NEW AMERICA
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Application Guide for Broadband Infrastructure Funding from the Broadband Technology Opportunities Program (BTOP)

This guide has been prepared by the New America Foundation's Open Technology Initiative as a reference guide for applications for the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP). In addition to general information about the application process and eligibility requirements outlined in the July 1, 2009 Notice of Funding Availability (NOFA), this guide breaks down the application into categories of responsibility and a sample timeline. While not intended as a replacement for the NOFA itself, this guide is a roadmap for applying for funds under the BTOP's Broadband Infrastructure category of the NOFA and an overview of what will be required for the application.

Further questions can be addressed to the Open Technology Initiative team via phone (202-986-2700) or e-mail:

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General Information

The July 1, 2009 NOFA approximately $1.6 billion available for BTOP applicants, including up to $1.2 billion in funding for Last Mile or Middle Mile projects that deliver broadband service to underserved and unserved areas.   Applicants should be aware up-front of the strict eligibility requirements and the rigorous data gathering that will be required for projects to qualify as unserved or underserved. To qualify for a grant in an "unserved area": a proposed funded service area (i.e., one or more contiguous census blocks) where at least 90 percent of households lack access to facilities-based, terrestrial broadband *service*, either fixed or mobile, at the minimum broadband transmission speed of 768 kbps downstream and 200 kbps upstream. [NOFA ¶2308 – 2312] Projects may qualify as "underserved" for Last Mile projects if at least one of the following factors is met, though the presumption will be that more than one factor is present: i) no more than 50 percent of the households in the proposed funded service area have access to facilities-based, terrestrial broadband service at greater than the minimum broadband transmission speed of 768 kbps downstream and 200 kbps upstream; ii) no fixed or mobile broadband service provider advertises broadband transmission speeds of at least three megabits per second ("mbps") downstream in the proposed funded service area; or iii) the rate of broadband subscribership for the proposed funded service area is 40 percent of households or less. [NOFA ¶2359 – 2374]

Because of these strict definitions for determining the eligibility of proposed funded service area(s), a thorough market analysis or survey is important to gather the detailed data required by the application. An applicant must identify the census block(s) selected for the project and provide documentation supporting the applicant's determination that the proposed funded service area is either unserved or underserved. [NOFA ¶2426 – 2440]

Other requirements that are important to consider early in the planning process include:
- Applicants applying for multiple funding categories need to submit multiple applications but should reference the other applications and describe the synergies of the projects in the applications. Middle Mile and Last Mile infrastructure projects should be included in the same application. [BTOP/BIP Frequently Asked Questions section I. C. 2. a.]
- All applications to fund broadband infrastructure in proposed funded service areas which are at least 75 percent rural *are required* to be submitted to RUS for consideration under BIP. If the applicant also chooses to be considered under BTOP, NTIA will review these applications using its own objective evaluation criteria and in accordance with BTOP procedures outlined in this NOFA. [NOFA ¶862 – 869]
- All applications to fund broadband infrastructure projects in proposed funded service areas that are less than 75 percent rural *must be submitted to NTIA* for consideration under BTOP. [NOFA ¶875 – 876]
- A proposed funded 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. [NOFA ¶2364 – 2374]
- Applicants need to describe whether the continuous census blocks of a proposed funded service area are underserved or unserved, not the individual census blocks within the service area, as well as why the methodology used is valid. [BTOP/BIP Frequently Asked Questions section II. A. 1.]

