



Broadband in Michigan
**Make the
Connection!**

July 15, 2009

Michigan's Moment

Connect Michigan!

*Our vision is to provide
broadband coverage to every
corner of the state*



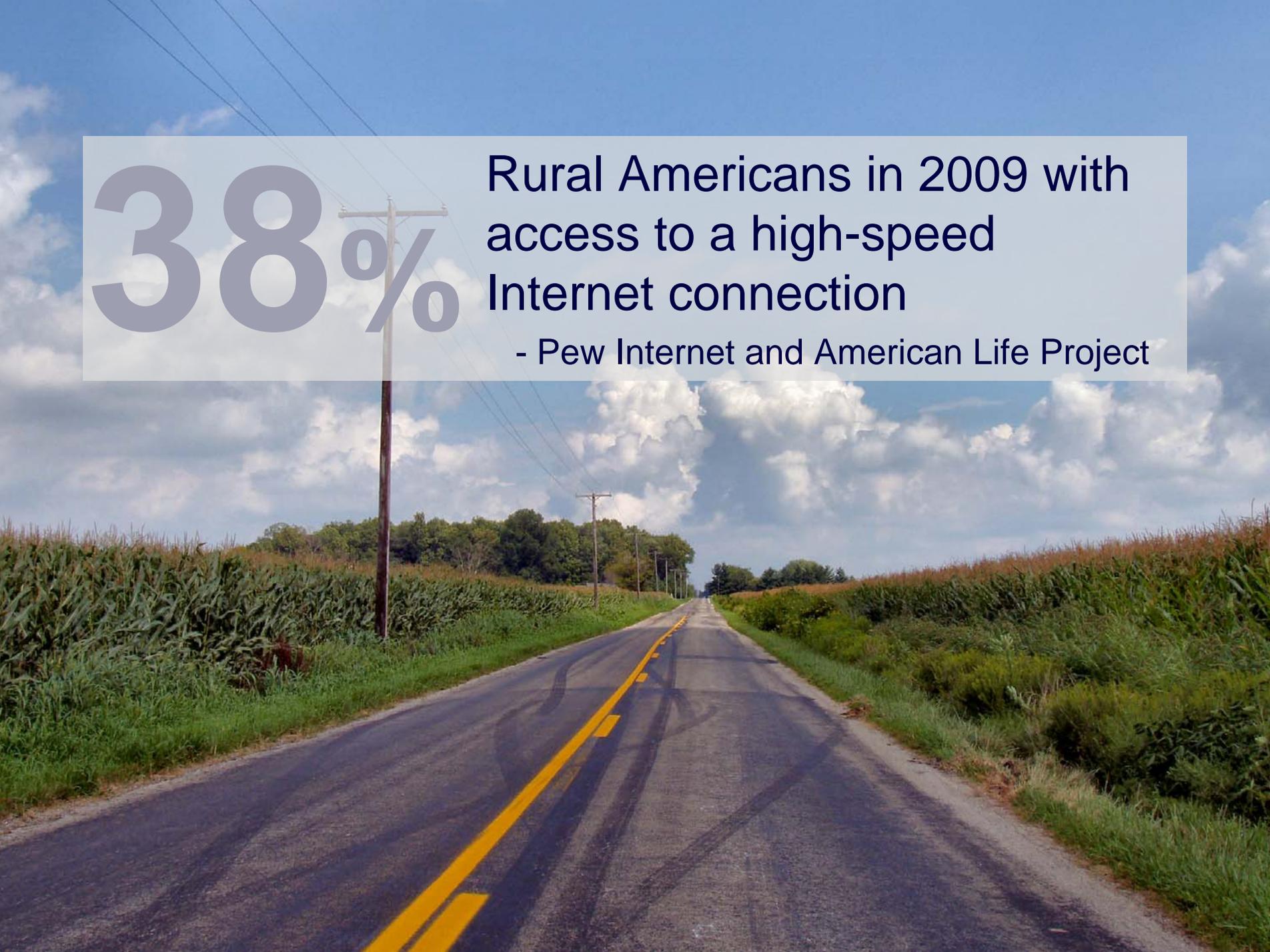
***The Recovery Act funds for broadband
can make that happen***

Michigan's Vision for Broadband



Goal One

Expand and upgrade broadband service to unserved/underserved populations across the state.

A photograph of a two-lane asphalt road with a double yellow line down the center, stretching into the distance. The road is flanked by lush green cornfields. In the background, there are utility poles with power lines and a line of trees under a bright blue sky with scattered white clouds. A semi-transparent white box is overlaid on the top left of the image, containing text.

38%

Rural Americans in 2009 with
access to a high-speed
Internet connection

- Pew Internet and American Life Project

Michigan's Vision



Goal Two

Transform Michigan's economic competitiveness by making affordable broadband accessible to any business throughout the state.

