

BIP/BTOP Frequently Asked Questions

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I. Applying for Funds

A. Application Process and Procedure

1. Will those who apply early have any advantage over those who apply later within the application window?

No. All eligible applications will be reviewed based on objective selection criteria, and there is no additional consideration for applications based on how early within the application window they are received.

B. Multiple Rounds of Funding

1. Please explain the three anticipated rounds of funding.

The current *Notice of Funds Availability* (NOFA) announces the first round of broadband funding under the Recovery Act. RUS will award up to \$2.4 billion in grants and loans in the first round of funding. NTIA will award up to \$1.6 billion in grants in the first round of funding. RUS and NTIA currently plan two more funding rounds (one to commence at the end of 2009 and the other to commence in spring 2010), with all awards to be made by September 30, 2010, as required by the Recovery Act. (See NOFA sections I and IV.)

2. Is August 14, 2009 the application deadline for all three rounds of funding?

No. Only applications for the first round of funding have a deadline of no later than 5 p.m. ET on August 14, 2009. These deadlines are the same for BIP and all three BTOP programs. (See NOFA section VI.F.) The application deadline for the second and third rounds of funding will be announced in subsequent NOFAs.

3. Is an entity whose application is denied in the first funding round eligible to reapply for funding in a subsequent round?

If an application is not successful in the first round, the applicant may resubmit the proposal for the next round of funding. Applicants should be aware that NTIA and RUS intend to learn from the first funding round. As a result, the agencies may issue subsequent NOFAs that contain different programmatic information from the July 2009 NOFA to better achieve the agencies' goals and to adjust the process based on the applications received. In this situation, applicants resubmitting applications may need to adjust their applications before resubmitting them.

BIP and BTOP applicants will be notified in writing of the reason for the rejection. (See NOFA section II.B.3.) As a result, applicants resubmitting their applications in later rounds will have an opportunity to address the deficiencies identified in the first round.

4. May an applicant who receives an award in the first round submit an application in a subsequent round of funding?

Yes, provided that the subsequent application does not duplicate the project RUS or NTIA already has funded.

5. If the NTIA receives an unexpectedly large number of meritorious Broadband Infrastructure, Public Computer Center, or Sustainable Broadband Adoption applications, can NTIA draw-on the “national reserve” that is set aside by the NOFA and make additional awards?

Yes. If NTIA receives a large number of high-quality proposals that exceed the funding limits established for each project category, then NTIA may use funds from the \$200 million national reserve set aside in the NOFA to fund projects in any of the three categories. NTIA also retains the discretion to divert funds from one project category to another. (See NOFA section IV.B.3-4.) Based on the Recovery Act requirements, over the course of the three rounds of funding, NTIA must award at least \$200 million to public computer center grants and at least \$250 million to sustainable broadband adoption grants. Nothing in the statute prohibits NTIA from devoting additional funds to these projects.

C. BIP and BTOP

1. If I am interested in BTOP funding for a “rural” infrastructure project, am I required to apply to BIP?

If at least 75 percent of your proposed funded service area qualifies as a rural area as defined in the NOFA, you must answer all of the questions on the application that are required for BIP, and RUS will consider your application under BIP. In addition, you must also answer all of the BTOP-specific questions on the Broadband Infrastructure application. (See NOFA section VI.C.1.a.) Separate budgets and financial statements are required for BIP and BTOP applications to reflect the different sources of funds.

RUS and NTIA will simultaneously review Broadband Infrastructure applications submitted to both agencies, but NTIA will not make awards with respect to any such application until RUS has decided not to fund it. To expedite the grant review process, NTIA will concurrently review joint BIP/BTOP applications using its own objective evaluation criteria and in accordance with BTOP procedures outlined in the NOFA. However, in this funding round, NTIA may make awards with respect to those rural Broadband Infrastructure applications NTIA determines to be meritorious after RUS has reviewed the application and decided not to fund it.

RUS and NTIA have adopted these application procedures to leverage the available funding and to reflect the fact that Congress, in the Recovery Act, intended that RUS focus its activities on rural areas and mandated that NTIA funding could not be applied in the same project areas funded by RUS under the Recovery Act. (See NOFA section VI.C.1.a.)

D. Number of Applications

1. Is there a limit to the number of applications one entity can submit during the application window?

No.

2. Please clarify when single vs. multiple applications are appropriate.

(a) Must an applicant submit separately for Broadband Infrastructure, Public Computer Center, and Sustainable Broadband Adoption projects or include all three in one application?

