

**MINNESOTA STATE BAR ASSOCIATION
PUBLIC UTILITIES LAW SECTION**

**BROADBAND STIMULUS - GETTING READY
FOR ROUND II**

Anthony S. Mendoza, Esq.

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I. BROADBAND STIMULUS APPLICATIONS ROUND I SUMMARY

National Data

- 2,200 applications
- \$28 billion in funding requests; \$4 billion released in Round 1.
- Applications received from:
 - All 50 states
 - 5 territories
 - District of Columbia
- \$10.5 billion in matching funds committed by applicants.
- There were 830 joint applications to BIP and BTOP programs, requesting \$12.8B in infrastructure funding.
- There were 260 "infrastructure" applications requesting \$5.4B.
- 320 "demand promotion" or "sustainable broadband" applications representing \$2.5B in funding requests.
- 360 public computer center applications representing \$1.9B in funding requests.

Minnesota Data

- \$450.8 million in total funding requests
 - \$281.6 million in grant applications
 - \$169.1 million in loan applications
- Breakdown by Application Type
 - Joint BIP/BTOP Infrastructure Applications
 - \$218.5 million
 - 57% of total Minnesota applications
 - BIP Infrastructure Applications
 - \$137 million
 - 36% of total MN applications
 - BTOP Infrastructure Applications
 - \$3.3 million

- 1% of total MN applications
 - BTOP Demand Promotion
 - \$19.5 million
 - 5% of total MN applications
 - BTOP Public Computer Center Applications
 - \$5 million
 - 1% of total MN applications
- Infrastructure Applications Breakdown
 - Middle Mile
 - \$62.3 million
 - 15% of total infrastructure applications
 - Last Mile Non-Remote
 - \$268.2 million
 - 62% of total infrastructure applications
 - Last Mile Remote
 - \$96.6 million
 - 23% of total infrastructure applications
- MN Public vs. Private Sector Infrastructure Applications
 - Private Sector - \$61.3 million; 17% of total applications
 - Public Sector - \$297.4 million; 83% of total applications
- Challenges
 - 11 of 21 infrastructure applications received challenges related to unserved or underserved designation
- State input - State input was provided as non-public data under Minnesota Data Practices Act.

II. ROUND I BROADBAND STIMULUS AWARDS

- To date, only one grant has been announced in Minnesota.
 - Broadband Access Project (University of Minnesota)
 - \$2,862,333
 - Project will:
 - Conduct public awareness campaign to attract vulnerable populations to project sites

- Translate training materials into Hmong, Vietnamese, Spanish, and Somali
- Provide software that helps persons with disabilities and non-native speakers access the Internet.
- Only \$182 million in grants and loans of the approximate \$4 billion released in NOFA Round I have been awarded to date.

III. Notice of Funds Availability Round II.

A. Key Changes.

- BTOP and BIP programs are being separated.
 - RUS and NTIA will issue separate NOFAs
 - \$2.6B (remainder of BTOP) funds is being released by NTIA under this NOFA.
 - \$2.35 for CCI projects
 - \$150 million for PCC projects
 - \$100 million for SBA projects
 - No more joint applications
 - BIP loans and grants will have separate application process administered by RUS.
 - BTOP will be administered by NTIA
 - No more "BIP-first" requirement.

B. NTIA 2nd Notice of Funds Availability. (\$2.6 billion)

- BTOP infrastructure categories being collapsed into one: Comprehensive Community Infrastructure (CCI) projects.
 - Will focus on middle mile projects offering new or substantially upgraded connections to community anchor institutions, especially community colleges.
- Additional consideration will be given to projects contributing a non-federal match of 30% or more of the total eligible costs of the project.