Big Benefits for Business

Source: Strategic Network Group



- ◆ Transaction speeds
- ◆ Lower costs for commerce
- ◆ Improved communication
- ◆ Elevated service capabilities for institutions, such as health care and education
- ◆ Enhanced community competitiveness in global economy
- ◆ Access to e-business tools that drive productivity growth

Michigan's Vision



Goal Three

Ensure a better, more efficient government for the 21st century

Better government

- ◆ Online, not in line
- ◆ Inter-government connectivity
- ◆ Shared networks, services, tools



Michigan's Vision



Goal Four

Strengthen Michigan's ability to provide public safety and homeland security

Public Safety



- ◆ Quicker, more efficient emergency response
 - Voice, text, data, images, and video
- ◆ Ability to share medical data with hospital while the patient is en route
- ◆ Retrieval of medical records if patient is unable to communicate

Our Private Sector Partners

Today, we set our sights on Round 1

- ◆ Align with Michigan's vision
- ◆ Reach out to stakeholders
 - Government, education, health care, public safety, libraries
- ◆ Identify needs and opportunities
- ◆ Connect public entities
- ◆ Provide access to individual citizens, businesses

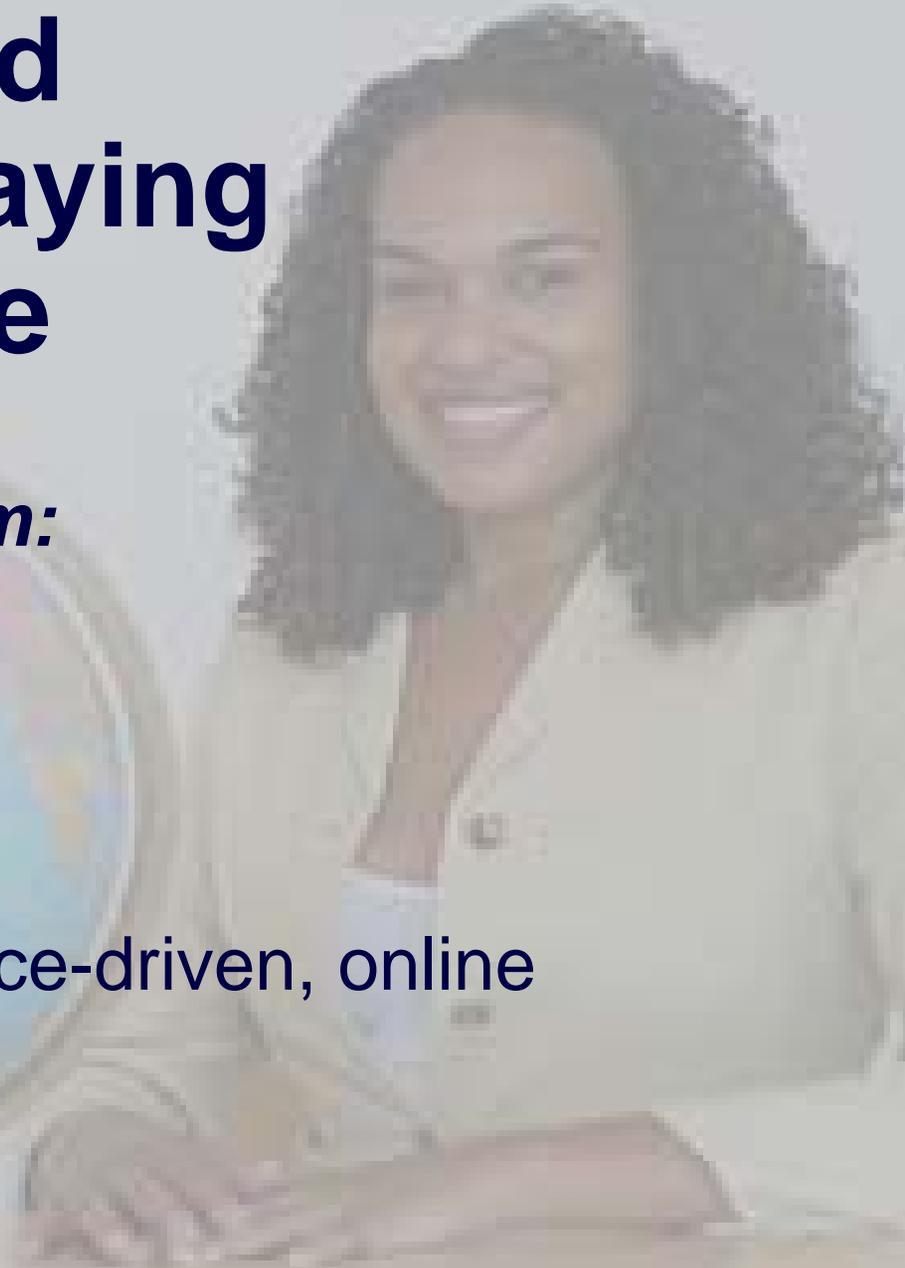
Michigan is looking to the private sector to provide these elements

With a Connected Michigan, the Playing Field Will Change

New partnerships will form:

- Business to business
- Government to business
- Business to education...