- Middle Mile and Last Mile projects should be included in a single application but applicants should categorize their application. Service provided directly to end users or end-user premises should be categorized as Last Mile. Service that does not predominantly provide services to end users, such as connecting community anchor institutions, should be considered Middle Mile. [BTOP/BIP Frequently Asked Questions section I. C. 2. b.]
- On Middle Mile Projects, last mile service area can refer to community anchor institutions or areas serviced by last mile service providers. [BTOP/BIP Frequently Asked Questions section IV. D. 2.]
- Advertised broadband speeds of proposals must be in excess of 768 kbps downstream and 200 kbps upstream. [NOFA ¶384 – 387]
- Project must be substantially completed (67% of funding spent; and for BTOP, also accomplished 67% of project milestones) within 2 years of award date and fully completed within 3 years. [NOFA ¶597 – 603]
- Projects funded by BIP and BTOP grants are expected to convincingly demonstrate the ability to be sustained beyond the funding period. [NOFA ¶824 – 840]
- *If grant project seeks more than $1 million in BTOP funding, a Professional Engineer must certify* that: a) the system will deliver the stated performance; and, b) the projected budget is a fair representation of the total infrastructure costs. [NOFA ¶609 – 613]
- There is a *presumption that the applicant will provide service to the entire territory of each census block* included in the proposed funded service area, unless the applicant files a waiver and provides a reasoned explanation as to why providing coverage for the entire census block is infeasible. [NOFA ¶2440 – 2447]
- Funded projects must "Buy American" or request a waiver. NTIA has granted a general waiver for certain equipment such as broadband switching equipment; however the waiver does not apply to "fiber optic cables, coaxial cables, cell towers, and other facilities that are produced in the United States in sufficient quantities to be reasonably available as end products." [*See* Federal Register Vol. 74, No. 125, Wednesday, July 1, 2009, Notices page 31410 – 31411]
- RUS and NTIA *require applicants to commit* to five non-discrimination and interconnection obligations. [NOFA ¶2467 – 2570]
    - Adhere to the principles contained in the FCC's Broadband Policy Statement. (FCC Docket 05-151 -- adopted August 5, 2005)
    - Not favor any lawful Internet applications or content over others.
    - Display network management policies in a prominent location on the service provider's web page and provide notice to customers of changes to these policies
    - Connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network.
    - Offer interconnection, where technically-feasible, on reasonable rates and terms to be negotiated with requesting parties.
    These conditions *will apply for the life* of the awardee's facilities used in the project and not to any existing network arrangements. [NOFA ¶2561 – 2570]
- *The grant recipient should use program income generated during the grant period to further eligible project objectives*, including reinvestment in project facilities. [NOFA lines ¶824 – 840]
- Applicant must demonstrate the project could not be implemented if not funded by the grant. [NOFA ¶732 – 740]
- Applicants must provide matching funds, cash or in-kind, of at least 20 percent of total eligible project costs, or request a waiver for this requirement. [NOFA ¶709 – 731]

- All BTOP Broadband Infrastructure awardees that offer Internet access service to the public for a fee *must agree to participate in the State Broadband Data and Development Grant Program* pursuant to the BDIA and section 6001(*l*) of the Recovery Act. [NOFA ¶1755 – 1757]
- Electronic applications must be submitted by 5 p.m. ET on August 14, 2009 and paper submissions must be postmarked no later than August 14, 2009, or hand-delivered no later than 5:00 p.m. ET on August, 14, 2009. [NOFA 1278-1288]. All applicants requesting more than $1 million in assistance (in the form of grants, loans, or a combination of grants and loans) *must file their application electronically*. [NOFA ¶1197 - 1198]

Additional Resources
- Broadband USA: http://www.broadbandusa.gov
- Notice of Funding Availability (NOFA) for Broadband Initiatives Program and Broadband Technology Opportunities Program: http://broadbandusa.sc.egov.usda.gov/files/BB%20NOFA%20FINAL%2007092009.pdf.
- Sustainable Broadband Adoption application package: http://broadbandusa.sc.egov.usda.gov/download_app.htm.
- Grant Guidelines for the Recovery Act Broadband Technology Opportunities Program (BTOP): http://broadbandusa.sc.egov.usda.gov/files/BTOP%20Grant%20Guidelines%20v1%200%20(July%2010).pdf.

