

internet technology

## How Intermountain West States Rate for Broadband Stimulus Funds

**While the Intermountain West states are among the ones most in need of \$7.2 billion in stimulus funding intended to improve broadband access in rural areas, the states themselves vary in how they responded to the call for applications.**

By Sharon Fisher, 10-26-09

In the American Recovery and Reinvestment Act of 2009, also known as the stimulus package, Congress appropriated \$7.2 billion for broadband grants, loans, and loan guarantees to be administered by the USDA's Rural Utilities Service (RUS) and the Department of Commerce's National Telecommunications and Information Administration (NTIA). The deadline for submissions for the first phase was August of this year.

The first phase awards \$4 billion, a little more than half of the total \$7.2 billion, according to Matt Mitchell of The LinkAMERICA Alliance, who spoke at July's [Pacific Northwest Economic Region](#) (PNWER) conference in Boise.

Now, the [applications](#) from each state are posted, and in a number of Intermountain West states, the Governors have already taken the [next step](#) of reviewing and prioritizing the projects.

### Background.

The Federal Communications Commission issued a [report](#), Bringing Broadband to Rural America: Report on a Rural Broadband Strategy, written by Michael Copps, acting chairman, in [May](#). It was written for Congress as a preliminary step for a national broadband plan, due in 2010, and as a requirement from the 2008 Farm Bill. [Rural Idaho](#), in particular, compared to rural areas in neighboring states Oregon and Washington, has less broadband Internet capacity, which inhibits economic development in the state. In 2007, Idaho ranked below 40th in broadband Internet access for both DSL and cable.

And, in general, a number of Intermountain West states—particularly Alaska, Idaho, Montana, Nevada, and Wyoming—will require significant new investment due to their lower population density, according to a comment on the FCC report from CTIA, the Wireless Association. Similarly, the consulting company [Endeavour Partners](#) noted that the six least populated states, all with under 20 people per mile, were New Mexico, South Dakota, North Dakota, Montana, Wyoming, and Alaska, featuring average download speeds of 3.3 million bits per second (Mbps)—compared with 8.7 Mbps with the six most densely populated states.

There are two programs: RUS Broadband Initiatives Program (BIP) and the NTIA Broadband Technology Opportunities Program (BTOP). BIP will make loans and grants for broadband infrastructure projects in rural areas, while BTOP will provide grants to fund broadband infrastructure, public computer centers and sustainable broadband adoption projects, according to the [federal government website](#) set up to monitor the programs.

RUS, one of a number of agencies charged with helping improve broadband access in rural areas, came under [criticism](#) earlier this year for making \$1.35 billion in loans that primarily added broadband Internet service to areas that already had it, rather than by bringing it to areas without it. (A program put forth by the state of Idaho in 2006 came under similar [criticism](#) in a 2007 report.)

**Applications.** So, how have Intermountain West states responded to the call for applications?

The BroadbandUSA.gov website includes a [searchable database](#) of all applications, which lets you look for applications by state, type of project, and so on.

Some overall impressions of the applications, compiled by consulting company [Endeavour Partners](#), were:

- \* 2,186 applications were received, for a total of \$28 billion in requests submitted for \$7.2 billion in funding
- \* The average application size was \$12.7 million, but the median application size was \$2.7 million
- \* Alaska had the largest total dollar amount requested, at \$1.3 billion

\* The largest application was from RADgov, a proposal to build and connect computer learning centers in underserved communities across the U.S., for \$938 million

\* The 10 states requesting the most money were California, Florida, Colorado, Alaska, New York, Texas, Virginia, Missouri, Maryland, and Illinois.

\* The 10 states requesting the most money per capita were Alaska, the District of Columbia, North Dakota, Rhode Island, South Dakota, Hawaii, Vermont, Colorado, New Mexico, and Maryland.

While a number of the top 10 per capita states actually are laggards in terms of broadband availability, “three of the top 10 states ranked on funding requests per capita are in the top 10 for actual broadband performance: Rhode Island, the District of Columbia, and Maryland,” the group said. “These are all densely populated areas with meaningful broadband competition.”

“It will be interesting to see how the process plays out – if awards will be made to a few large, pork barrel projects or if dollars will be carefully allocated to the rural states and areas where broadband economics break down and private sector competition is likely to remain weak,” Endeavour went on to say.

Here is information about some of the applications received from within states in the Intermountain West, for projects in the Intermountain West. Information about the individual projects is available in the database.

**Colorado:** a total of about \$650 million in grants (some covering multiple states), ranging from \$9,728 to improve access in Gunnison to \$178 million to connect 216 school and library sites across the state. The state itself submitted a \$3.7 million project to educate citizens about the value of broadband Internet.

**Idaho:** a total of about \$62 million in grants (some covering multiple states), ranging from \$64,500 to set up a computer center in a new branch of the Ada County Community Library to \$27 million to provide access to most homes, businesses, and community anchor institutions in Bonner and Boundary Counties. The state did not apply for any projects in the first round, though an application for the Idaho Education Network will be submitted for the second round, according to Idaho Chief Information Officer Greg Zickau. “We carefully considered applying for stimulus funding during the first round but concluded Idaho would be better served by applying in the second round,” he said. “We’re developing that application now. Waiting for the second round has allowed us to refine our data and better articulate our requirements. It’s also given us much better insight into the Federal government’s application process, which we’ve followed very closely. We believe all of this puts us in the best position to make a successful application.”

