

American Recovery and Reinvestment Act of 2009

Jo Shotwell
SVP – Business Compliance

Austin • Camden • Columbia • Dallas • Houston • Lubbock • Minneapolis

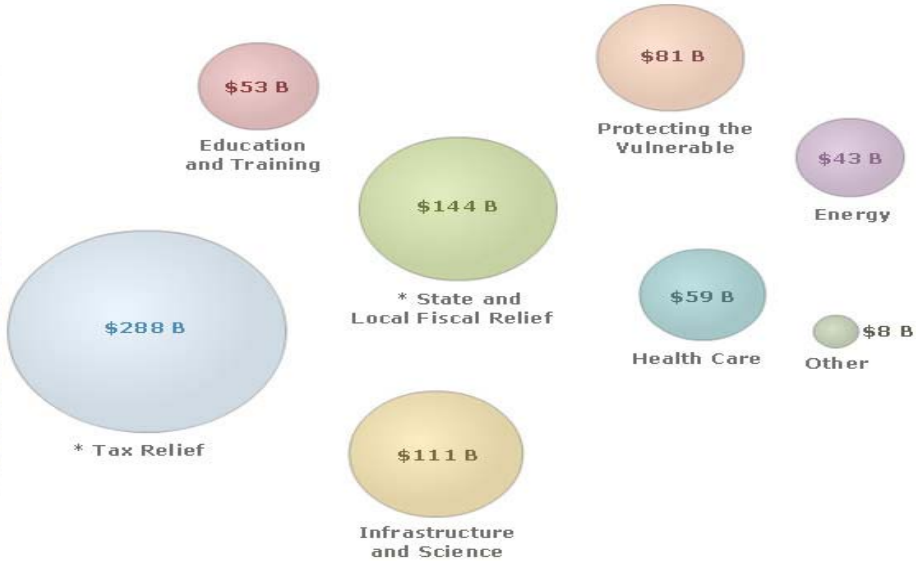
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ARRA of 2009

- American Recovery and Reinvestment Act of 2009 (ARRA)
 - \$787 Billion Economic Stimulus Package
- Overall Objectives:
 - Promote economic recovery
 - Create jobs
 - Preserve jobs
- “Jobs Program of ’09”

ARRA of 2009 - \$787B Investment



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- Stimulus Funding Noticed
 - April - \$123B of the \$787B available
 - Pressure is on all agencies
 - ‘Shovel Ready Projects’ are becoming ‘Trowel Ready Projects’

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ARRA of 2009

- **Broadband Provisions of ARRA**
 - \$7.2B allocated for broadband programs
 - \$4.7B to Dept. of Commerce
 - \$2.5B to Dept. of Agriculture
- **Agencies announced funds would be provided in three separate notices**

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- **Dept. of Commerce**
 - Bureau – National Telecommunication Information Administration (NTIA)
 - Broadband Technology Opportunities Program (BTOP)
 - \$4.7B – All in Grants
 - **Four Programs**
 - \$250M – Computers centers expansion, libraries, schools
 - \$200M – Programs to increase sustainable adoption
 - \$350M – National BB Map
 - ~\$3.7B – Infrastructure deployment

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- Dept. of Agriculture
 - Rural Utilities Service (RUS)
 - Broadband Initiatives Program (BIP)
 - \$2.5B – Grants, Loans, Loan Guarantees
 - Single purpose
 - Infrastructure deployment
 - Priority given to current/former borrowers and to unserved areas

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- Notice of Funding Availability (NOFA)
 - July 1, 2009 issued 1st NOFA
 - Jointly issued NOFA
 - 121 pages+ to outline rules:
 - Award Information
 - Timeline for filing/review
 - Definitions
 - Eligibility Information
 - Application Review Process

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- Award Information

- RUS BIP

- \$2.4B (96% of total dollars allocated)
 - \$1.2B Last Mile Projects
 - » Up to \$400M Remote Area Grants
 - » Up to \$800M Non-Remote Area Loans/Grants
 - Up to \$800M in Middle Mile Projects
 - » Loans/Grants

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- Award Information

- If area funded is 75% rural the application must be filed at RUS
 - Applicant may request application be forwarded to NTIA if denied by RUS
 - RUS grants are designed to fund only remote, unserved rural areas
 - Loans and loan/grant combinations will fund non-remote and underserved areas

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- Award Information

- Applications with remote and non-remote areas will be funded by loans or loan/grant combinations
- Grants can not be any more than the loan portion of a loan/grant combination
- May request 100% loan funds

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- Award Information

- NTIA BTOP
 - Up to \$1.4B
 - \$1.2B in Broadband Infrastructure projects (~32%)
 - \$50M in Public Computer Centers projects (25%)
 - \$150M in Sustainable Adoption projects (60%)

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- **Build Out Time Frame**
 - Project must be substantially complete within 2-yrs. (~67%)
 - Complete within 3-yrs.

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- **Timeline to Review Applications**
 - Applications accepted between July 14 – August 14, 2009
 - Next 30-days to ~ Sept. 14
 - Step One – Initial Screening
 - Completeness and Eligibility
 - RUS Self-Scoring Criteria Reviewed
 - Announce applicants that will move to Step Two
 - Next 30-days to ~ October 14
 - Step Two – Due Diligence
 - Applicants submit additional documentation

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- **Timeline to Review Applications**

- States asked to review BTOP applications (20-days)
- Public Notice of all applications for existing service providers to review and comment (30-days)
- ~ November 7 - announce awards
- Funds available within 60-days if contracts are signed

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- **Definitions**

- Broadband - 2-way transmission advertised speeds of at least 768kbps down, 200kbps up or provide sufficient capacity in the middle mile to support the provision of BB to end users
- Unserved - one or more contiguous census blocks, where at least 90% of households lack access to facilities-based, terrestrial BB service, either fixed or mobile, at minimum speeds. A household has access to BB service if the household can readily subscribe to the service

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• Definitions

- Underserved – one or more contiguous census blocks meeting criteria that measures the availability and level of advertised BB speeds.
 - Last Mile projects – at least one factor is met
 - ≤ 50% of households have access to facilities based, terrestrial BB; or
 - no fixed or wireless advertised speeds of 3mg down; or
 - ≤40% households take service.
 - Middle Mile projects – if one interconnection point of termination in the area that qualifies as unserved or underserved for Last Mile projects

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• Miscellaneous Provisions

- NOFA determines Public Interest finding for existing BB providers
- “Buy American” obligations
- Applicant determines its own funded area
- Nondiscrimination and Interconnection required of all awardees

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- **Miscellaneous Provisions**

- Restricted use of gross income for a period of time
 - Turned back into investments
- Davis-Bacon wage requirements apply for all federal funding
- Sale of assets restrictions

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- **Miscellaneous Provisions**

- Quarterly reporting requirements
- Annual audits
- Contractors are required to meet rules if paid with federal funds
- Recovery Act Logo

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- NTIA's call for "Public Reviewers"
- Broadband Mapping NOFA issued last week
 - Texas Department of Agriculture issued an RFP
 - Established a BB Task Force

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- Should your company consider the ARRA programs?
 - Financing opportunity
 - Strategy for future infrastructure build-outs
 - Broadband deployment
 - 700mhz build outs

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