And from there, a new service-driven, online era for Michigan will begin.



A close-up, slightly blurred photograph of a woman's face, showing her eyes, nose, and mouth. She has dark hair and is looking towards the camera with a slight smile. The background is out of focus, showing some blue and white shapes.

\$7.2 billion

The Recovery Act will make \$7.2 billion available nationally for competitive grants and loans to improve broadband services.

Three Opportunities



Funding will be dispersed over three application rounds. The closing date on the first round is **August 14**. Rounds 2 & 3 have yet to be announced.

Anyone can apply.

Round 1 Programs

Notice of Funding Availability (NOFA)

- ◆ National Telecommunications and Information Administration
 - Broadband Technologies Opportunity Program (BTOP)

- ◆ Rural Utilities Service
 - Broadband Initiatives Program (BIP)

- ◆ Application Deadline
 - **August 14, 2009**

- ◆ Projected Award Announcements
 - Beginning on or around November 7, 2009

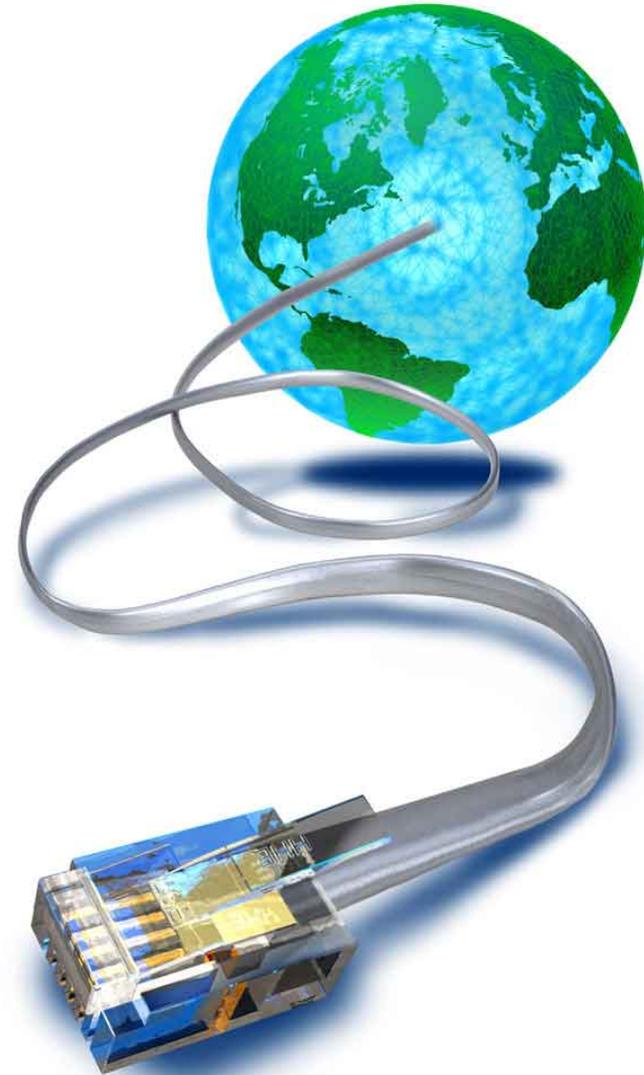
Fundamental Definitions

Broadband

Two-way data transmission with advertised speeds of at least

768 kbps downstream and

200 kbps upstream



Fundamental Definitions

Last Mile

Infrastructure projects with the predominant purpose of providing broadband service to end users



Fundamental Definitions

Middle Mile

Other broadband infrastructure projects that do NOT predominantly serve end users directly