Application Requirements

Required for Step One of the Application [NOFA ¶934-1039]
- General Information
  - A description of the project
  - Congressional District(s) affected by the project
  - Estimated dollar amount of the funding request
- Verification that the applicant meets eligibility factors
- Executive summary of the project
- Description of the proposed funded service area including maps, geography and demographic data, and methodology used
- Description of the proposed service offerings
- Description of the system design and technology used
- A timeline including key milestones. The project will meet 67% of milestones within 2 years of award date and be fully completed within 3 years.
- Resumes of key management personnel and organizational data
- A legal opinion
- Details on partnerships with other groups and collaboration with other state and federal programs
- Financial details on the sustainability of the project
- Historical financial documents
- Required certifications in the application including lobbying disclosures and nondiscrimination
- Description of how the applicant will advance the objectives of the Recovery Act

- Demonstrated need for funding
- Description of how the applicant will enhance services for health care delivery
- Verification of non-discrimination and interconnection obligations
- Project is fully funded, with applicant meeting the 20% matching requirement of funding or providing a letter requesting a waiver
- Evidence of collaboration with any economically disadvantaged small business concern (SBD)

Required Documentation [as outlined in the application]
Records
- Employer/Taxpayer Identification Number (EIN/TIN)
- Organizational DUNS
- CCR
- Funding Opportunity Number
- Catalog of Federal Domestic Assistance Number
- CFDA Title
- Licenses, Regulatory Approvals and Agreements (List, with status)
- Construction and Vendor Contracts (esp. signed agreements)
- Half-page Contracting and/or Partnering with Disadvantaged Businesses description (if applicable)
- Management Team Resumes
- Government and other Key Partnerships supporting documentation
- Historical Financial Statements: (for the last two years - start-up firms should provide the most recent financial statements)
  - Income Statement;
  - Balance Sheet; and
  - Statement of Cash Flows (CPA audits if available);

Written documents
- Big Picture
  - Project Title
  - 400-character Project Description
  - Three-Page Executive Summary
  - Two-Page Description of BTOP Project Purpose
  - One-Page BTOP Enhanced Services for Health Care Delivery, Education, and Children description
  - Half-page Government and other Key Partnerships description, plus supporting documentation (no limit)
  - One-page description Recovery Act and Other Governmental Collaboration
- Project Details
  - Proposed Service Area information
  - One-page Methodology for Area Status description
  - Service benefits
  - Middle Mile Benefits
  - Broadband Service Offerings for Last Mile Project (Attachment A)
  - Proposed Middle Mile Offerings (Attachment B)

- o Two-page limit Service Offerings for Middle Mile Project
- o Competitor Table (Last Mile) (Attachment C)
- o One-page Description of Network Openness:
- Organizational and Budget Documents
  - o Organizational Readiness description
  - o Organizational Chart
  - o General Overall Budget
  - o Detailed Budget (indicate whether any of those funds are associated with other Recovery Act programs) (Attachment G)
  - o One Page "Reasonableness" description ("explain the unit price and total number of units required")

<u>Other documents</u>
- Service Area Maps
- Existing Broadband Service Providers and Services Offered (table)
- Three-Page System Design
- Network Diagram
- Certification by Professional Engineer (Attachment D)
- Infrastructure Build-out Timeline and Project Plan (Attachment E)
- Legal Opinion (Attachment F)
- Legal justification for Buy American Requirement waiver (if applicable)
- Subscriber Estimates (Attachment H)
- Pro Forma 5-Year Financial Forecast and Assumptions (use the attached schedules) (Attachments K, L, M)
- Balance Sheet (Attachment L),
- Income Statement (Attachment K), and
- Statement of Cash Flows (Attachment M)
- Table(s) that list all assumptions used to produce the financials
- Brief explanation of why each assumption is reasonable for your business case.
- Coverage Waiver (if applicable)
- Commitment of Other Funding Support
- Demonstration of Financial Need (why the project would not have been implemented "but for" federal grant assistance)
- Unjust Enrichment statement
- Disclosure of Federal and/or State Funding Sources
- Assurances Construction Program (Attachment N)
- Certification Regarding Lobbying (Attachment O)
- Disclosure of Lobbying Activities (Attachment P)
- Lower-Tier Covered Transactions (Attachment Q)

Project Team and Sample Timeline

Completing the application requires a diverse set of skills. Below are individuals your grantwriting and development team should include along with a corresponding list of items in the application they will be responsible for.

