

**March 25, 2009**

**An update on the NTIA and U.S. Department of Agriculture broadband meetings**

As noted previously, the National Telecommunications and Information Administration (NTIA) and the U.S. Department of Agriculture have hosted a series of meetings involving a variety of stakeholders and experts as well as providing forums for public comment on the NTIA and RUS broadband stimulus programs.

In case you were not able to tune into the live webcasts, the videos and transcripts are being archived on the [NTIA broadband Web site](#).

**Increasing broadband demand and public access**

The March 17 meeting included presentations and public comments on the issue of encouraging sustainable adoption of broadband service and expanding public computer center capacity.

Of the \$4.7 billion to establish NTIA's Broadband Technology Opportunities Program (BTOP) to develop and expand services to rural and underserved areas and improve access by public safety agencies, \$250 million will be available for innovative programs that encourage sustainable adoption of broadband services. Additionally, at least \$200 million will be available to upgrade technology and capacity at public computing centers, including community colleges and public libraries.

Based on these requirements and on the panel discussion, localities should be considering integrating libraries, community colleges or other community centers into their projects, if possible. Increasing broadband demand and subscribership (i.e. "adoption") addresses the concern of building a system that will not be utilized. Providing citizens with Internet and computer training helps to remove a significant barrier to broadband usage—as does the provision of free broadband access through libraries or community centers. A grant application that involves these community resources will help address the requirement that these projects be targeted to those who need these services and sustained over the long term.

Stimulus money for "smart grid" technology was addressed by a representative from the Department of Energy. The [American Recovery and Reinvestment Act](#) (ARRA) provides \$4.5 billion for smart electricity grid initiatives. Smart grids require broadband connectivity, so opportunities for synergy between the broadband stimulus programs and the smart grid provisions may exist for some localities.

**Award selection criteria**

During the March 24 meeting, panelists discussed potential project selection criteria as well as post-award compliance. Suggested criteria for selecting or ranking grant applications included (in no particular order of preference):

- Potential for job creation and preservation (both jobs directly related to the broadband deployment and "multiplier" or "indirect" jobs created in the community)
- Timeliness and feasibility of deployment
- Long-term sustainability, including upgrades and maintenance

- Affordability of broadband services
- Technology being deployed and relative broadband speeds
- Public interest components (education, health care/telemedicine, libraries, public safety, etc.)
- Project costs per potential customer
- Ability of applicant to perform (based on experience, expertise, etc.), which highlights in most cases the need for localities to partner with private sector providers.
- The proposed business model or case
- State endorsement or input

### **Post-award compliance – expect audits**

Grant recipients should expect audits before, during, and after the grant process, according to a representative from the Commerce Department's Office of the Inspector General (OIG) during the March 24 public meeting. Other than required quarterly reports, specific broadband grant reporting requirements have not been established yet. However, the OIG will apparently apply the general audit standards and requirements from the Single Audit Act, the Office of Management and Budget's [A-133 Circular](#) with regard to state, local and nonprofit grantees. More compliance information may be found on the Commerce Department's [Web site](#) as it becomes available.

The Recovery Act includes \$6 million for the OIG to conduct audits and oversight of the programs and activities funded by the ARRA in addition to the \$10 million provided to the OIG for oversight of the Broadband Technology Opportunities Program. With such a large infusion of cash expected to be obligated within a short time frame, this oversight will be important in evaluating the effectiveness of these programs and detecting and preventing waste, fraud and abuse.

### **Definition of “broadband,” “unserved” and “underserved”**

Notes from the meetings addressing the definitions of broadband, unserved and underserved areas will be part of the next VACo broadband stimulus update.

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