

Commonwealth of Pennsylvania

Broadband Stimulus Update

***American Recovery & Reinvestment
Act of 2009***

July 16, 2009

Discussion Items

- Timeline
- Funding Overview
- Definitions
- Review Process
- BIP/BIP Programs
- Evaluation Criteria
- Other Requirements
- Mapping NOFA
- State Application

Timeline

- 3 funding rounds
- First Round
 - Joint NOFA released on July 1, 2009
 - Applications due August 14, 2009
 - BIP/BTOP awards to be announced around November 7, 2009
 - Mapping awards expected September 15, 2009
- Round 2 and Round 3 undetermined (anticipate December 2009 and Spring 2010)

Funding Overview

Round One - approx \$4.2 billion

RUS – Broadband Improvement Program (BIP) \$2.4 billion

- Last-Mile: \$1.2 billion
 - ~ Remote: \$400 million
 - ~ Non-Remote: \$800 million
- Middle-Mile: \$800 million
- National Reserve: \$325 million

NTIA – Broadband Technology Opportunities Program (BTOP) \$1.6 billion

- Infrastructure: \$1.2 billion
- Public Computer Centers: \$50 million
- Sustainable Broadband Adoption: \$150 million
- National Reserve: \$200 million

NTIA State Broadband Data & Development Grant Program \$200 million

\$3 billion reserved for Round Two and Round Three Funding

Definitions

Broadband

- Two-way data transmission with advertised speeds of at least 768 kbps downstream and at least 200 kbps upstream to end users, or providing sufficient capacity in a middle mile project to support the provision of broadband service to end users

Unserved

- One or more contiguous census blocks where at least 90 percent of households lack access to facilities-based terrestrial broadband

Underserved

- Proposed funded service area (PFSA), composed of 1 or more contiguous census blocks
- Must meet at least 1 of the following in PFSA:
 - ~ No more than 50% of households have access to facilities-based, terrestrial broadband service at > min broadband speed
 - ~ No fixed or mobile broadband service provider advertises broadband speeds of at least 3 MBPS downstream; or
 - ~ Rate of broadband subscribership is 40% of households or less

Rural

- any area not within a city or town with population greater than 20,000 or within an urbanized area contiguous and adjacent to a city or town with population greater than 50,000

Review Process

BIP

2-Step Review

1. RUS will evaluate for completeness and eligibility
2. Requires submission of additional information

- Scored against objective criteria, not against other applications
 - Project Purpose
 - Project Benefits
 - Project Viability
 - Project Budget and Sustainability

BTOP

Initial Review, then 2-Step Review

1. Initial: Whether applicant meets mandatory threshold requirements
2. Step One: 3 Independent Reviews
3. Step Two: Due Diligence, Additional Information & State Review

Broadband Improvement Program (BIP)

- Grants for remote, unserved rural areas
- Loans and grant/loan combinations for non-remote and underserved areas
 - 75 percent of funded area must be rural and lack broadband access
 - Rural = any area not within a city or town with population greater than 20,000 or within an urbanized area contiguous and adjacent to a city or town with population greater than 50,000
- Program of first refusal for rural infrastructure projects

Broadband Technology Opportunities Program (BTOP)

Broadband Infrastructure & Adoption

- **Last Mile**
 - For unserved or underserved area and have predominant purpose to provide broadband service to end users or end user devices
- **Middle Mile**
 - For unserved and underserved and have a predominant purpose other than providing broadband service to end users or end-user devices and may include interoffice transport, backhaul, Internet connectivity, or special access
- **Public Computer Center**
 - Funds projects that expand public access and enhance broadband capacity at entities such as libraries and community colleges
 - Create or expand a public computer center meeting a specific public need
- **Sustainable Broadband Adoption**
 - Funds innovative projects that promote broadband demand, such as broadband education, awareness, training, access, equipment or support, particularly among vulnerable populations

Other Requirements

- All broadband infrastructure (both BIP and BTOP) applicants must commit to Nondiscrimination and Interconnection Obligations:
 - e.g. Cannot throttle or impede another provider's or user's traffic over ARRA funded network
 - e.g. Funded infrastructure cannot be an entirely private closed network
- Network requirements are subject to the needs of law enforcement and reasonable network management.

