Communications Commission. Mr. Lee also advises clients on privacy and data protection issues, wiretapping and the interception of electronic communications, and the FCC and FTC's telemarketing rules.

Mr. Lee is also engaged in high technology transactions and other corporate matters for his clients, which includes the purchase and transfer of high technology assets, and master services agreements for the provision of telecommunications service. He is well versed in wireless licensing and transactional matters, including the transfer and leasing of spectrum, tower leasing and construction issues, and the purchasing of support infrastructure.

PCIA – The Wireless Infrastructure Association

- PCIA - The Wireless Infrastructure Association is the principal trade association representing the companies that make up the wireless telecommunications infrastructure industry. Our members include the carriers, infrastructure providers and professional services firms that own and manage more than 120,000 telecommunications facilities throughout the world.
- PCIA supports the infrastructure necessary to make wireless communications and information available at all times and places.
- PCIA advocates sound public policy for the industry, educates decision makers about its needs and the importance of wireless infrastructure, and provides a forum for industry information and best practices.

VENABLE LLP

- One of *The American Lawyer's* top 100 law firms.
- Practices in all areas of corporate & business law, complex litigation, intellectual property & government affairs.
- Nearly 600 lawyers serving corporate, government, nonprofit & individual clients throughout the U.S. & around the world.
- Headquartered in Washington DC with offices in New York, California, Maryland, Virginia and Delaware.
- Founded more than 100 years ago, the firm has enjoyed a long history of steady growth, quality service & sound management.

American Recovery and Reinvestment Act (ARRA)



- President Obama signed the economic stimulus package, known as the American Recovery and Reinvestment Act into law on February 17, 2009.
- The ARRA provides an opportunity for qualified entities to propose federally-funded broadband development projects in rural, unserved and underserved areas.

PCIA Molded the Legislation for Our Industry

- PCIA's advocacy goals:
 - Emphasize the key economic, public safety and social advantages that result from broadband, including wireless.
 - Assure eligibility for funding infrastructure providers.
- To accomplish these goals, PCIA:
 - Met with key members of Congress and their staffs.
 - Kept in constant contact with the drafters to obtain language that would benefit industry and PCIA members.
 - Met with the FCC Chairman and Commissioners.
 - Provided quantitative input to the President's Transition Team to calculate the economic and societal benefits of investing in wireless infrastructure.

\$7.2 Billion for Broadband Deployment

- Broadband Technology Opportunities Program (BTOP)
 - Administered by NTIA: National Telecommunications and Information Administration, Department of Commerce.
 - Responsible for \$4.7B.
 - Must define “unserved” and “underserved.”
 - Conference Report states that eligible entities include “wireless carriers . . . backhaul providers . . . and tower companies.”
 - FCC tasked with devising a “national broadband plan” within one year.
- RUS: Rural Utilities Service, Department of Agriculture
 - Responsible for \$2.5B.
 - Preference given to prior RUS users.
- Applicants can apply under both programs but no element can be double funded.

BTOP Program Details

- All funds must be distributed by September 30, 2010.
- Projects must be directed towards providing broadband to rural, unserved and underserved areas.
 - These terms are not yet defined.
- Program is “technology neutral.”
- NTIA may consult with the states to determine their needs.
 - A good reference for determining your state’s current broadband planning initiatives can be found at <http://www.speedmatters.org/statepolicy/>
- Applicants must demonstrate that:
 - They can complete the project within two years.
 - The project would not occur in that timeframe without the funding.
 - They can fund 20% of the project themselves (unless a waiver is granted).

NTIA Application Considerations

- NTIA applicants for infrastructure deployment grants should consider how their proposal will:
 - Increase the affordability and subscribership of broadband to the greatest population of users in the area.
 - Provide the greatest broadband speed possible to the greatest population of users.
 - Enhance service for health care delivery, education, or children to the greatest population of users in the area.

NTIA Program Goals

- Job Creation
- Broadband Service in “Unserved” Areas
- Improve Broadband Services to Consumers in “Underserved” Areas
- Education, Awareness, Training, Access, Equipment, and Support to Community Anchor Institutions
- Improve Broadband for Public Safety Agencies
- Stimulate Demand for Broadband,
- Economic Growth

Who Qualifies for NTIA Grants?