**Montana:** a total of approximately \$97 million in grants, ranging from \$323,000 linking St. Mary Valley to Browning, to \$34 million to bring broadband to Ennis, Power, Augusta, Stockett, Raynesford, Geyser, Dupuyer, Fort Shaw, Pendroy, and Harrison. The University of Montana submitted a \$2.5 million project to link strategic rural communities in northwest Montana, and the Montana Department of Commerce submitted a \$3.7 million project as a partnership with six tribal governments.

**Oregon:** a total of approximately \$67 million in grants, ranging from \$47,000 for 20 laptops in the teen area of the Salem library to \$19 million for network infrastructure between Eugene and Corvallis. The state Employment Department submitted a \$347,000 project to improve access and provide training at career centers.

**Utah:** a total of approximately \$184 million in grants (some covering multiple states), ranging from \$488,000 for isolated areas in Carbon and Emery Counties to \$38 million to link national parks in 12 Western states. On the state level, the Utah Education Network requested about \$16 million for two separate projects, the Utah Telecommunication Open Infrastructure Agency—set up specifically to control broadband stimulus funding—requested about \$58 million for three separate projects, and the Utah Transit Authority requested almost \$2 million to provide Internet access on its rail systems.

**Wyoming:** a total of approximately \$37 million in grants (some covering multiple states), ranging from \$513,000 for Central Wyoming College to provide online access to its collection to \$30 million for the Union Telephone Co. to use 3G technology to cover all of Wyoming. The state itself does not appear to have filed any applications.

### **Recommendations.**

So, how to pick the best projects from that pile of applications?

The individual states were tasked with this job. “Sources indicate that the NTIA will seek to rely heavily on input from state-level organizations (Governor’s offices, state broadband and economic development offices, etc.) in its identification of unserved/underserved areas, and in its ultimate allocation of grant funds,” said the Baller Herbst Law Group, in a February 19 [memo](#). “States have been encouraged to play an active role in coalescing stakeholders and partners.”

In fact, the states were given a stronger role as time went on. “Under rules promulgated in July by NTIA, governors were given the option of making such recommendations for proposed projects in their respective states and territories under NTIA’s Broadband Technology Opportunities Program (BTOP),” according to the [Stimulating Broadband](#) website, which tracks the broadband stimulus funding. “On September 18, in an announcement that surprised many state officials, NTIA Administrator Lawrence E. Strickling informed the states, U.S. Territories, and the District of Columbia that the procedures for state review outlined in regulations in July had been changed. The total filed universe of upwards of 2,200 funding applications were transmitted the governors’ offices around the nation without prior review, ranking, or selection for basic compliance with eligibility standards by NTIA and its team of voluntary reviewers, as had initially been established in the regulations issued in July.”

Governors were supposed to advise the NTIA of their recommendations by October 14. The NTIA told the Stimulating Broadband site on October 23 that the chief executives of all states, territories, and the District of Columbia had complied.

The next question was whether the chief executives considered their NTIA recommendations as a public document. As of October 26, the Stimulating Broadband site had received copies of the NTIA documents from 21 states, though “the Administration of Minnesota Governor Tim Pawlenty (R-MN) has stated that the Governor’s recommendation filing to NTIA ‘is not a public document.’” Copies of the NTIA documents the website had received thus far are available for [download](#), though free registration is required.

Here is information about recommendations received from states in the Intermountain West.

**Colorado:** the Colorado letter, dated October 14, is 11 pages long and features comments on only some of the applications, though the letter notes that the lack of comments should not indicate that the state doesn’t favor a project. The letter commented on nine projects, including the \$3.7 million state project.

**Idaho:** the Idaho letter, dated October 14, is 3 pages long (though 2 pages of it is a table in really tiny type). The Stimulating Broadband website did not have a copy of the letter at press time; a copy was obtained by NewWest from the Governor’s office. It was not clear at press time whether the Governor’s office considered it a public document; two sources said they were told it would be public, and two said they were told it would not be, and the Governor’s office did not reply to an inquiry. The letter calls each of the projects listed in the letter a “major priority” except for one, a \$15 million project from a California company for southwest Idaho, which was only a “priority.”

**Montana:** The Stimulating Broadband site did not have a letter from Montana at press time.

**Oregon:** the Oregon letter, dated October 14, is 27 pages long, recommended 10 projects and included maps showing the coverage of the projects and check boxes showing which Oregon priorities the projects matched. The State project was not recommended.

**Utah:** The Stimulating Broadband site did not have a letter from Utah at press time.

**Wyoming:** The Stimulating Broadband site did not have a letter from Wyoming at press time.

Applicants are scheduled to be notified about the status of their grants on or about November 7. RUS and NTIA currently plan two more funding rounds (one to commence at the end of 2009 and the other to commence in spring 2010), with all awards to be made by September 30, 2010, according to the [BroadbandUSA.gov frequently asked questions](#) file.