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RUS and NTIA Announce Recovery Act Broadband Funding: Second Round

On January 15th the Commerce Department's National Telecommunications and Information Administration (NTIA) and USDA's Rural Utilities Service (RUS) released separate Notices of Funds Availability (NOFAs) for the Recovery Act's second round of broadband funding totaling \$4.8 billion.

NTIA heads the *Broadband Technology Opportunities Program* (BTOP), which provides grants for broadband initiatives throughout the country and has been allocated \$2.6 billion in this round. Likewise, RUS leads the *Broadband Initiatives Program* (BIP) which provides grant/loan combinations for broadband infrastructure projects and has been allocated \$2.2 billion in this second phase of funding.

Unlike the first round, NTIA and RUS now require **separate applications** for the BTOP and BIP. These applications will be accepted between **February 16 and March 15, 2010**. RUS and NTIA plan to announce awards under this NOFA by **September 30, 2010**.

BTOP Funding Highlights

- Approximately \$2.6 billion has been allocated in the second round of BTOP funding.
- Approximately \$2.35 billion is available for Middle Mile *Comprehensive Community Infrastructure* projects.
- At least \$150 million will be awarded for *Public Computer Center* projects.
- At least \$100 million will be available for *Sustainable Broadband Adoption* projects.

NTIA has made several modifications to BTOP since the first round of funding. Namely, NTIA's focus is now on Comprehensive Community Infrastructure projects. These projects will concentrate on Middle Mile broadband capabilities that link key community anchor institutions like libraries, hospitals, community colleges, etc. Additionally, NTIA has revised its programmatic elements, including reducing the number of BTOP eligibility factors and the number of expert reviewers.

BIP Funding Highlights

- Approximately \$2.2 billion has been allocated for this second round of BIP funding.
- This round will concentrate on Last Mile projects; Middle Mile projects by current program participants will also be funded.
- A 75/25 grant/loan is the new funding combination for all projects.

RUS has also made changes to BIP. Most notably, the grant/loan combination is now set at 75/25 instead of the previous 50/50 grant/loan ratio for general applications and the potential 100 percent grant for rural remote projects. In the second round a waiver is available where additional grant funds are needed, but priority will be given to applicants that request lower grant levels. RUS has also eliminated the funding category for Last Mile Remote projects. Regarding the application process, BIP now provides for reconsideration of BIP requests, a second review process that allows the applicant to adjust its application, transferability from failed NTIA applications, and Administrator discretion. Another RUS funding window will become available later that will address: satellite service for unserved premises and broadband in regional economic development and rural libraries.

Finally, RUS and NTIA will present a series of workshops in select cities across the country in order to inform applicants on the BTOP/BIP process. Please contact us if you would like additional information about these important funding opportunities.

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