

MARIN TELECOMMUNICATIONS AGENCY

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MEMORANDUM

DATE: March 11, 2009

TO: MTA Board of Directors

FROM: Barbara Thornton, Executive Officer

SUBJECT: AGENDA ITEM **G**: REPORT ON THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND MTA WORK ON BROADBAND OPPORTUNITIES FOR MARIN COUNTY

Recommended Action: Receive the report and provide direction to staff.

Background:

The American Recovery and Reinvestment Act of 2009 were signed by President Obama on February 17, 2009. It provides \$787 billion of new direct expenditures by the federal government.

Of the \$787 billion, \$7.2 billion was allocated for grant and loan programs to stimulate the development of broadband infrastructure and services, to be administered by two federal agencies: The National Telecommunications and Information Administration (NTIA), an agency within the U.S. Department of Commerce, was appropriated \$4.7 billion, with the USDA's Rural Utilities Service (RUS) receiving \$2.5 billion. Most of these funds will be made available in the form of competitive grants to qualifying government, nonprofit, and private-sector entities across the nation.

In addition to the amounts dedicated specifically to broadband, other provisions in the Act may present substantial opportunities for indirect broadband-related partnerships, such as where funding is devoted to improvements for transportation infrastructure it could enable further improvement to broadband infrastructure through use of associated rights of way and other means. Other provisions of the Act such as electricity upgrades, may present similar opportunities.

Attachment 1 to this report is information Tom Robinson, CBG Communications, Inc. provided as some first thoughts regarding potential projects that fit the various criteria for the NTIA's Broadband Technology Opportunities Program contained in the Federal Stimulus Bill. This list is a beginning. The MTA Executive Officer is contacting City Managers, County Departments, other JPA's, special districts and other public entities in Marin to identify potential projects that could qualify for Stimulus funding.

Attachment 2 is a document developed by the Baller Herbst Law Group regarding “The American Recovery and Reinvestment Act of 2009 – Opportunities for Federal Grants, Loans and Other Support for Broadband Projects”. This document provides the best detail regarding the opportunities for broadband projects under the two key areas – NTIA and RUS. However, a few key highlights are noted below.

1. Highlights of the NTIA Broadband Technology Opportunities Program (BTO or BTOP), \$4.2B:

- \$3.75B for competitive grants, focusing on community-oriented networking needs:
 - “provide access to broadband service to consumers residing in **unserved areas**”
 - “provide improved access to broadband service to consumers residing in **underserved areas.**”
 - **high-value targets:** “provide access to broadband education, awareness, training, access, equipment, and support to --- (A) schools, libraries, medical and healthcare providers, community colleges and other institutions of higher education, and other community support organizations and entities to facilitate greater use of broadband service by or through these organizations...”
 - improve “access to, and use of, broadband service by **public safety agencies.**”
- \$200M: grants for “expanding **public computer center** capacity, including at community colleges and libraries”
- \$250M: grants for “innovative programs to encourage **sustainable adoption** of broadband service” (Historically, the sustainability of projects after the expiration of grant funding has been very important for NTIA.)

Eligible Entities:

- Virtually any entity may apply for BTO grants, including states, county and municipal governments, nonprofits, and purely private entities. Private-sector entities may receive grants only upon a determination by NTIA that the grant award would be in the public interest. Public-sector and nonprofit entities are clearly among the primary targeted recipients of grant funds under the BTO.

Federal Grant Share:

- Generally, the program will limit grant funds to 80 percent of a project’s cost. However, the NTIA is authorized to waive the cost-sharing requirement, and may do so for particularly worthy public-sector projects. (Note: *MTA’s INET and related investments may provide/qualify for MTA’s 20% share*)

Application Deadline:

- All grant awards under BTO must be made before September 30, 2010. Additional information concerning deadlines and timeframes is likely forthcoming in the NTIA guidelines.

