

Broadband Stimulus Funds
NH Department of Resources and Economic Development
Division of Economic Development
NH Business Resource Center

Hello, I'm Christopher Way; I'm with the Department of Resources and Economic Development and the Division of Economic Development for my portion today I'm going to be talking about the broadband stimulus portion of the American Recovery and Reinvestment Act of 2009. I want to go over the provisions of the Act that pertain to broadband. But I also want to suggest ways in which the state will be able to apply for money and how others may be able to apply as well. The broadband portion of the Recovery Act is a little different than some of the other departments. We will not receive a big slice of the money into the department of Resources and Economic Development. What will happen is that we will have to apply to various federal agencies, those will be in the form of competitive grants so that is why it is a little different and a little more complicated than maybe some of the other things that we've talked about.

Division of Economic Development

I want to give you some information about the Division of Economic Development because we are the department that is going to be the gateway for broadband stimulus funds that will be coming into the state. Roy Duddy is the Division Director; we also have the Business Resource Center, where we deal with business retention & recruitment, government procurement, energy and employee retention. We also have the International Trade Resource Center that's one stop shopping for doing export.

Broadband Stimulus Package

What is it?

So when we talk about the broadband stimulus package the first question is what is it? Well broadband has been identified as a key area of the ARRA funding to build broadband infrastructure in the state to reinforce what's already there but also to accelerate deployment of broadband in areas of the state that belong to the under served and un-served. Of course like all the portions of the economic stimulus there is a need for economic development and job creation.

What is Broadband?

But we first have to understand what is Broadband? There are lots of definitions; typically we go by the FCC definition. Broadband is an advanced communications systems capable of providing high-speed transmission of services (e.g.,) data, voice, and video over the Internet and other networks. There is a wide range of technologies and a wide range of speeds and also convergence of voice, video, and data services. Once again this is the FCC definition.

Why is Broadband Important?

But why is broadband important? First, the state is very fortunate to have a Telecommunications Advisory Board called TAB. TAB has done a lot of work in this area particularly on broadband over the last several years since its creation. Some of the things they found and certainly suggested are, that broadband is clearly a tool to improve productivity, quality of life and to share information with all parties in the state. Broadband is important for telemedicine, education and small business. For us in economic development it's a clear recruitment and retention tool. I think it is very interesting that the one statistic is that for every 1 percentage increase in broadband penetration in the state employment is projected to improve by 0.2-0.3% per year.

Broadband stimulus Package Programs

So when we look at the broadband stimulus package program, what areas will be addressed and what type of programs have been set up. I wanted to give you a majority of these programs. The first one is a program, for Innovative programs for adoption of Broadband that has 250 million dollars nationwide, public computer access at the educational facilities has 200 million, there is some funding for distance learning, telemedicine that primarily focuses on the rural areas, that amount is at 2.5 billion and then there is the broadband technology opportunity grant money, a type of general grant at 3.9 billion, I can also add that there are national and state mapping that's another 350 million dollars.

Broadband Stimulus Package Key Federal Agencies

Since the money will not directly come to the state, we will be dealing directly with federal agencies. The federal agencies that will be clear players in the broadband stimulus package are agencies such as the Department of Commerce, National Telecommunications and Information Agency (NTIA). NTIA's contribution to the stimulus package is to award competitive grants. Then there is the Department of Agriculture- Rural Utilities Service, referred to as RUS. RUS will be offering loans, guarantees and grants in rural areas.

Broadband Stimulus Package

How much funding do we have in total, overall nationwide? There is about 7.2 billion dollars for broadband related projects and about 4.5 billion dollars that will be coming from NTIA and there is another 2.5 billion in funds coming from RUS. Then there will be an additional portion for auditing, like everywhere else in the stimulus package there will be a lot of oversight and a lot of transparency.

NTIA Priorities

What are the priorities of NTIA? First, they have been very clear that they want to service the un-served and underserved areas. They want to see broadband increases in educational institutions, libraries, medical, community support organizations, and by the vulnerable population including low-income, unemployed, and aged consumers. Our agency wants to create jobs and address the needs of the public safety agencies.

The Process

What is the process? The State will not be receiving a block of money. The State will be applying for competitive grants primarily through federal agencies such as NTIA. We have received some phone calls asking whether counties or cities are able to apply for these funds, well you might be able to and it would certainly be good to collaborate with others in doing so. But be aware that the State will also be applying for this money competing with other states that will also be putting in similar applications. What we know or what we hear is that there will be three potential application dates so while the State is obviously interested in getting in on that first date there is going to be a couple of other opportunities that will be coming up. One might think of them as phase one, phase two, and phase three and the other thing that we know is that there will be at least one grant per state. There is still some more information that we need to get, like how much and to whom.

Uses of Funds

What are the uses for these funds? You will see a common theme when talking about the information that we still need from the federal government. We are still waiting for the final criteria from NTIA that will tell us the specifics about what we need to offer or what we can use the funds for. However we do get a sense that the funds cannot be used to pay for equipment, but the funds can be used for software or other infrastructure needs that are devoted to broadband. Funds cannot be used to support “non-recurring costs” through another federal program in other words there can be no double dipping. A critical piece of any application will be whenever we put in place has to be sustainable. Once these funds are used up and the infrastructure is in place, the questions that have to be asked are “How do we continue this?” “How are these going to be funded?” and “How are things going to be repaired?” So whatever is put in place needs to be sustainable.