An applicant with projects in multiple funding categories (Broadband Infrastructure, Public Computer Center, and Sustainable Broadband Adoption) must submit separate applications. (See NOFA section VI.D.) However, applicants should reference the other relevant applications in Question 3 of each application and discuss synergies between projects in the appropriate sections of each application. NTIA will give additional consideration to projects that convincingly address multiple project categories and BTOP statutory purposes. (See NOFA section VII.A.2.b).

(b) Must an applicant submit separately for Middle Mile and Last Mile Infrastructure Projects or include both in one application?

Both may be included in the same application, but an applicant should follow this guidance in determining how to characterize its application:

Last mile services are characterized by the provision of service directly to end-user premises or end users—these services bridge the “last mile” between a service distribution point and end users. This typically may take the form of residential or commercial broadband service. Broadband Infrastructure projects that do not predominantly provide service directly to end users are considered middle mile projects. Some examples of middle mile services include interoffice transport, backhaul, Internet connectivity, and special access. Because RUS and NTIA recognize that applicants may need to build middle mile infrastructure as part of a last mile deployment, these categorizations are not expected to be exclusive, and applicants are asked to choose which of the service types, last mile or middle mile, their project will predominantly provide.

For example, where an applicant proposes to deploy backhaul for the express purpose of supporting a last mile deployment that is part of the same proposal, the applicant should characterize the project as predominantly a last mile project. If, by contrast, the last mile facilities deployed in the project are just one of many last mile networks that the backhaul facilities are expected to serve, the project would likely be better characterized as a middle mile project. BTOP-only applicants proposing substantial last mile and middle mile components who are unable to designate their proposal as predominantly last mile or middle mile are advised to file separate applications for the last mile and middle mile components and to discuss the relationship between components in the applications. BIP applicants proposing substantial last mile and middle mile components **must** select the last mile **or** middle mile funding category.

(c) Where service areas are not contiguous, does an applicant have to submit separate applications?

No, one application may contain multiple proposed funded service areas. Each proposed funded service area, however, must independently satisfy the eligibility requirements and be composed of contiguous census blocks. For BIP and BTOP, this means that each proposed funded service area must qualify as unserved or underserved.

E. Specific Application Requirements

1. When an application is submitted by multiple entities, should it be filed with a single DUNS number or a new shared DUNS number?

The application must include the DUNS number associated with the lead applicant. The DUNS numbers for other entities or a new shared DUNS number are not required for the application process. If the application receives an award, to the extent that subrecipient reporting is required, entities that will perform subrecipient reporting will need to supply DUNS numbers at that time.

2. What are the engineering certification requirements for the infrastructure and public computer center applications?

Only projects that RUS and NTIA determine to be technically feasible will be eligible for an award. At a minimum, applicants for Broadband Infrastructure projects who are requesting funds over \$1 million must submit a system design and project timeline, certified by a professional engineer (external or in-house) who is registered in each state where the project is located. The application will include a certification form for the professional engineer and the applicant's authorized representative to sign, stating that the proposed broadband system will work as described, can deliver the proposed services outlined in the application, can meet the proposed build-out timeframe based on the resources designated in the application, will be substantially complete in two years, and will be fully complete within three years.

Applicants for Public Computer Center projects that involve a broadband wide area network (WAN) or local area network (LAN) build-out or other significant engineering activities may (but are not required to) submit a certification from a professional engineer to demonstrate that their proposed project is technically feasible.

F. Information Technology

1. Will the electronic application allow you to save your application, stop, and come back to it?

Yes, an applicant can edit and save an application as many times as necessary until you submit the application. After the application has been submitted, the electronic system will not allow further revisions.

2. Will the Help Desk address electronic filing questions?

Yes. For assistance, an applicant should call 1-888-861-5509 or email helpdesk@broadbandusa.gov.

II. Infrastructure Issues

A. Service Area

1. Does an applicant have to show that each individual census block within its proposed funded service area is unserved or underserved?

No. It is not necessary to show that each individual census block is unserved or underserved. The proposed funded service area, which consists of one or more contiguous census blocks, must, as a whole, meet the definition of unserved or underserved for BTOP. (See NOFA sections III and VI.C.1.c.) For BIP, at least 75 percent of the proposed funded service area must qualify as an unserved or underserved rural area. (See NOFA section V.C.3.) Applicants must explain the methodology for determining that the proposed funded service area as a whole meets the eligibility criteria.

