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CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: February 16, 2010 **Time:** 11:00 am **Length:** 15 min

Presentation Title: Broadband Technology Opportunity Program Round Two

Department: Public and Government Affairs, Technology Services

Presenters: Elissa Gertler, David Cummings

POLICY QUESTION:

Should Clackamas County continue to pursue funds from the Broadband Technology Opportunity Program?

ISSUE & BACKGROUND

The Clackamas Broadband Infrastructure Initiative (CBII) was created to provide middle-mile broadband fiber to underserved rural areas of the county in order to improve their telecommunications capacity. CBII is a partnership with local school districts, fire districts, and traffic safety providers, connecting these public agencies using broadband fiber, reducing costs while improving services.

CBII recently applied for National Telecommunications and Information Administration (NTIA) grant funding under the Broadband Technology Opportunities Program (BTOP) created by the American Recovery and Reinvestment Act.

We were not awarded funds during the Round One phase of the program and are now considering applying for funds availability for the second round. NTIA has announced a Notice of Funds Availability (NOFA) and are soliciting applications for this Round Two process.

Changes from round one to round two:

1. NTIA will focus on Comprehensive Community Infrastructure Projects.
2. NTIA and RUS have each issued their own NOFA and will use separate applications and apply separate funding priorities.
3. The on-line application process has been improved.

4. NTIA will no longer require that an infrastructure project serve an unserved or underserved area; however, they will give priority to projects that are located in such areas and they intend to carefully evaluate the extent to which the proposed projects overbuild existing broadband infrastructure.

Approximately \$2.6 billion in BTOP funds will be available to be awarded under the NOFA and will be allocated using the following requirements:

- Offer new or sustainability upgraded services to community anchor institutions.
- Incorporate a public-private partnership among government, non-profit and for-profit entities, and other key community stake holders.
- Bolster growth in economically distressed areas.
- Commit to serve community colleges.
- Commit to serve public safety agencies.
- Include a Last Mile infrastructure component in unserved or underserved areas or, alternatively, commitment letters from one or more Last Mile broadband service providers.
- Propose to contribute a non-federal cost match that equals or exceeds 20-30 percent of the total eligible costs of the project.

Issues to Consider for Round Two Funding

Matching Funds – Additional consideration will be given to projects that propose to contribute a non-federal cost share /match that equals or exceeds 30 percent of the total eligible costs of the project. To be competitive applications need to provide matching funds of at least 30%. Since the limitations of the awards start at the 5 million mark, this would expand our broadband network and push our grant request to 5-6 million requiring a 1.5-1.8 million dollar match on the part of the County. This is a lot more than Round One matching funds.

Public/private partnership required — with local cable companies initiated by a non-binding letter of commitment. This agreement would incorporate a Last Mile infrastructure component in unserved or underserved areas with commitment letters from one or more Last Mile broadband service provider. This could be challenging. Possibilities could be Sandy-net and Molalla Communications.

Competition — Round Two may be more tailored to our grant but it also will enable many more applicants to apply than Round One. This will give us a lot more competition for the grant funds. Also, again existing local broadband service providers will be given an opportunity to provide information regarding their current broadband availability in Clackamas County proposed service areas and why we should not get the grant.

Improving the Application — We have asked NTIA for information on where our Round One grant request fell short. We are told that we can send a letter requesting this but they may or may not respond to our letter.

Legislative Support — We have also been told that It will be very beneficial in Round Two to get legislative support from the governor of Oregon for our specific application.

Consultant Funding — We will have to amend our current consulting contract with CBG Inc. in the amount of approximately \$15,000 for the Round Two application process.

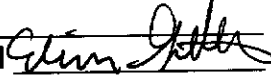
OPTIONS AVAILABLE

- Proceed with applying for the second round of BTOP funds
- Do not proceed with the application

RECOMMENDATIONS

Staff respectfully recommends that the county should pursue funding for the second round of BTOP funds.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval _____
Department Director/Head Approval 
County Administrator Approval _____

For information on this issue please contact Elissa Gertler at 503-742-5900