

First Take on NTIA's Newest Broadband Grant Program

MAY

20

Heather D. Mills, V.P. for Grant & Funding Strategies

Ziggy Rivkin-Fish, CGEIT, V.P. for Broadband Strategy

The National Telecommunications and Information Administration (NTIA) released a notice of funding opportunity (NOFO) on May 19, 2021, for the Broadband Infrastructure Program—what the Consolidated Appropriations Act referred to as the [Promote Broadband Expansion Grant Program](#). **The funding window for submission of grant applications is now open and will close on August 17, 2021.**

This program represents a remarkable opportunity for communities and their private partners. Based on our first take on the NOFO, NTIA will fund projects that represent win-win, shared-risk scenarios as between public and private entities: projects in which public entities fund, build, and maintain communications infrastructure assets and their private partners operate those networks and provide services to the public.

This is a model we've long [analyzed](#), developed, and championed because of the opportunity for communities to share risk and effort with private partners.

Here are key points you should understand about the program in general:

1. This program is intended to support partnerships between a state or local jurisdiction of a state and a service provider capable of providing fixed broadband service. To qualify as an eligible partner for this program, an entity must deliver "broadband service" as defined by the statute.
2. The program clearly prioritizes rural projects, *but it does not* rule out a project in urban areas if the project meets all of the other requirements. All will depend on your application's score and the number of other applications NTIA receives.
3. The program has a \$5 million floor and a \$30 million ceiling. If you plan to ask for funds above this range, be sure to have a strong justification. If you are interested in less than \$5 million, your application should address the reasons for needing less.
4. The program has only \$288 million in total funding—for the entire country. Unfortunately, this means that competition will be stiff and only a fraction of worthy projects will be funded. For that reason, we recommend communities develop grant applications that are usable not only for this NOFO, but also to apply for funds under other state and federal programs.

While you don't have long to get your application in, you need to carefully consider your project strategy as you develop your application materials. We plan to release a more detailed analysis of NTIA's scoring and prioritization process in the coming days; here are our key takeaways so far:

- **No match is required, but you might consider a 10 percent match to get more points.** Willingness to provide a match—in cash or in-kind—will garner you extra points in NTIA's scoring. If you do offer the 10 percent match, it's binding. You can structure your partnership with a provider to include their costs as an in-kind match if the partner is passing through the costs. As a caveat for in-kind match: Be sure you

understand the requirements for the Indirect Cost Rate. If you have a way to provide cash and want to be competitive in a market where it might be difficult to find partners or where the supply chain for materials may be challenged, matching funds will give the project capital with which to purchase and deploy assets.

- **You can propose a middle-mile project or purchase an infeasible right of use (IRU).** Your proposal will have to prioritize interconnections with last-mile networks, and you will need to describe in detail how a middle-mile network will benefit the last-mile provider and how an IRU will enable your network design. Remember the description of your project's level of impact will be essential to your total score.
- **Municipal, cooperative, or non-profit providers are encouraged to apply.** The NOFO defines an eligible partnership as a "partnership between: (A) a State, or one or more political subdivisions of a State; and (B) a provider of fixed broadband service," and the NTIA notes in the opening paragraphs of its program description that it "encourages municipalities, non-profits, or cooperatives that own and/or operate broadband networks to participate in this program as part of a covered partnership." Although we don't yet know the details of what kind of partner a municipal or cooperative ISP would need, it's clear that such applicants are well-positioned for this opportunity. We'll share more detail on this topic as we learn more from NTIA.
- **The lead applicant is *not* the private partner.** The state or local division of government serves as the lead and will bear ultimate responsibility for the application, meaning that if the private partner fails to perform, the applicant is still responsible. In light of that, the selection of a partner or partners with a strong financial track record and established operations will be seen as favorable by the reviewers—and will be critical for public entities, as they will ultimately be responsible for all grant obligations.

- **Rural Digital Opportunity Fund (RDOF) and other “enforceable buildout commitments” matter.** While the mention is fleeting under the definition of unserved, the eligibility of unserved areas that have a funding commitment from another program such as RDOF, the Connect America Fund (CAF II), or ReConnect is clear: If a federal program is paying for a buildout—including planned buildouts that haven’t yet put a shovel in the ground—that area is not eligible. *To be clear: RDOF-awarded areas are not eligible—so plan accordingly.*
- **Your availability maps are likely just as good as, or even better than, the National Broadband Availability Map (NBAM).** If you’ve recently completed a needs assessment or survey of broadband service availability in your area, you are well-prepared for submission; speed test data compiled within the past two years will also be helpful to your application narrative. Based on our initial read of the NOFO, applicants who aren’t located in states that are participating in NBAM will not have access to NBAM prior to submitting applications. If you are in one of the 36 states participating in NBAM (updated as of May 17, 2021), you should contact your state’s NBAM administrator.[1]
- **You should prioritize connecting as many unserved addresses as possible.** NTIA will first conduct an initial screening of applications to confirm eligibility and completeness; it will then prioritize projects based on the defined priority areas, and review applications in order of priority area based on point scores. As such, if your application meets a “qualified” point status, and if it is part of the first priority group (see below), it will be reviewed against other qualified first-priority applications. (We don’t yet know how NTIA will handle applications that meet more than one of the stated priorities.) If there is money left over after the review of the first priority group, NTIA will then move on to the second priority group and so on. NTIA’s priority areas are:
 - Greatest number of **households** in an eligible area

- Rurality
- "Cost-effective" while prioritizing by rurality
- Speed of "not less than 100 megabits per second and an upload speed of not less than 20 megabits per second"
- All other applications that meet the basic requirements of the NOFO

One bright note as you begin your application: NTIA's application submittal process is less burdensome than some others in that you can prepare almost everything outside of the Grants.gov portal, allowing you to simply upload most of your application materials.

In our next post, we'll dive into the details on how the NTIA will be scoring and prioritizing submissions and how to ensure your strategic approach to an application for the Broadband Infrastructure Program will maximize your points.

CTC's grant and funding strategies team continues to analyze the latest funding developments. Please [contact us](#) if you have questions or would like to discuss how CTC can assist you.

[1] See <https://broadbandusa.ntia.doc.gov/resources/national-broadband-availability-map> or email nbam@ntia.gov.