Writer: who can tell the story of your proposed project in a concise and compelling manner. Applications items: 2, 8, 10, 11, *17, 20, 22, 27, 29*, 34, 42.

Administrative: who can compile the required documentation, including licenses, contracts, and organizational charts. Application items: 1, 3, 5, 6, 7, 9, 16, 23, 24, 25, *31*, 32, 33, 35, 36, 37, 38, 39, 40, 41, 43, *51, 52, 53*, 54, 55.

Evaluation Specialist / Community Engagement: who can detail the populations and existing network data for the proposed funded service areas. Application items: 4, 12, 13, 14, *17*, 18, *21, 27, 48*.

Systems Integrator / Network Engineer: who understands the technical requirements of designing network infrastructure. Application items: 19, *20, 21, 22*, 28, *29*, 30, *31**

Financial Officer: who can prepare budgets and assist with the development of the business model. Application items: 26, *27*, 44, 45, 46, 47, *48*, 50, *51, 52, 53*.

Some items are listed under multiple team roles because they will require collaboration (noted with italics). In addition, your proposal will need to be reviewed by an attorney (item 40), who should also advise on item 35 and 36 about licenses and contracts, respectively. Items 15, 49, and 56 in the application are requirements for BIP only and will not need to be considered by BTOP applicants. (*For projects requesting more than $1 million in funding; must be a Professional Engineer registered in the state(s) where the service will be provided).

Sample Timeline
The following represents a best guess estimate of the amount of time it will take an individual to complete certain components of the application. Applicants should adjust accordingly based on the size and expertise of their team. The timeline assumes a certain level of organizational readiness and that and specific data is known or available to the applicants including: last mile and/or middle mile proposed funded service areas, existing networks in the proposed funded service area, census block data to define areas as unserved or underserved, and partnership opportunities. Applicants developing projects for Broadband Infrastructure funding without prior planning and access to data, while not discouraged from applying, will find it extremely difficult to meet an already challenging deadline.

One important consideration for all applicants is to leave sufficient time to submit the application on-line. Applicants should strongly consider completing the application two-days prior to the August 14th deadline to avoid any technical issues related to the application servers or your own Internet connection.

Before beginning the application process, we encourage you take the following preliminary steps:
- Form a Steering Committee
- Form a Project Team
- Identify Key Team Members
- Outline a Responsibility Breakdown of the Application
- Form a Grantwriting Team
- Create a Project Management Structure

Hrs.	Writer	Financial Officer	Evaluation Specialist / Community Engagement	Administrator	Systems Integrator / Network Engineer	Additional Actions
5	Big picture documents (20 hrs.)	Outline budget details (15 hrs.)	Define proposed funded service area(s) (15-20 hrs.)	Required id. numbers (5 hrs.)	Conceptual network map (5-10 hrs.)	Inform elected officials and continue community engagement (on going)
10				2yr. historical data (5 hrs.)		
15				Resumes and bios (5hrs.)	Network and system design (30-40 hrs.)	
20	Project detail documents (25 hrs.)	Develop sustainability model (15 hrs.)		Identify contracts needed (5 hrs.)		
25						
30						
35		Formalize partnerships (10 - 15 hrs.)				
40						
45						
50	Organizational and budget documents (20 hrs.)		Compile methodology (5 hrs.)	Secure legal opinion (10-20 hrs.)		
55					Final system map (5-10 hrs.)	
60						
65						
70	Review application (40-50 hrs.)					
75						
80						
85						
90						
95						
100						
105						
110	Corrections and changes (10 hrs.)					
115						
120	Submit application (20 hrs.)					
125						
130						
135						