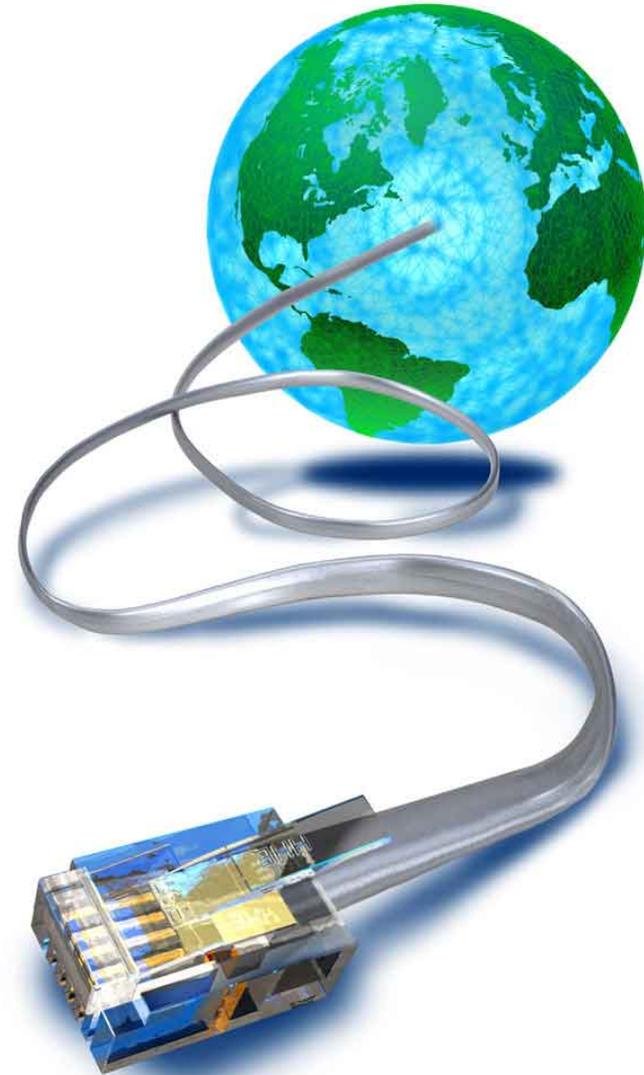


Fundamental Definitions

Rural

Area that is not located within a city, town, or incorporated areas that have a population of greater than 20,000 inhabitants; or

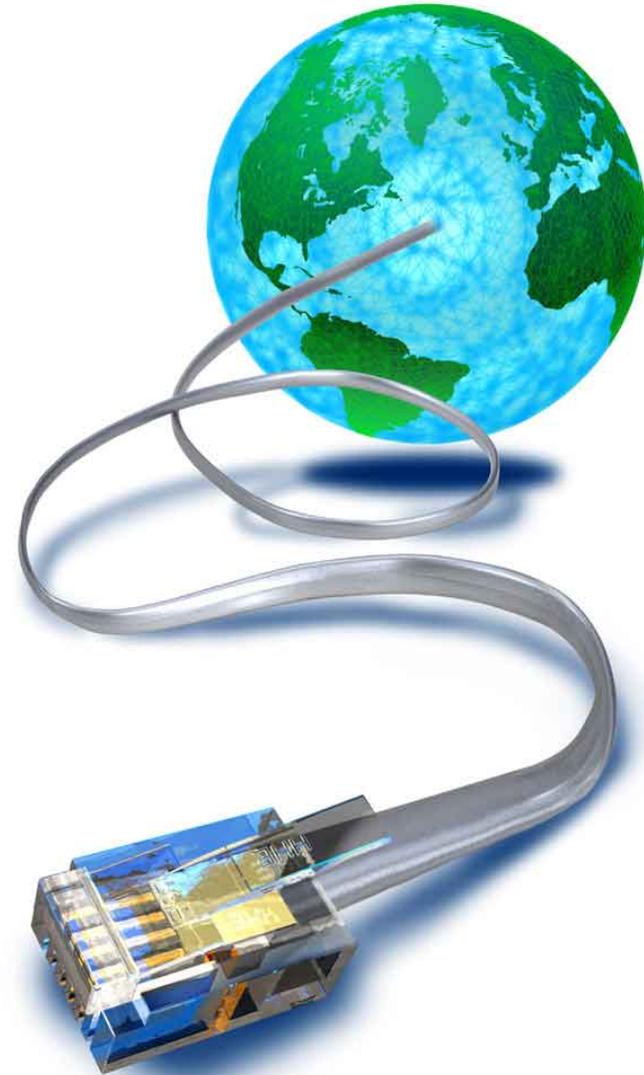
An urbanized area contiguous and adjacent to a city or town that has a population of greater than 50,000 inhabitants



Fundamental Definitions

Unserved

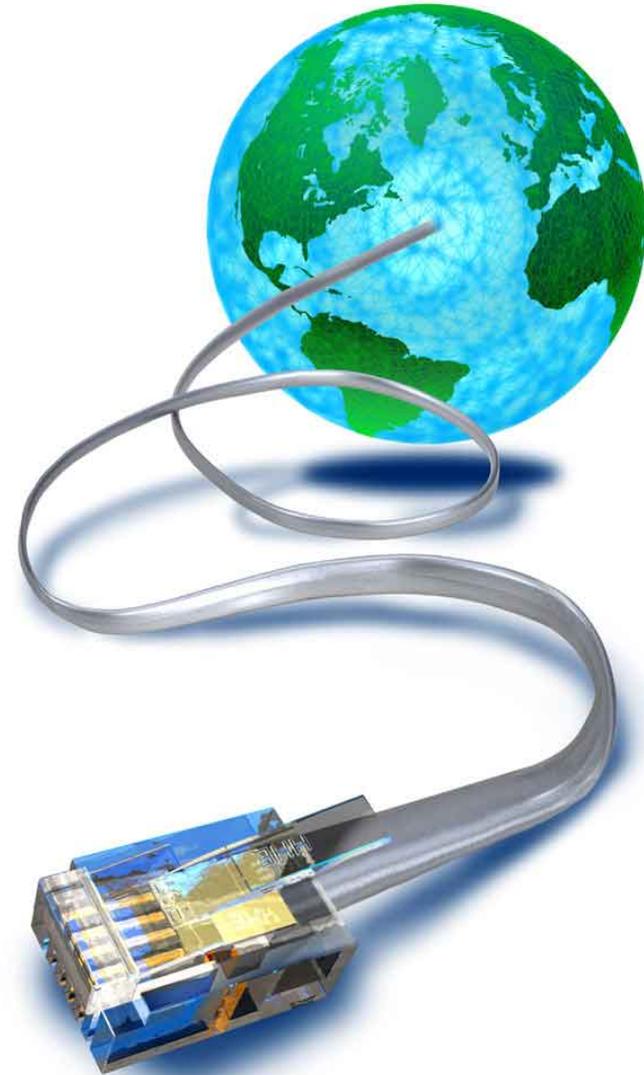
An area, composed of one or more census blocks, where at least 90% of the households lack access to facilities-based terrestrial broadband service



