



Broadband Funding American Recovery and Reinvestment Act of 2009 (ARRA)

July 9, 2009

Summary: The ARRA appropriated **\$7.2 billion** and directed the Department of Agriculture's Rural Utilities Service (RUS) and the Department of Commerce's National Telecommunications and Information Administration (NTIA) to expand broadband access to communities across the U.S., with emphasis on those that are unserved or underserved. The goals of this funding are to preserve and create jobs, to spur investments in technology and infrastructure, and to provide long-term economic benefits.

The result is the **RUS Broadband Initiatives Program (BIP)** and the **NTIA Broadband Technology Opportunities Program (BTOP)**. Each will have three funding rounds, the first to begin this summer with funds distributed in the fall. There are significant opportunities for libraries to benefit from these programs, which are differentiated as follows:

- BIP will make loans and/or grants for broadband infrastructure projects in rural areas; and
- BTOP will provide grants to fund broadband infrastructure, public computer centers, and sustainable broadband adoption projects.

Deadlines: Applications will be accepted for the first round of funding from July 14, 2009, through 5 p.m. EDT August 14, 2009. Subsequent rounds will be announced later.

BIP Funding: The first round of funding includes: \$400 million in grants and \$800 million for loans and grant/loan combinations for “last mile” projects and \$800 million for loan and loan/grant combinations for “middle mile” projects. At the discretion of RUS, an additional \$325 million may be awarded for last mile or middle mile projects. Projects must serve areas that are at least 75% rural to qualify for BIP funding.

BTOP Funding: In this first round of funding up to \$1.6 billion may be awarded to support projects to expand coverage for unserved areas, improve service to underserved, and serve important community sectors such as health care, education, libraries, and public safety. BTOP funding requires a 20% funding match that can include in-kind and cash sources, though applicants may apply for a waiver of the match requirement. Funding will be distributed among three distinct areas under the BTOP program:

Broadband Infrastructure: Up \$1.2 billion in BTOP funds is available for projects that deliver broadband service through Last Mile and Middle Mile facilities to unserved and underserved areas. Applicants are encouraged to serve multiple purposes, **including expanding service to public libraries.**

Public Computer Centers: Up to \$50 million in BTOP funds is available for projects that expand computer capacity at venues that serve the public, such as community college libraries and **public libraries.** Expanding capacity can include purchasing broadband-related equipment and facilitating better access to services and applications that require robust broadband connectivity.



Sustainable Broadband Adoption: Up to \$150 million in BTOP funds is available for innovative projects that promote broadband, such as projects focused on broadband education, awareness, training, access equipment or support, particularly to vulnerable populations.

NTIA has set aside an additional \$200 million that could be allocated to one of the funding categories above or carried over to the next funding round.

Evaluation Process: Among other considerations, BTOP applications will:

- Receive additional favorable consideration to the degree that they address multiple purposes of BTOP as well serving community anchor entities, such as libraries;
- Receive more favorable review for cash matching sources rather than in-kind contributions; and
- Be reviewed by states and the NTIA, who will take into consideration the priorities of governors with respect to applications submitted to NTIA.

WHAT DOES THIS MEAN FOR LIBRARIES?

Libraries can participate in the BIP and BTOP funds in several ways:

- Directly apply for computer center or stimulation of broadband adoption funding areas;
- Become part of a state or municipal broadband application that will expand broadband connectivity to serve community anchor entities, **including the library**; and
- Partner with a broadband provider to develop an application that takes advantage of both the potential favorable consideration broadband providers could receive while enhancing the application by addressing the needs of important local anchor institutions, public libraries.

Interested libraries should get involved by contacting their local broadband provider(s) and make sure that they know your broadband needs and by getting involved in any broadband planning at the local, regional or state level. In some states a regional library consortium or the state library agency may also have information. Libraries need to make it known to their local providers and their local and state governments that they **NEED** greater broadband connectivity.

WHERE CAN YOU FIND MORE INFORMATION?

- Visit www.ala.org/knowyourstimulus for resources, tutorials, FAQs and more.
- Official information about BTOP may be found at www.ntia.doc.gov/broadbandgrants/.
- Visit www.usda.gov/rus/telecom/ for official information about BIP.