

RUS AND NTIA TO STREAMLINE BROADBAND GRANT PROCESS

The US Department of Agriculture's Rural Utilities Services (RUS) and the US Department of Commerce's National Telecommunications and Information Administration (NTIA) recently announced that they planned to streamline the broadband grant and loan programs provided for in the American Recovery and Reinvestment Act of 2009 (Recovery Act). Rather than having two additional funding rounds, RUS and NTIA plan to dispense the remaining funds in one round to increase efficiency and improve assistance to applicants.¹

The Recovery Act gave a total of US\$7.2 billion to NTIA and RUS to fund projects that would increase access to and adoption of broadband services. Specifically, NTIA received US\$4.7 billion for the Broadband Technology Opportunities Program (BTOP) to provide grants for the: (1) deployment of broadband infrastructure in unserved and underserved communities in the United States; (2) expansion of public computer center capacity; and (3) encouragement of broadband service adoption. RUS received US\$2.5 billion for the Broadband Initiatives Program (BIP) to provide grants and loans that facilitate broadband deployment in primarily rural areas.²

The first round of the BIP and the BTOP grants and loans produced roughly 2,200 applications seeking almost US\$28 billion in funding for potential projects in all 50 states, five US territories, and the District of Columbia. RUS and NTIA are currently reviewing the applications and anticipate awarding up to US\$4 billion in loans, grants and loan/grant combinations. The agencies plan to announce the funding awards in December 2009.

RUS and NTIA also have issued a joint request for information (RFI) seeking public comment on several issues relating to the implementation of the BIP and the BTOP.³ The RFI seeks information on, among other things, how to:

- streamline the application and review process in order to reduce the burden on applicants;

Brussels
+32 (0)2 290 7800

Denver
+1 303.863.1000

London
+44 (0)20 7786 6100

Los Angeles
+1 213.243.4000

New York
+1 212.715.1000

Northern Virginia
+1 703.720.7000

San Francisco
+1 415.356.3000

Washington, DC
+1 202.942.5000

This advisory is intended to be a general summary of the law and does not constitute legal advice. You should consult with competent counsel to determine applicable legal requirements in a specific fact situation. © 2009 Arnold & Porter LLP

arnoldporter.com

¹ Press Release, NTIA and RUS, "NTIA and RUS Streamline Programs to Bring Broadband, Jobs to More Americans" (Nov. 10, 2009), available at http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1RD?printable=true&contentidonly=true&contentid=2009/11/0560.xml.

² See Arnold & Porter LLP Advisory, "US\$7.2 Billion for Broadband in Stimulus Bill Comes with Non-Discrimination Obligations," February 2009 available at [http://www.arnoldporter.com/resources/documents/CA_US\\$7.2BillionForBroadbandInStimulusBillComesWithNonDiscriminationObligations_021909.pdf](http://www.arnoldporter.com/resources/documents/CA_US$7.2BillionForBroadbandInStimulusBillComesWithNonDiscriminationObligations_021909.pdf).

³ Request for Information, NTIA and RUS, "Broadband Initiatives Program and Broadband Technology Opportunities Program," Dkt No. 0907141137-91375-05 (rel. Nov. 10, 2009), available at http://www.ntia.doc.gov/frnotices/2009/FR_BIP_BTOP_RFI_091109.pdf.

- establish funding priorities for the remaining Recovery Act funds, including focusing on middle mile projects, economic development, and specific population groups;
- revise current definitions for terms such as “unserved area,” “underserved area,” “broadband” and “remote area”;
- improve the interconnection and nondiscrimination requirements; and
- determine the cost effectiveness or cost reasonableness of particular projects.

Public comments are due by November 30, 2009.

We hope that you have found this client advisory useful. If you have additional questions, please contact:

Stephanie Phillipps

+1 202.942.5505

Stephanie.Phillipps@aporter.com

Maureen R. Jeffreys

+1 202.942.6608

Maureen.Jeffreys@aporter.com