

Broadband Initiatives Program (BIP) Guide

An Overview of the US Department of Agriculture's Rural Utilities Service (RUS) Broadband Program for the Recovery Effort



Presented by

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COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

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Overview of Broadband Initiatives Program (BIP)

As a part of the American Recovery and Reinvestment act of 2009, a total of \$2.5 billion was allocated to U.S. Department of Agriculture's Rural Utilities Service (RUS) to accelerate broadband deployment in rural areas of the country through the Broadband Initiative Program (BIP). RUS will award grants, loans and loan/grant combinations to fund broadband infrastructure throughout the country. The Recovery Act requires that a minimum 75 percent of the funded area be rural areas that lack access to high speed broadband.

Project Categories

Broadband Infrastructure: funding for projects that deliver broadband service to rural communities.

Full grants will only be awarded to applications proposing to serve exclusively remote, unserved, rural areas.

Remote Area defined as: "An unserved, rural area 50 miles from the limits of a non-rural area."

Rural Area defined as: "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."

Unserved Area defined as: "a proposed funded service area, composed of one or more contiguous census blocks where at least 90 percent of households in the proposed funded service area lack access to facilities-based, terrestrial broadband service, either fixed or mobile, at the minimum broadband transmission speed."

Loans and loan / grant combinations can be awarded to applications proposing to serve non-remote and underserved rural areas. (All areas still MUST be at least 75 percent remote).

Underserved Areas defined as: "a proposed funded service area, composed of one or more contiguous census blocks meeting certain criteria that measure the availability of broadband service and the level of advertised broadband speed."

Eligibility

The following requirements apply:

- Applicants must submit a complete application and all supporting documents.
- Applicants must demonstrate the project can be substantially completed within two years of the grant issuance date and fully completed within three.

- Applicants must propose to offer “broadband” service as defined as “two-way data transmission with advertised speeds of at least 768 kbps downstream and at least 200kbps upstream to end user”; or sufficient capacity in a middle-mile project to support “broadband” service to end users.
- For any project requesting over \$1 million, the applicant must submit a system design, and a project timeline certified by a professional engineer in order to demonstrate that the proposed project is technically feasible.
- The applicant must commit to the program’s Nondiscrimination and Interconnection Obligations.
- The applicant must demonstrate that at least 75 percent of the proposed funded area qualifies as rural area without sufficient access to broadband service to facilitate rural economic development.
- RUS will not fund more than one project to serve any given geographic region.
- All project costs must be able to be fully funded once grant, loan or grant / loan is awarded.
- Projects must be financially feasible and /or sustainable as determines by RUS.

Disadvantaged and small businesses who meet the definition under section 8(a) of the Small Business Act will be awarded an additional point during evaluations.

Additional requirements may be outlined in the Notice of Funds Availability (NOFA).

Procedure

Applications will be accepted from **July 14, 2009** through **August 14th, 2009**. Electronic and paper submissions are available at <http://www.broadbandusa.gov>. All applicants requesting more than \$1 million dollars in assistance must file their application electronically unless their authorized representatives are individuals with disabilities.

Applications will undergo a preliminary review to ensure all mandatory threshold requirements are met. A satisfactory application will then advance to a two step process consisting evaluations and follow up information submission.

Preliminary award announcements are expected in mid **September 2009**. Final announcements expected in **November 2009**.

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