The examples below may help to clarify the requirements:

(a) **Prong #1 of definition of “underserved area” (50% of households with access):**

Assume that three contiguous census blocks (Blocks A-C) each contain 100 households, and that only 20 households in Block A have access to facilities-based, terrestrial broadband service, 40 households in Block B have access, and 60 households in Block C have access. If each census block is presented as a separate proposed funded service area, Blocks A and B will qualify as underserved on the basis that in each block fewer than 50 percent of households have access to facilities-based, terrestrial broadband. Block C will not qualify as underserved on that basis. If, however, the three blocks are combined into a single proposed funded service area, only 120 out of 300 households will have access to facilities-based, terrestrial broadband, meaning that the service area as a whole (including Block C) will qualify as underserved on the basis of fewer than 50 percent of households having access to facilities-based, terrestrial broadband service.

(b) **Prong #3 of definition of “underserved area” (subscriber rate of 40% or less):**

Assume that two other contiguous census blocks (Blocks D and E) each contain 100 households and that 20 households in Block D subscribe to broadband service, and 50 households in Block E subscribe to broadband service. If each census block is presented as a separate proposed funded service area, Block D will qualify as underserved on the basis of a rate of broadband subscribership that is 40 percent or less. Block E will not qualify as underserved on that basis. If, however, the two blocks are combined into a single proposed funded service area, only 70 out of 200 households (*i.e.*, 35 percent) subscribe to broadband service, meaning that the service area as a whole will qualify as underserved on the basis of a rate of broadband subscribership that is 40 percent or less.

2. How can an applicant determine which areas are unserved or underserved?

The exact methodology is up to the applicant, but the result should be to demonstrate that the proposed funded service area is eligible based on the appropriate definition. Applicants should aim to utilize state broadband mapping data if such data exists. Otherwise, a customer or market survey, statistical sampling, or other valid methodology will be necessary. Census block maps can be found at

http://www.census.gov/geo/www/maps/descriptwindows/census_blockmaps.htm.

3. If RUS or NTIA discovers that a few census blocks within a large service area are not unserved or underserved, will the agency reject the application in its entirety?

The determination of whether an area is unserved or underserved applies to an entire service area, not to specific census blocks within the service area. RUS and NTIA will post a Public Notice of the proposed funded service areas of each Broadband Infrastructure application for a 30-day period. If the information submitted by an existing service provider demonstrates that the applicant's proposed funded service area is not unserved, both RUS and NTIA reserve the right to reclassify the application and consider the proposed area as underserved if the application meets the criteria in the underserved definition. If the information submitted by an existing service provider establishes that the applicant's proposed funded service area is not underserved, both RUS and NTIA may reject the application. (See NOFA section VII.B.)

4. Are any areas of the country, tribal lands, or territories *de facto* unserved or underserved?

No such *de facto* areas have been identified in the NOFA.

III. Public Computer Centers and Sustainable Adoption

A. Both Funding Categories

1. Are applications for Public Computer Center and Sustainable Broadband Adoption projects that are based in rural areas reviewed by RUS before they are reviewed by NTIA?

No. Only NTIA will review applications for Public Computer Center and Sustainable Broadband Adoption projects. Applications for these project categories may only be submitted to BTOP. (See NOFA sections II.B.1 and VI.C.2-3)

2. Are there any geographic restrictions on the areas served by Public Computer Center and Sustainable Broadband Adoption projects?

No. Public Computer Center and Sustainable Broadband Adoption applicants do not need to demonstrate that their projects are located within unserved or underserved areas. Rather, they must show that they serve vulnerable population groups where broadband technology has traditionally been underutilized. (See NOFA sections II.B.1 and VI.C.2-3.)

B. Public Computer Centers

1. Do the network nondiscrimination and interconnection requirements apply to public computer center projects?

No. The interconnection and non-discrimination obligations apply to Broadband Infrastructure projects only. (See NOFA section V.C.2.c.)

2. Are public housing agencies eligible to apply for public computer center funds?

Yes. As government entities, public housing agencies are eligible for public computer center funds. (See NOFA section V.B.1.) A public computer center may be located in, or associated with, public and Indian housing. If the public computer center serves only the residents of the public housing project (rather than the general public), the applicant should explain this limitation in its application and demonstrate how the public computer center is targeted to a specific vulnerable population, such as low-income users, the elderly and people with disabilities. (See NOFA sections III and VII.A.2.c.iii.)

C. Sustainable Broadband Adoption

1. Please describe the “sustainability” evaluation factor for Sustainable Broadband Adoption grants. Do these projects need to be on-going after the period of performance for the award?

Applicants for Sustainable Broadband Adoption grants must explain how the expected increases in broadband adoption rates will be sustained without ongoing federal grant assistance after the funding period and grant program has concluded. The description should include an explanation for why the applicant believes increases in subscriber rates will be sustainable over time. Applicants also should demonstrate how any costs associated with training and/or other recurring expenses will be covered after the grant expires. NTIA expects projects funded by Sustainable Broadband Adoption grants to continue after the period of performance for the award. (See NOFA section VII.A.2.e and Grant Guidelines for the Recovery Act Broadband Technology Opportunities Program.)