Fundamental Definitions

Underserved for Last Mile

- ◆ At least one of following must be met:
 - No more than 50% of the households in the applicant-defined service area have access to facilities bases terrestrial broadband service;
 - No broadband service provider offers downstream speeds of 3 Mbps or more;
 - 40% or less of the households subscribe to broadband service.



Fundamental Definitions

Underserved for Middle Mile

One interconnection point of the network must terminate in a proposed funded service area that qualifies as unserved or underserved for Last Mile Projects



BIP vs. BTOP

What's the Difference?

BIP – Rural Utilities Service

- ◆ 75% of funded area is rural and lacks sufficient access to high speed broadband
- ◆ All must apply to BIP first
 - Grants: Remote, unserved, rural areas only
 - Loan/grants: Non-remote and underserved rural areas
 - Loan/grant combination determined by applicant but grant cannot exceed loan amount

BIP vs. BTOP

What's the Difference?

BTOP – National Telecommunications and Information Administration

- ◆ Three categories of eligible projects
 - Broadband infrastructure – last mile and middle mile
 - Public computing center
 - Sustainable broadband adoption
- ◆ All competitive grant monies
- ◆ Must promote five core purposes...

BTOP Five Core Purposes



1. Access in unserved areas
2. Access in underserved areas
3. Access, education, awareness, training, equipment and support - community anchor institutions, vulnerable population organizations, or job creating facilities
4. Access to public safety
5. Stimulate demand for broadband, economic growth and job creation



Up for Grabs: Round 1 Money

RUS – BIP

◆ \$2.4 billion*

- \$1.2 for last mile
- \$800 million middle mile

NTIA - BTOP

◆ \$1.6 billion

- \$1.2 billion-infrastructure
- \$50 million computer center
- \$150 million broadband adoption programs

*Amount appears inflated due to the use of loans and loan/grant combinations

Common Eligibility Factors



- ◆ Fully completed application
- ◆ Timely completion
- ◆ Broadband service
- ◆ Technical feasibility
- ◆ Non-discrimination & network interconnection
- ◆ Last mile coverage obligations

BIP Only Eligibility Factors

- ◆ Eligible service area
 - Demonstrate at least 75% of proposed funded area qualifies as rural AND is unserved or underserved
- ◆ Overlapping service areas
 - RUS will NOT fund more than one project in an given geographical area
- ◆ All project costs fully funded
- ◆ Financial feasibility and sustainability

BTOP Only Eligibility Factors

- ◆ BTOP statutory purposes
- ◆ Matching requirement
 - 20% toward total eligible cost (cash & in-kind)
- ◆ “But for” requirement
 - Denial of public or private lenders
 - Denial of RUS funding
 - Current budget lacks revenues
 - Project infeasible without federal grant dollars
- ◆ Reasonableness of project budget

A Winning Strategy



A successful application must contain these four key categories of project criteria

- ◆ Purpose
- ◆ Benefits
- ◆ Viability
- ◆ Budget and sustainability

Project Purpose

BIP

- ◆ Proportion of rural residents served in unserved areas
- ◆ Rural area targeting
- ◆ Remote area targeting
- ◆ Title II borrowers
- ◆ Recovery act and other governmental collaboration

BTOP

- ◆ Fits with statutory purposes
- ◆ Collaboration with other recovery act programs and state and federal development programs
- ◆ Enhanced service for healthcare delivery, education, and children
- ◆ Socially and economically disadvantaged small businesses



Project Benefits

The Last Mile

BIP

- ◆ Performance of the offered service
- ◆ Affordability of services offered
- ◆ Choice of provider
- ◆ Critical community facilities

BTOP

- ◆ Cost effectiveness
- ◆ Performance of offered service
- ◆ Affordability of services offered
- ◆ Nondiscrimination, interconnection and choice of service provider



Project Benefits

The Middle Mile

BIP

- ◆ Performance of the offered service
- ◆ Affordability of services offered
- ◆ Choice of provider
- ◆ Critical community facilities