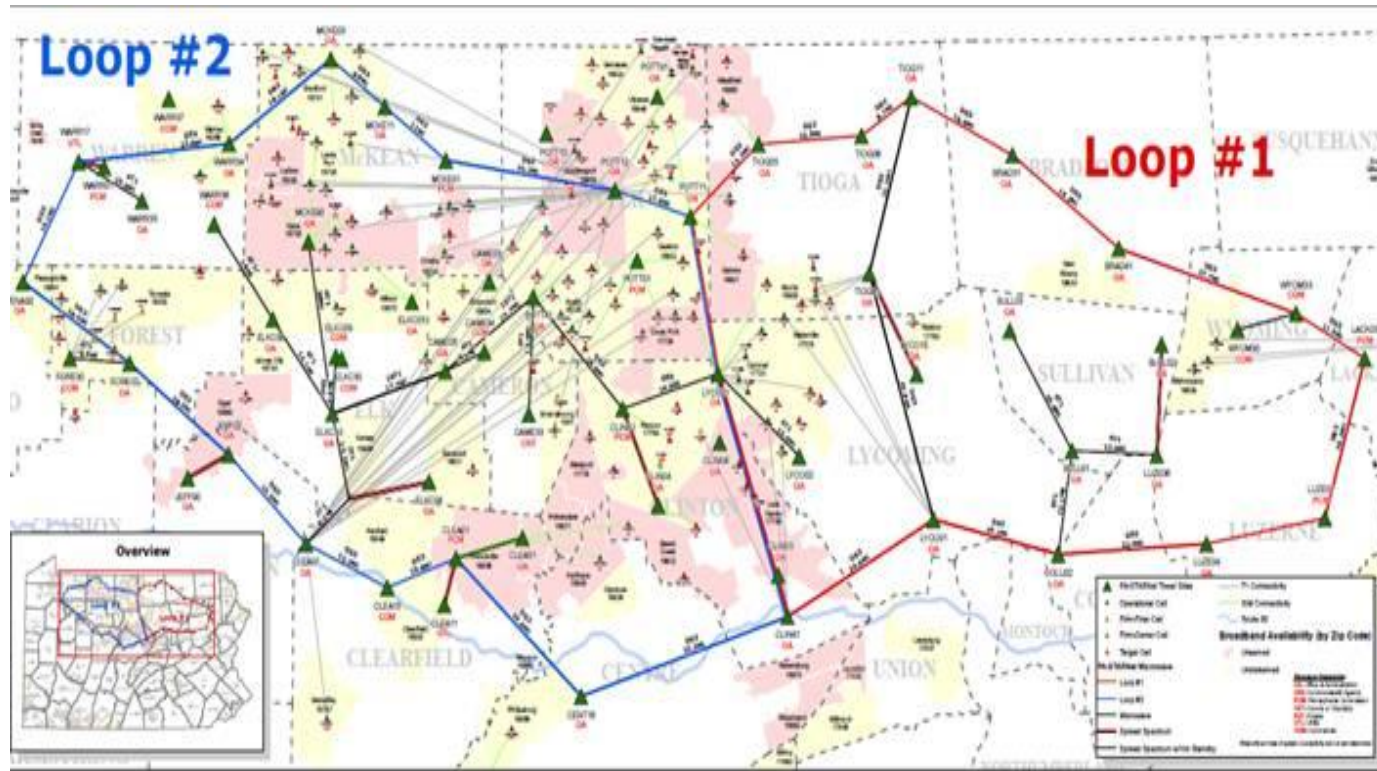
Role of States

- For BTOP purposes, the Recovery Act recognizes the valuable consultative role of states, territories, and possessions
- States will have opportunity to prioritize projects within state:
 - During Step Two of application review process
 - States will have 20 days from receiving applicant list to submit priority projects explaining why selected proposals meet state's greatest needs
 - States strongly encouraged to provide mapping data to support recommendations
- Regional review framework with multi-disciplinary input

Commonwealth's Proposed Grant Application

- Commonwealth will apply for ARRA funding through request under BIP/BTOP
- Application is expected to include components involving:
 - **Infrastructure** – primarily Middle Mile infrastructure upgrade and expansion, and may include Last Mile component involving partnership with provider or entity seeking collocation on state tower(s) or other services from the Commonwealth
 - **Public Computer Center**
 - **Sustainable Adoption**
- Commonwealth will apply BTOP Mapping & Data Collection

Commonwealth's Proposed Grant Application



Broadband Data & Development Grant

- One time grant program (due August 14, 2009) to facilitate national broadband map, statewide broadband inventory maps
 - \$240 million total funding available
 - \$1.9 - \$3.8 million anticipated mapping awards per state
- Requires substantially complete data sets by November 1, 2009 and fully completed by March 1, 2010
- Data Requirements
 - Geographic areas in which broadband service is available
 - Technologies used to provide broadband
 - Spectrum used for provision of wireless broadband
 - Speeds at which broadband is available
 - Average Revenue Per User (ARPU)
 - Broadband availability at public schools, libraries, hospitals, colleges and universities, and government buildings
- Coverage searchable by address (“street level search”), showing the type & speed available at each address

Questions?

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