- BTOP eligibility factors simplified to three (3) categories:
 - (1) eligible entities
 - (2) fully completed application;
 - (3) matching
- Applications to fund infrastructure to serve areas at least 75% rural are discouraged to apply under BTOP; such applicants should apply for BIP funding through RUS.
- All awards must be made by September 30, 2010.
- Incumbent providers will have a 15-day window after NTIA posts notice of proposed funded service area to comment on grant applications. Incumbent providers must provide the following information in commenting on a proposed funded service area:
 - Company name;
 - Summary of comments;
 - Number of households and businesses that have access to incumbent provider;s service by census block group or tract;
 - Types of broadband services offered;
 - Prices at which broadband services are offered;
 - Speed offered;
 - Number of subscribers each provider has in the proposed funded service area;
 - Optional: List of providers POPs in the proposed funded service area.
- Information provided by incumbents is public, but can be treated as proprietary to extent permitted by law.
- Generally, for CCI projects only capital expenses will be funded.
- NTIA is removing requirement that CCI infrastructure projects must be located in unserved or underserved areas. Though such projects will be given additional consideration.

C. RUS Notice of Funds Availability. (\$2.2 billion)

- Funding breakdown:
 - \$1.7 billion in last mile projects.
 - \$300 million for middle mile projects. RUS strongly prefers middle mile applications come from existing RUS borrowers.
 - \$100,000,000 for satellite projects (separate NOFA forthcoming)
 - \$5 million for Rural Library Broadband and Technical Assistance Projects. (separate NOFA forthcoming)
- RUS will continue focus on funding projects to serve unserved and underserved areas.
- "Rural remote area" versus "rural area" distinction eliminated.
- Any rural area that does not have broadband service of at least 5Mbps (upstream and downstream combined) in at least 50% of its area is qualified for RUS funding under the RUS NOFA.
- RUS will concentrate on funding last mile projects.
- Rural Area means any area, as confirmed by the latest decennial census of the Bureau of the Census, which is not located within:
 1. a city, town, or incorporated area that has a population of greater than 20,000 inhabitants; or
 2. an urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants. An urbanized area means a densely populated territory as defined by Census Bureau.
- Standard grant to loan award will be 75/25.
- Incumbent providers will have a 30-day window after RUS posts notice of proposed funded service area to comment on applications.
- RUS application requirements are much more burdensome than that required by NTIA.