BTOP

- ◆ Impact on area
- ◆ Level of need
- ◆ Network capacity
- ◆ Nondiscrimination, interconnection and choice of service provider
- ◆ Affordability of services



Project Viability



BIP

- ◆ Applicants organizational capability
- ◆ Community support
- ◆ Ability to promptly start project
- ◆ Disadvantaged small businesses



BTOP

- ◆ Technical feasibility
- ◆ Organizational capability
- ◆ Community involvement
- ◆ Ability to promptly start project



Project Budget & Sustainability

BIP

- ◆ Reasonableness of budget
- ◆ Leverage of outside resources
- ◆ Extent of grant funding

BTOP

- ◆ Reasonableness of budget
- ◆ Sustainability of the project
- ◆ Degree of matching



- ◆ RUS and NTIA will post a Public Notice of proposed funded service areas on www.broadbandusa.gov for a period of 30 days
- ◆ Existing providers may submit coverage information to contradict applicant claims:
 - NTIA/RUS reserve the right to reclassify a proposal as underserved if deemed not to be unserved, or
 - NTIA/RUS reserve the right to reject any application that is deemed to not be unserved or underserved

Notice of Proposed Funded Service Areas

A close-up photograph of a hand holding a yellow pencil, writing on a piece of white paper. The hand is positioned in the upper right quadrant of the frame. The pencil is held in a tripod grip. The paper is slightly wrinkled and has some faint, illegible markings. The background is a dark, textured surface, possibly a desk or table. The overall lighting is soft and focused on the hand and pencil.

Grant Writing Workshop Tips

Michigan's Role



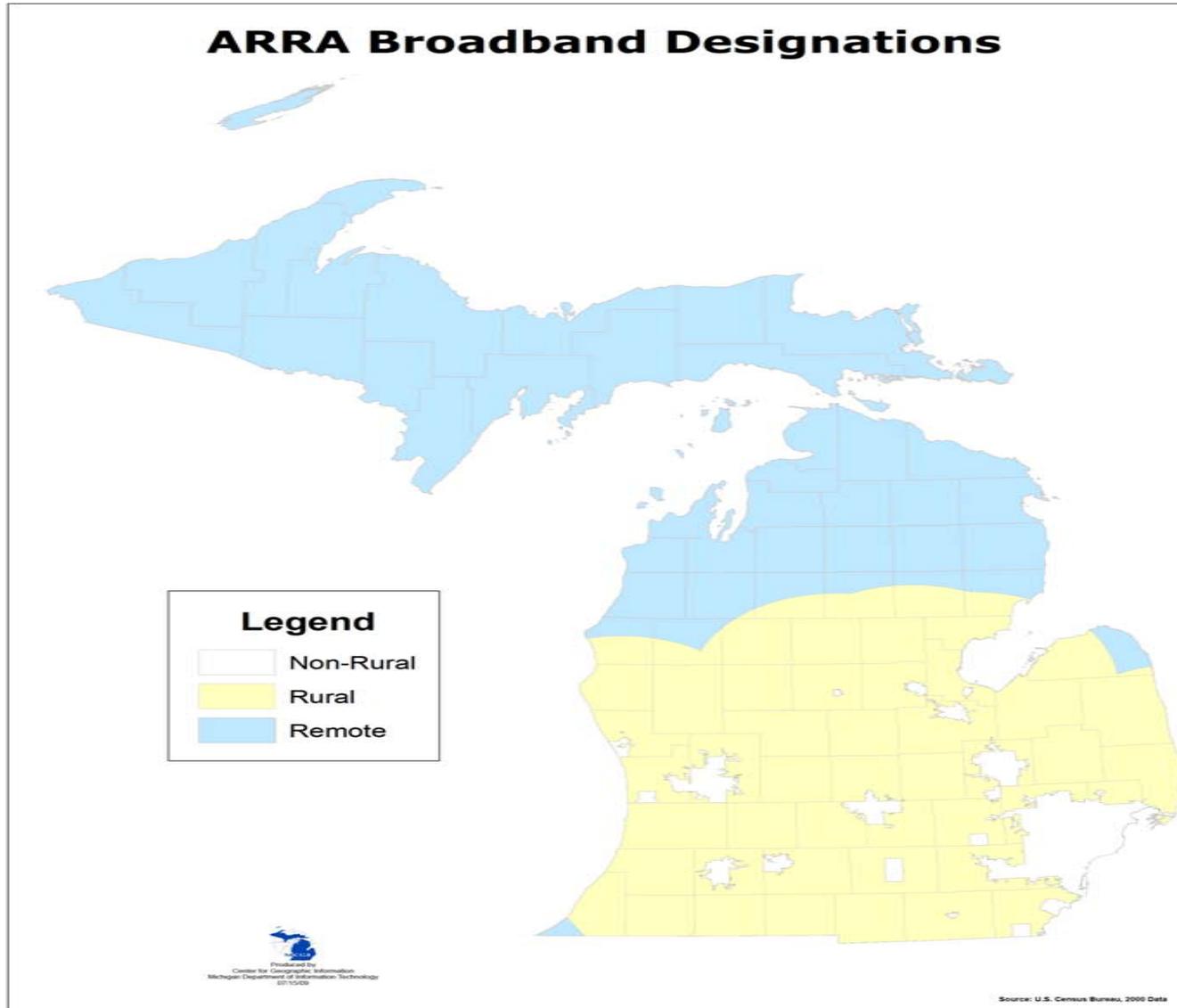
- ◆ Coordinate!
 - Providers and local communities
 - Cooperation on overlapping projects
 - Information dissemination
 - Provide information for specific areas