- States or “political subdivisions”
- U.S. territories and possession
- Indian tribes
- Non-profits
- “Any other entity, including broadband service providers” that NTIA finds by rule qualified “in the Public Interest”
- NTIA must be “Technologically Neutral”

More on “Who” Qualifies:

- At least one award for each state
- Applicants Should:
 - Increase Affordability and Subscribership
 - Provide Greatest Broadband Speed
 - Enhance Service for Health Care, Education, or Children
- “Economically Disadvantaged Small Business” have preference

RUS Loan/Grant Program

- Grants, Loans or Loan Guarantees
- At least 75% of the Area must be Rural
- Priority to “Open Access” applications
- Priority to highest proportion of rural residents without broadband
- Priority to former RUS borrowers
- Priority to projects that demonstrate full funding
- Priority to projects that can start promptly and be completed soon
- Cannot receive duplicate funding

RUS Application Considerations

- RUS applicants for infrastructure deployment grants should consider how their proposal will:
 - Deliver end-users a choice of more than one service provider.
 - Provide service to the highest percentage of rural residents that do not have access to broadband service.
 - Be fully-funded if approved for the requested grants or loans.
 - Demonstrate that the proposed project will be completed if approved.
 - Be able to begin promptly after funding is granted.
- RUS applicants should also begin to determine whether grants, loans or loan-guarantees would be most beneficial and whether they should jointly apply to the NTIA program.

RUS Application Criteria

- Currently Under Development by RUS/NTIA
- Potential RUS “Objective” criteria:
 - Rural Nature of the Area
 - Economic Need of the Area (National School Lunch Program)
 - Special Communities
 - Projects located in a USDA Empowerment Zone/Enterprise Community (EZ/EC) and/or Champion Community
 - Matching Funds (Leveraging)

More RUS Application Criteria

- Potential “Subjective” Criteria:
 - Additional Economic Needs Indicators
 - Examples: Recent large business or military base closings; high population of low income residents; large number of senior citizens; high unemployment numbers
 - Need for Services and Project Benefits
 - Explain the specific needs of the community and how the proposed project will meet those needs
 - Innovativeness
 - Cost Effectiveness

How do I Apply?

- Twenty Percent Matching Fund Requirement
- Disclose Source of Matching funds
- Electronic Filing
- Applications should include a detailed budget
- Project would not have been completed without funding from RUS/NTIA
- Applications can be submitted to both RUS and NTIA with disclosure
- RUS stimulus will be directed toward rural areas
- RUS program will mix grants and loans to “leverage” federal funds
- NTIA directed towards “unserved” and “underserved” areas (i.e., doesn’t have to be “rural”)

Points to Consider for All Funds:

- Applications should include a detailed budget
- Project would not have been completed without funding from RUS/NTIA within the time period of the grant
- Applications can be submitted to both RUS and NTIA with disclosure
- RUS stimulus will be directed toward rural areas
- RUS program will mix grants and loans to “leverage” federal funds
- NTIA directed towards “unserved” and “underserved” areas (i.e., doesn’t have to be “rural”)

Strategies to Increase Application Prospects

- Comments on Grant Qualification Criteria, and Participate in Rulemaking
- Coalitions or Partnerships
- State/Local Governmental Support
- Leveraging of Funds
- Vendor Support

Other Grants Available

- **Rural Business Enterprise Grants:** \$20 million to finance rural businesses and rural distance learning networks. No matching required. March 19, 2009 application deadline. Both private non-profits and public organizations may apply, and funds may be given to private organizations. Contact USDA.

- **State Recovery Act Grants:**
 - States will establish state recovery committees and websites.

 - See, e.g., for Kansas: Contact the American Recovery and Reinvestment Act Advisory Group chaired by Lt. Governor Mark Parkinson.
<http://www.governor.ks.gov/Recovery/>

 - See for other states: <http://www.propublica.org/special/chart-tracking-states-spending-trackers>

- States will need help in competing for some federal grants:

- **Economic Development Administration American Recovery Program:** \$100 million for infrastructure investment, such as communications, in areas that have experienced job loss or per capita income loss that is greater than the national average. 50% matching funds required. Applications being accepted now. States, local governments, colleges and non-profit organizations may apply. For private organizations can be subcontractors, but cannot directly file applications. 23

PCIA's Continuing Advocacy Positions

- PCIA will continue to advocate before NTIA, RUS and FCC:
 - That it is in the public interest that private commercial entities are eligible for grants.
 - The necessity of wireless broadband in many areas.
 - Definitions of “unserved” and “underserved” that are appropriate for wireless services.
 - To oppose the adoption of set speeds of service.

Critical Dates and Deadlines

- March 16, 17, 18, 19, 23, 24: NTIA/RUS/FCC Public Meetings
 - All are available via the web at www.ntia.doc.gov/broadbandgrants
 - Each meeting will have a topic (e.g., “eligible entities”).
- March 25: Comments due to FCC on Rural Broadband Strategy.
- April 8: FCC to adopt Notice of Inquiry on its broadband plan.
- April-June (estimated): First Grant Cycle.
- Mid-April: Comments on NTIA/RUS program due April 13
 - NTIA/RUS Request for Information available at:
http://www.ntia.doc.gov/frnotices/2009/FR_BTOP_RFI_090312.pdf .
- October-December (estimated): Second Grant Cycle.
- April-June 2010 (estimated): Third Grant Cycle.

Questions?

- Due to the number of registrants, we request that you submit questions through the Web interface:
 - Just enter your question in the open text area shown below and then click "Send"

Enter questions here:



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Attendee List (2 | Max 201)

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