Needed information from Federal Agencies

I've mentioned that we are still waiting for information from the federal agencies. We expect to hear more over the next several months. The pieces that are still missing make it more difficult to apply at this point, but we still want to forge ahead. As far as application information we are not really sure what will be required. As for eligibility criteria we still don't know who will be able to apply and what criteria will be used. We need more key definitions such as what is NTIA's idea of served and un-served. How do they define broadband? We have some idea, but the type of definition used could affect who will be able to apply and how the state will determine the areas that will be best suited for these grants. We don't know yet about the preferred speeds or the preferred technologies that should be used. Such items will have an impact on the state and finally we need to know, how much money per state, how many grants per state that will be allowed and how much money per grant. These are all things we are still waiting for. This is some the differences between the broadband funds and other funds available from the federal government. That does not in any way mean that we stop what we are doing, but we have to realize that information will be coming forth and it may affect any proposals that have been put together.

The State Proposal Under Development

As I've mentioned the state will be submitting a proposal, which is something that we have been working on since we heard about the broadband stimulus funds. We have been gathering information and speaking to many people about their ideas, fears, thoughts or concerns. We have also been working with municipalities, non-profit entities and vendors trying to determine what they want to get out of the stimulus package. We have also been gathering information from the Telecommunication Advisory Board. We have looked at complementary shovel-ready projects that fit into whatever plan we put forth. The words shovel-ready is something that seems to come up over and over again and the area of broadband is no different and whatever projects we put in place need to be implemented fairly quickly. As I've mentioned it is not necessary to take a narrow view of the proposal process, we intend to put a phase 1 application in place that will likely be due in April or May. Also phases 2 and 3 will give another opportunity to submit applications.

What are we doing in regards to the state proposal? There are a few clear priorities that have been looked at, such as a wireless fiber backbone component, possibly owned by a non-profit entity, which was recommended by our Telecommunication Advisory Board. We have looked to deploy in served and un-served areas, which will be evident in our grant application. We will be applying for a mapping component grant as well as using the regional planning commission. We are looking to fund a state telecom position, because telecommunications is not something that should be delegated, it is a duty, and such a large task. We are looking at the possibility of block grants and also at loan

funding, such as revolving loan funds. These are some of the ideas that we are keeping in mind as we move forward.

The NH Advantage

As we look at any grant opportunity we have to keep in mind of what we can bring to the table so that our grant proposal stands out over the rest. We have a Telecommunication Advisory Board that has been very active in providing concrete action steps for us to follow. Granted a lot of what the board has come up, funding is assumed, but the groundwork has been put in place to move forward. Legislation has been entered for the telecom position and is heading to the senate, it is a position that has been championed by Senator Debra Reynolds and is receiving good acceptance, also the telecom position will be conditional upon an acceptance of stimulus funds. We have engaged many New Hampshire communities that have shovel-ready projects; many of these projects have been worked on and refined. Communication between the department and the communities has been a very instrumental factor in our process. The department has had a supportive congressional delegation that has been engaged with this issue for some time and they have been wonderful advocates for everything that we are doing. Infrastructure is essential to any proposal that we prepare; the combined efforts of many will make our proposals much stronger. There are many opportunities available to New Hampshire, which means we can meet the needs of many groups, even the public safety side for our wireless backbone and yet have the ability to launch off into those underserved and un-served areas.

What Happens If NH Is Awarded Funding?

What happens if New Hampshire is awarded funding? First, we would create an oversight infrastructure, which could possibly be managed by a non-profit organization. The telecom position will be interracial to making sure that these activities are conducted properly and the money is evenly disbursed. RFP's will be issued for the backbone and the underserved areas, when we identify various projects, RFP's will be issued Mapping duties will be disseminated to UNH and the regional planning groups. The common theme for everything that we will we do will be extensive reporting, a lot of oversight and most importantly the transparency of all projects. We will be very respectful of the transparency process and we will do everything we can to make sure that the funds are used in the most efficient way and for the right purpose.

What Should You Be Doing Now?

We do not have all the information needed, but does that mean that we should sit on our hands while we wait or should we go full steam ahead? What should we be doing now? We have a good idea of what is coming down the pike in terms of information. This is a good time to identify your needs and look for areas of collaboration. One thing that is clear is that collaboration is an attractive piece for any proposal that is submitted. Let us know what projects you are considering. It is beneficial to have an idea of what the

concerns, questions and advise people might have, it certainly helped to shape what we have been doing. Let us know of the path that your community might be on. One of the guidance suggests the NTIA may at least look to the states for advise on proposals. Having us aware from the start on proposals that are complementary to what we are doing is certainly advise well taken. Look at the scope and the cost of your projects as well. Once again we do not know the amount of funds available at this time, but at the very least we can look at how much your project is going to cost and start putting these numbers together. And again watch the state and federal websites for updates. It is clearly something that will change often, as we receive information post it on our website.

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