Michigan's Role *Continued*

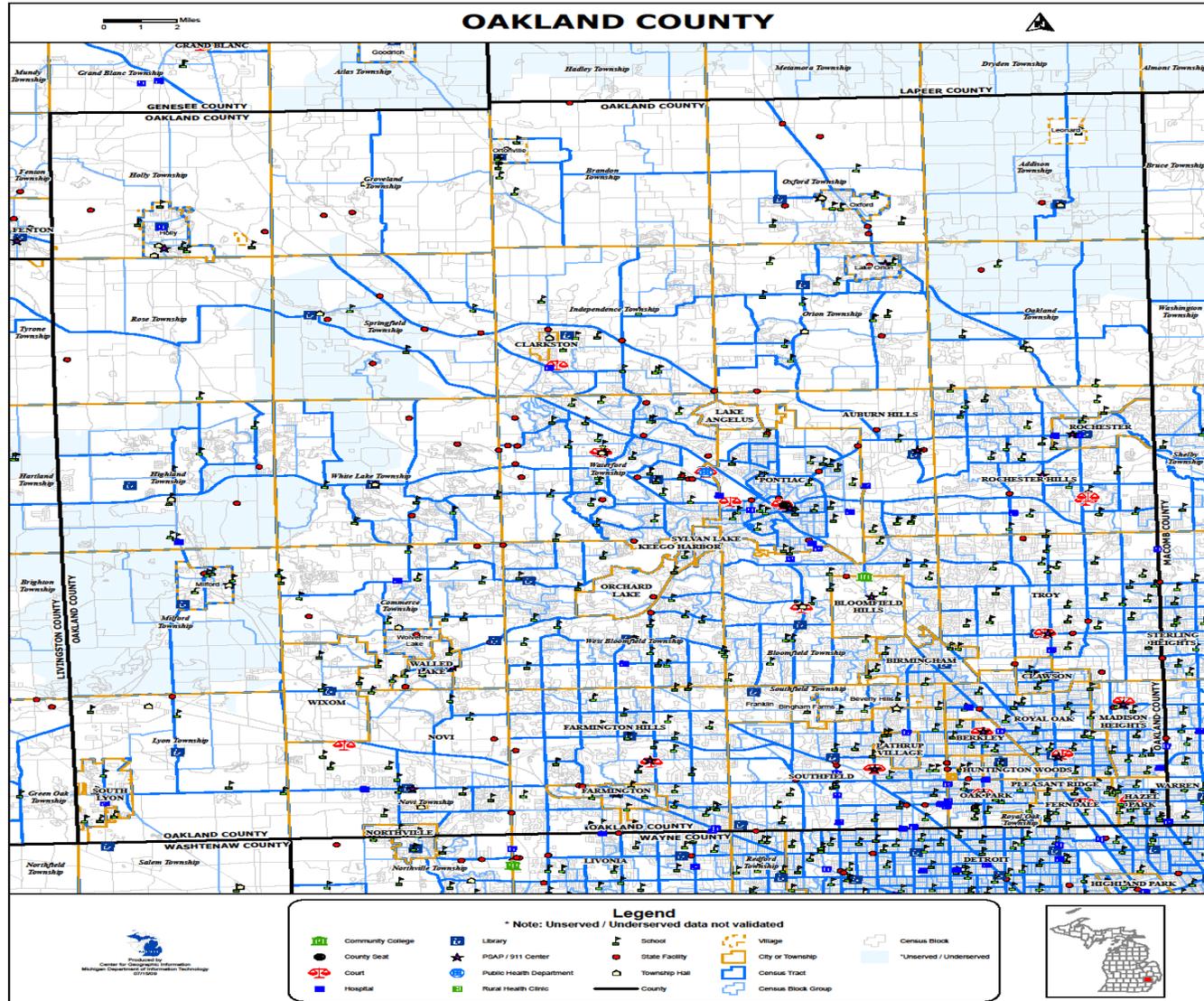


- ◆ Provide Maps
 - E.g. Census Block, Households, Anchor Institution Locations
- ◆ Example Maps.....