BROADBAND USA APPLICATIONS - MINNESOTA

Applicant	Contact	Project Title	Program	Project Type	Grant Request	Loan Request	Description	Challenge?
Mid-State Education District	Kay Campbell	Central MN Rural Broadband Access	BIP/BTOP	Last Mile Non-Remote Area	\$ 65,213,019	\$ 65,213,019	Adv broadband for govt, Ojibwek, K-12, Healthcare, etc.	Charter, US Cable, Benton Coop Tele
Cook County	Danna Mackenzie	Cook County Fiber Initiataive	BIP	Last Mile Remote Area	\$ 33,658,409		FTTP to unserved areas of Cook Co.	Century Link
Northeast Service Coop.	Lyle MacVey	Northeast Minnesota Middle Mile Project	BIP/BTOP	Middle Mile	\$ 32,135,681	\$ 11,362,539	Dark fiber, wavelength services for private sector providers	Qwest
County Wide FTTH, Inc.	Donny Smith	Fiber Project for Steele & Dodge Counties	BIP	Last Mile Non-Remote Area	\$ 24,073,840	\$ 24,073,841	Provide high speed broadband access to all of county	None
Arrowhead Fiber, Inc.	Donny Smith	Arrowhead Regional Last Mile Project	BIP	Last Mile Remote Area	\$ 23,017,861	\$ 5,754,466	Broadband connectivity to all Arrowhead region	None
Small Town Fiber, Inc.	Donny Smith	Small Town Fiber	BIP	Last Mile Non-Remote Area	\$ 13,047,125	\$ 13,047,127	Serve small towns w/no or limited access	None
Lake County, Two Harbors	Gary Fields	Lake County Fiber Project	BIP	Last Mile Non-Remote Area	\$ 11,050,770	\$ 22,436,409	First rural county fiber network in US	None
A-Vu Media Corp.	John Goodman	New bundled broadband for older adults, disabled	BTOP	Sustainable Broadband Adoption	\$ 9,431,000		Preprogrammed direct access to broadband	
Mid-State Telephone Co.	Timothy Ulrich	Mid-State Telephone Co.	BIP	Last Mile Remote Area	\$ 8,376,308		High speed DSL broadband service to rural, remote & unserved	None
Arvig Telephone Co.	Timothy Ulrich	Arvig Telephone Co.	BIP	Last Mile Remote Area	\$ 7,358,993		High speed DSL broadband service to rural, remote & unserved	Charter
Federated Telephone Coop	Kevin Beyer	FTC-Appleton, Madison & Rural Morris	BIP	Last Mile Remote Area	\$ 6,783,111	\$ 6,783,111	FTTP system	Mediacom
City of Widom	John Schultz	Southwest MN Broadband Group	BIP/BTOP	Last Mile Non-Remote Area	\$ 6,350,250	\$ 6,350,000	Build fiber-to-the-premise infrastructure to 8 rural communities	US Cable
Hiawatha Broadband Comm.	Gary Evans	Southeastern MN Last-Mile Project	BIP/BTOP	Last Mile Non-Remote Area	\$ 5,729,891		Last mile service & middle mile connections	Charter, Qwest, Mediacom
City of Minneapolis	Elizabeth Cousins	An Engaged Community, Mpls Public Housing	BTOP	Sustainable Broadband Adoption	\$ 5,298,236		Informed puglic housing broadband subscribers	
C.K. Blandin Foundation	Bernadine Joselyn	MN Intelligent Rural Communities	BTOP	Sustainable Broadband Adoption	\$ 4,858,219		Opportunity for rural MN	
Carver Co Fiber Collaboration	Donny Smith	Carver County Fiber Collaboration	BIP/BTOP	Middle Mile	\$ 4,770,776	\$ 4,770,778	Connect Carver Co. & Scott Co. to Jaguar Comm	None
Leech Lake Band of Ojibwe	John Schultz	Leech Lake WAN Project	BIP/BTOP	Middle Mile	\$ 4,148,870	\$ 4,148,870	Health/public safety/human services across reservation	Johnson Telephone
City of Minneapolis	Elizabeth Cousins	Broadband for Mpls Public Housing	BTOP	Last Mile	\$ 3,302,955		DSLAM network for 41 Mpls high rises	Qwest
Halstad Telephone Co.	Thomas Maroney	HTC MN Exchanges FTTP	BIP/BTOP	Last Mile Non-Remote Area	\$ 3,277,500	\$ 3,277,500	Fiber-to-the-Premise broadband in Norman & Polk Co.	Qwest (partial areas)
University of Minn	Kevin McKoskey	Broadband Access Project	BTOP	Public Computer Center	\$ 2,862,334		Training to vulnerable populations	
Mille Lacs Energy Coop.	John Pierson	Mille Lacs Energy Wireless Broadband	BIP	Last Mile Remote Area	\$ 1,679,650		Terrestrial fixed wireless system to 5 remote/unserved areas	None
Leech Lake Band of Ojibwe	John Schultz	Leech Lake Community Computer Centers	BTOP	Public Computer Center	\$ 1,581,252		Computer centers to 13 community centers	
Tekstar Communications	Mark Birkholz	Naytahwaush Project	BIP/BTOP	Last Mile Remote Area	\$ 1,103,397		Broadband to unserved area	None
Upsula Telephone		Upsula Broadband Projects	BIP	Last Mile Remote Area	\$ 1,030,005	\$ 1,072,107	Broadband to Sobieski, Flensburg, Bowlus, and Swanville	diversiCom
MN Valley TAV Improvement	Daniel Richter	MN Wireless Expansion	BIP	Last Mile Non-Remote Area	\$ 562,776	\$ 562,776	34 WIMAX Access Points in un-served & underserved communities	None
Asian Media Access	David Kang	Asian Pacific Amer CommNet	BTOP	Public Computer Center	\$ 500,000		Access to immigrant & refugee residents of TC	
Halstad Telephone Co.	Thomas Maroney	HTC Crookston MN WiMax Wireless	BIP/BTOP	Last Mile Non-Remote Area	\$ 317,250	\$ 317,250	Install wireless wimas to Crookston	
		Duluth Neighborhood Network Target Area Expar	BTOP	Public Computer Center	\$ 118,456		Computer center for revitalized neighborhood	
					\$ 281,637,934	\$ 169,169,793	\$ 450,807,727	
		Totals						