IV. Eligibility and Matching

A. Eligible Entities

1. Are municipal governments eligible to apply for BIP and BTOP funds?

Yes. (See NOFA section V.B.1.)

2. Are public universities eligible to apply for BIP and BTOP funds?

Yes. (See NOFA section V.B.1.)

3. Are independent school districts eligible for BIP and BTOP funds?

Yes. (See NOFA section V.B.)

B. Eligible Costs

1. To what extent can award funds be used to pay for expenditures prior to the award, including the costs of preparing the application?

RUS and/or NTIA will fund reasonable pre-application expenses in an amount not to exceed five percent of the award. Pre-application expenses may be reimbursed if they are incurred after July 9, 2009, the publication date of the NOFA, and prior to the date on which the application is submitted to RUS and/or NTIA. These pre-application expenses can include the cost of an engineer's review of an infrastructure project's network diagram as well as other documented costs associated with the preparation of the application. (See NOFA section V.D.2.a.)

2. Is the construction or acquisition of new facilities for Public Computer Center applications an eligible cost?

Yes. Applicants must explain, however, why the proposed cost is reasonable, and why it is necessary for the applicant to construct or acquire a new facility in order to expand computer center capacity, including documenting the likely demand for computer services at the proposed facility.

3. Are contingency fees reimbursable pre-application expenses?

An awardee may not use BIP or BTOP funds to pay contingency fees. Costs based solely on a contingent fee basis are not authorized under the applicable OMB Cost Circulars. In particular, both OMB Circular A-87 and OMB Circular A-122 provide that costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government. Thus, if an applicant enters into such an arrangement with a consulting firm, it will be required to pay the fee using funds not included in the award.

C. BTOP Matching Funds

1. Are monies from a state (or other non-federal) grant awarded to provide telecommunications services, purchase equipment, and provide training eligible as matching funds? If so, will they be considered in-kind contributions or a cash match?

Yes. To the extent that the use of the funds is for an eligible purpose under BTOP and assuming such use is permitted under the terms of the other grant program, such funds will be considered a cash match. Matching funds are encouraged but not required under BIP.

D. Eligible Projects

1. Can I apply for a Broadband Infrastructure project that will provide high capacity bandwidth to community anchor institutions? Are the participating institutions required to be in unserved or underserved areas?

Community anchor institution (which include schools, libraries, medical and healthcare providers, public safety entities, community colleges and other institutions of higher education) projects are eligible. For example, one such project may be proposing to create a regional fiber ring to connect schools, hospitals, or other community anchor institutions. Projects of this nature should be characterized as middle mile projects as they create a point-to-point network connecting a relatively small number of facilities. This would be in contrast to a last mile project which, because of the last mile coverage obligation, must provide broadband access to all end users – including all community anchor institutions, businesses, and households in the proposed funded service area. (See NOFA section V.C.2.d.)

To be eligible for BIP or BTOP funding, all middle mile projects (including middle mile community anchor institution projects) must have at least one point of interconnection located in an unserved or underserved area. (See NOFA sections III (defining “underserved area”), V.C.3, and VI.C.1.c.) For BTOP evaluation purposes, the degree to which middle mile projects serve unserved and underserved areas is assessed during scoring and evaluation, with additional consideration provided to projects that have more interconnection points in unserved and underserved areas. (See NOFA section VII.A.2.c.ii.) However, it is possible that the majority of a middle mile project will be located in areas that are not unserved or underserved. To maximize BTOP’s impact and in consideration of its funding constraints, NTIA has opted to focus on areas that have no broadband or inadequate broadband rather than supporting projects located in areas with more substantial broadband coverage.

2. As an applicant for a middle mile community anchor institution project, how do I answer Question 14 of the infrastructure application? What is a “last mile service area”?

The information collected in Question 14 is used to measure the scope and impact of the proposed middle mile project. For each individual middle mile network span, the applicant must provide (among other things): the name of the span; a list of the census blocks through which the span will pass; information on each “last mile service area” for that span; and whether (for BTOP) each proposed funded service area or (for BIP) each census-designated community or “other area” located in the last mile service area is unserved or underserved as defined in the NOFA. The “last mile service areas” refer to the areas in which end users will benefit from the middle mile network, either through last mile service providers or through community anchor institutions that are directly connected to the network.