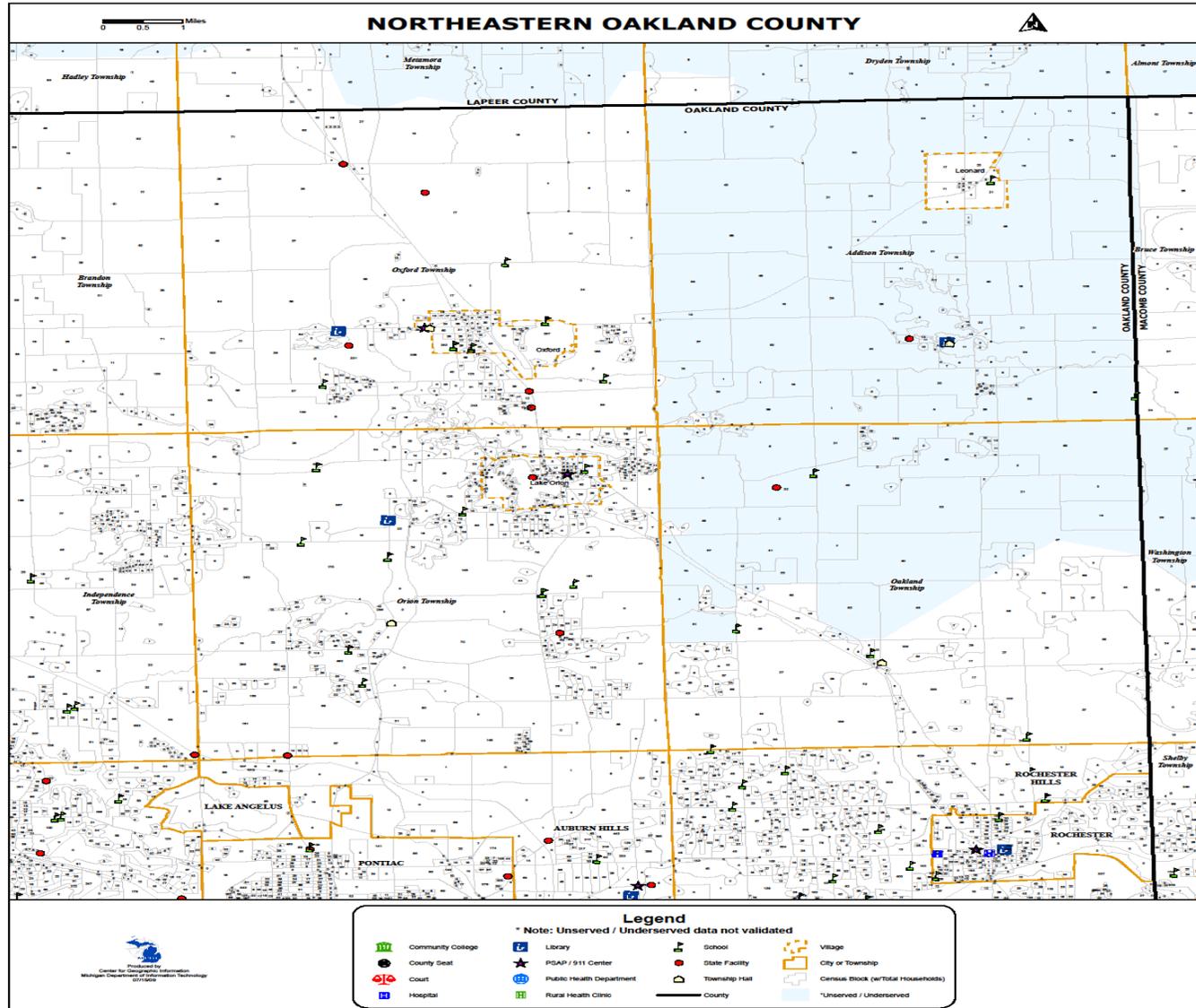
State Map



Oakland County



Oakland Zoom Map



Michigan's Role *Continued*



- ◆ Permit Coordination
 - MDOT, DNR, DEQ
- ◆ Answer questions regarding BTOP & BIP activities in Michigan
- ◆ Promote projects that align with Michigan's vision and meet NOFA requirements

What should providers be doing?

Get Involved!

- ◆ **Know your stuff!**
 - NOFA and Federal Funding Application
- ◆ **Identify desired areas**
 - County, cities, townships, schools, libraries, community colleges, etc.
- ◆ **Work with local leaders and anchor institutions**
- ◆ **Communicate areas that you intend to apply for and how we can help**

A hand holding a glowing '@' symbol against a background of a blue grid with various icons.

Available Resources

- ◆ **Online Resources:**
 - Michigan.gov/broadband
 - Broadbandusa.gov

- ◆ **BIP CONTACT:**
 - Ron Mellon, USDA RD Telecom
 - Phone: (989) 567 – 2400
 - Email: ronald.mellon@wdc.usda.gov

- ◆ **BTOP CONTACT:**
 - Office of Telecommunications and Information Applications, NTIA
 - Phone: (202) 482-2048
 - Email: btop@ntia.doc.gov