2. RUS – Community Connect Grant Program, Rural Development Broadband Loan Program (\$2.5B):

The ARRA appropriates \$2.5 billion to the USDA Rural Utilities Service to be awarded through programs that are likely to resemble the existing RUS Community Connect Grant Program and the Rural Development Broadband Loan and Loan Guarantee Program, which originally appeared as pilot programs in 2001 and 2002. The amount received by RUS under the ARRA triples the entire RUS FY2008 budget.

Eligible Entities:

- Government entities, nonprofits, cooperatives, and incorporated organizations, private corporations and limited liability companies are eligible for RUS grant and loan programs. Individuals, partnerships, and large phone companies are generally not eligible for Community Connect grants.
- RUS programs have a decidedly rural focus: 75 percent of the area to be served “shall be in a rural area without sufficient access to high-speed broadband service to facilitate rural economic development.”
- Priority is to be given to prior recipients of RUS funds.

Application Procedures:

- The RUS, like the NTIA, apparently is in the process of developing application procedures for programs funded by the ARRA. Unlike the NTIA, the RUS is expected to skip a rulemaking proceeding, and proceed directly to publishing a “Notice of Funding Availability” (e.g., seeking proposals). This is expected to be available within the next two months.

Deadline:

- Unlike the NTIA’s BTO program, the ARRA does not stipulate a hard deadline for use of RUS funds. However, timing will be a factor in evaluating grant and loan applications, with preference given to those projects that “can commence promptly following approval.”

Discussion:

At MTA’s Board Workshop on February 28, the MTA Board directed the Executive Officer to establish a high priority in the near term to pursue broadband opportunities for Marin in relation to the American Recovery and Reinvestment Act. The Executive Officer has been researching information about the Economic Stimulus as it relates to Broadband and related projects. There is little information available at this time from the Federal Agencies that will be handling the ARRA grants and loans related to Broadband. NTIA is scheduling appointments with interested parties in Washington, D.C. beginning 3/2. NTIA also has a 1.5 hour meeting scheduled in Washington, D.C. on 3/10 which will also be webcast. There are various web seminars scheduled by the California League of Cities, the National League of Cities, and some legal and consulting firms during the next 2 weeks and likely beyond.

As mentioned previously, the Executive Officer is contacting public agencies in Marin to gather a list of possible broadband and broadband related projects. In addition, presentations are scheduled for the Marin Manager Applications Subcommittee (3/10) and a request has been submitted to present at the Marin Managers Meeting in March.

The Executive Officer has met with Scott McKown regarding the MIDAS/Marin.org/INET opportunities and will be reviewing projects and linkages between projects as project ideas are received from the various public and other entities.

The Executive Officer has met with Tom Robinson regarding the Stimulus package guidelines and opportunities for Marin. Tom also has a resource that is familiar with developing grants and has good contacts within the NTIA based upon ongoing work with NTIA. This resource can be available for handling MTA grant work as we identify our needs.

Immediate Project Timeline

March 2009 – Gather information regarding Stimulus programs & project opportunities for Marin.

- Gather input from public agencies regarding possible projects to consider for submission for broadband stimulus grants or loans. Ongoing interaction with agencies regarding projects, project definition, benefits, etc.
- Monitor and gather information regarding the NTIA Broadband Technology Opportunities Program (BTOP) and the Rural Utilities Service (RUS) program
- Work with Scott McKown regarding projects submitted for consideration to identify opportunities for Stimulus funding grant requests including linkage to MIDAS/Marin.org/INET
- Work with Tom Robinson and others regarding best opportunities and packaging for submission
- Obtain program guidelines and grant application guidelines as soon as they are available

April 2009 – Consider Marin Projects and Broadband Stimulus guidelines to identify opportunities for Stimulus grants. Undertake work to develop projects and submit for funding.

- Match identified Marin projects with program guidelines
- Evaluate feasibility of Marin projects for grant submissions
- Develop appropriate detail for projects for grant applications
- Establish work plan and timeline for grant submissions

The MTA's work in developing MIDAS/Marin.org/INET for use by the various cities, public agencies and nonprofits establishes a solid investment by the local community that may facilitate Marin's pursuit of broadband program expansion with ARRA funding opportunities.