Note that there is no coverage obligation for middle mile projects—the last mile coverage obligation applies only to last mile applications. (See NOFA section V.C.2.d.) By listing the last mile service areas that a middle mile project will serve, a middle mile applicant does not

incur an obligation to provide broadband service to all end users throughout those areas. Rather, this is an estimate by the applicant of the reach of its middle mile network—whether that occurs via last mile service providers or through services provided directly to community anchor institutions. While these are projections, they should be more than mere speculation. In Question 18, applicants are required to explain the bases for these projections (*e.g.*, a commitment from a service provider or community anchor institution in that area or a market study finding that the lack of middle mile capacity is the barrier to last mile broadband service in the area and that last mile broadband service would become commercially viable if the proposed middle mile project is built).

3. As an applicant for a middle mile community anchor institution project, how do I answer Question 18 of the infrastructure application? Is my project required to provide broadband service to the surrounding area?

Question 18 presents middle mile applicants an opportunity to explain how their project will deliver benefits to the area impacted by the project. (See NOFA sections VII.A.1.b-c and VII.A.2.c.ii.) These benefits may come in the form of consumer or business broadband service delivered via last mile service providers or through services delivered by community anchor institutions or some combination of the two. Hospitals, universities, public safety entities, or other community anchor institutions should explain in their response to Question 18 how the proposed project will enhance their capabilities and describe the benefits that the project will deliver to the public and the communities that the project will impact (with attention, if applicable, to how these benefits fit the particular needs of the community). These applicants should also estimate how many end users will be provided access at and through the community anchor institutions.

There is no requirement to provide broadband service to all end users throughout the project area. But applicants for middle mile community anchor institution projects should note that their projects, like all other Broadband Infrastructure projects, will be subject to nondiscrimination and interconnection obligations. (See NOFA section V.C.2.c.) For example, all Broadband Infrastructure projects must connect to the public Internet directly or indirectly, such that the project is not an entirely private closed network.

4. Will any funding be made available to commercialize emerging broadband technologies?

Consistent with the goals of the Recovery Act, BIP and BTOP intend to focus on providing immediate access to broadband service. BIP and BTOP Broadband Infrastructure projects must intend to provide broadband service to unserved and underserved areas. (See NOFA sections V.C.3, and VI.C.1.c) In addition, project milestones and benefits must be achievable within the timeframe described in the proposal. BIP and BTOP funds are not available for general research.

E. Partnering

1. Can organizations apply jointly for a single award?

Yes, organizations can file jointly for funding. BIP and BTOP encourage collaboration among partners who may bring a variety of strengths and expertise to a project. However, one entity must be selected as the lead applicant. That entity will enter into the grant, loan, or loan/grant agreement with RUS or NTIA and will assume operational and financial responsibility should an award be made (i.e., an Authorized Organizational Contact (AOC) as designated by the Central Contractor Registration (CCR) process). Applications that involve multiple organizations should identify key partnerships in the Executive Summary, Organizational Readiness, Organizational Chart, and Government and Other Key Partnerships questions on the application. Applicants should also demonstrate how these groups will work together and illustrate how the project will be financially and technologically feasible.

2. When multiple organizations are involved in a project, does it matter which organization is the lead applicant?

The lead applicant must be able to enter into a Loan or Grant Agreement with RUS or NTIA and be willing to assume financial and operational responsibility for the project. Lead applicants should have experience implementing projects of similar size and scope.

3. How would an entity interested in partnering with socially and economically disadvantaged businesses go about identifying these businesses in their community?

The Central Contractor Registration (CCR) website (www.ccr.gov) includes a link to Dynamic Small Business Search, a function that enables applicants interested in working with socially and economically disadvantaged businesses to search for potential partners by ZIP Code, North American Industry Classification System (NAICS) code and keywords.

V. Review and Award Process

A. States

1. Which state entity will be asked to prioritize BTOP applications?

BTOP will send a list of applications that have advanced to the step two review stage to the Governor's office of each State, U.S. territory, and possession, and to the Mayor's Office of the District of Columbia.

VI. Award Terms and Conditions

A. Non-discrimination and Interconnection

1. Do the nondiscrimination and interconnection requirements apply to the portions of the applicant's network that are not funded by BIP or BTOP?

No.

2. Is last mile infrastructure subject to the same nondiscrimination and interconnection obligations as middle mile infrastructure?

Yes. The same nondiscrimination and network interconnection obligations apply to both Last Mile and Middle Mile projects. (See NOFA section V.C.2.c.)

For BTOP only, Broadband Infrastructure applications will be evaluated on the applicant's commitment to exceeding the minimum requirements. Section VII.A.2.c of the NOFA ("Project Benefits") explains how Last Mile and Middle Mile applicants may exceed the minimum requirements, based on the different technical characteristics of the two types of projects.