Broadband Technology Opportunities Program

Guide to the Elements of Successful BTOP Applications

BTOP Round 2
Winter 2010

Vision of NTIA Secretary – Round II

- *"The **strongest proposals** are the ones that have taken a truly <u>comprehensive</u> view of the <u>communities</u> to be served and have engaged as <u>many key members </u>of the communities as possible in developing the projects."*
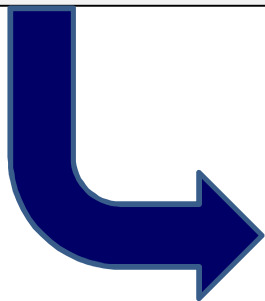
  - Assistant Secretary for Communications and Information Lawrence E. Strickling (December 10, 2009)

Agenda

- BTOP Application Evaluation Process

- Key Changes to Applications

- Success Factors for Preparing Application

  - General Programmatic

  - Comprehensive Community Infrastructure

  - Public Computer Center

  - Sustainable Adoption

- Resources for BTOP Applicants

- Q/A

BTOP Application Evaluation Process

Announcement of PFSA's

State & Tribal Consultation

Application Deadline (3/15)	Eligibility Review	Merit Review	Due Diligence Review	Application Selection (10 Selection Factors)

- ✓ **Closely review NOFA**

- ✓ **Do not wait until last minute to submit**

- ✓ **Ensure fully completed application**

- ✓ **Work early with your state's Governor Office to promote project**

- ✓ **Review list of best practices to maximize score in Merit Review and perform well in Due Diligence Review**

- ✓ **Closely examine funded projects from Round 1**

Selection Factors in NOFA

Ability to Influence

- ❏ **Score from Merit Review**

- ❏ **Analytical Findings from NTIA Program Staff**

- ❏ **Satisfaction of Statutory Purposes and BTOP Priorities**

- ❏ **Extent Match Equals or Exceeds 30% of Budget**

- ❏ **Avoidance of Redundancy, Duplication, and Conflicts with the Initiatives of Other Federal Agencies (e.g., Department of Agriculture, FCC, etc.)**

- ❏ **Comments from States & Consideration of Broadband Mapping Program**

- ❏ **Comments of Tribal Entities (if applicable)**

Macro-Factors

- ❏ Geographic Distribution

- ❏ Range of Technologies and Uses

- ❏ Availability of Funds

Gear Effort Here

Key Changes to Round II Application (CCI)

- Split BTOP and BIP into separate applications

- Added a checklist to track Comprehensive Community Infrastructure criteria

- Eliminated use of the mapping tool

- Requested a business case analysis to justify financial need (based on valuation of cash flows)

- Requested eight years of Pro Forma financial information

- Expanded the demographic data requests to include median income and unemployment rates

- Added questions regarding existing infrastructure, competitive landscape, job creation and vulnerable populations

- Eliminated certain uploads and combined other uploads into a smaller number of files

- Improved tracking of whether applicants or partners are small businesses or SDBs

Key Changes to Round II Application (PCC & Sustainable Adoption)

- Split SBA and PCC Project Applications Into Separate Workstreams

- Expanded Data Collection to Include Information on Key Project Partners

- Clarified Budget Information Requests with New Template

- Revised Collection of Computer Center Data

- Revised Collection of Data Concerning Vulnerable Populations and Community Anchor Institutions

- Cut Number of Uploads in Half

Consideration Factors

Category	Points	Change from Prior NOFA
Project Purpose	20	⬇
Project Benefits	20	⬇
Project Viability	30	⬆
Project Budget & Sustainability	30	⬆

- Made Scoring Changes to Reflect Higher Weight on Expert Reviewer's Scrutiny on Viability and Budget/Sustainability

- Scoring Data (from Round 1) Indicates Applicants Received Lower Percentage of Available Points in Project Purpose & Budget/Sustainability (relative to Project Benefits & Viability)

Key Success Factors: Project Purpose

Compelling Problem

- Existence of Significant Problem

  – High Percentage of Targeted Market Lacking Access

  – Long Wait Time at Public Computing Center

  – Low Awareness of Broadband Benefits

- Clear Demonstration of Financial Need (e.g., Business Case Challenges)

Credibility

- Fact- and Numerical-Based Claims to Justify Problem

- Wide Range of Letters of Support & Commitment That Express a Story

- Pre-BTOP History of Problem and Attempts to Solve

Clarity

- Clear, Persuasive Story of Problem in Executive Summary

- 5-Minute Test to Digest and Appreciate Overall Problem and Solution

- Consistency of Story Throughout Application

- Strongly Consider 3rd Party Review of Proposal Before Submission

Key Success Factors: Project Benefits

Metrics!!!	Link Between Problem and Solution's Benefits	Strategy to Deliver Benefits
• Clear Data (facts, figures) on Purported Benefits • Clear Explanation of Methodology Used to Calculate Benefits • Fact-Based Comparison Between Project Outcomes and Status Quo • Realistic, Credible Forecasts	• Convincing Link Between Problem & Solution (e.g., how does infrastructure solve low-adoption problem) • Link Ability to Yield Benefits to Project Viability and Budget/Sustainability	• Clear Strategy and Tactics to Reach Targeted Population or Market • Proof Targeted Market Will Consume Services • Focus on Targeting Vulnerable Populations

Key Success Factors: Project Viability

Solution Feasibility	High Confidence in Organizational Capability	Meaningful Community Involvement
• Clear-Description of Solution & Link to Benefits • Details, Details, Details - Solution Components • Comprehensive & Realistic Project Plan • Gain Credibility – Avoid Overselling, Identify Risks & Mitigation Approach	• Extensive Track Record for Similarly Scoped (Size and Budget) Projects • Experienced Management Team (or Partnerships to Fill Gaps) • Favorable Financial Standing and Audit History	• Community Involvement Across Value Chain • Letters of Support or Commitment from Each Partner • Specific Arrangements Regarding Role • Use BroadbandMatch To Seek Community Partners

Key Success Factors: Budget & Sustainability

Budget Reasonableness

- As NOFA States →
Comprehensive, Detailed and Clarity

- Reasonableness to Scope of Project

- Favorable Cost Ratios

- Eligibility of All Costs

Long-Term Sustainability

- Credible Assumptions & Forecasts (Subscribers, Revenues, Costs, Adoption Rates, etc.)

- Multiple Community Stakeholders Across (financial & operational)
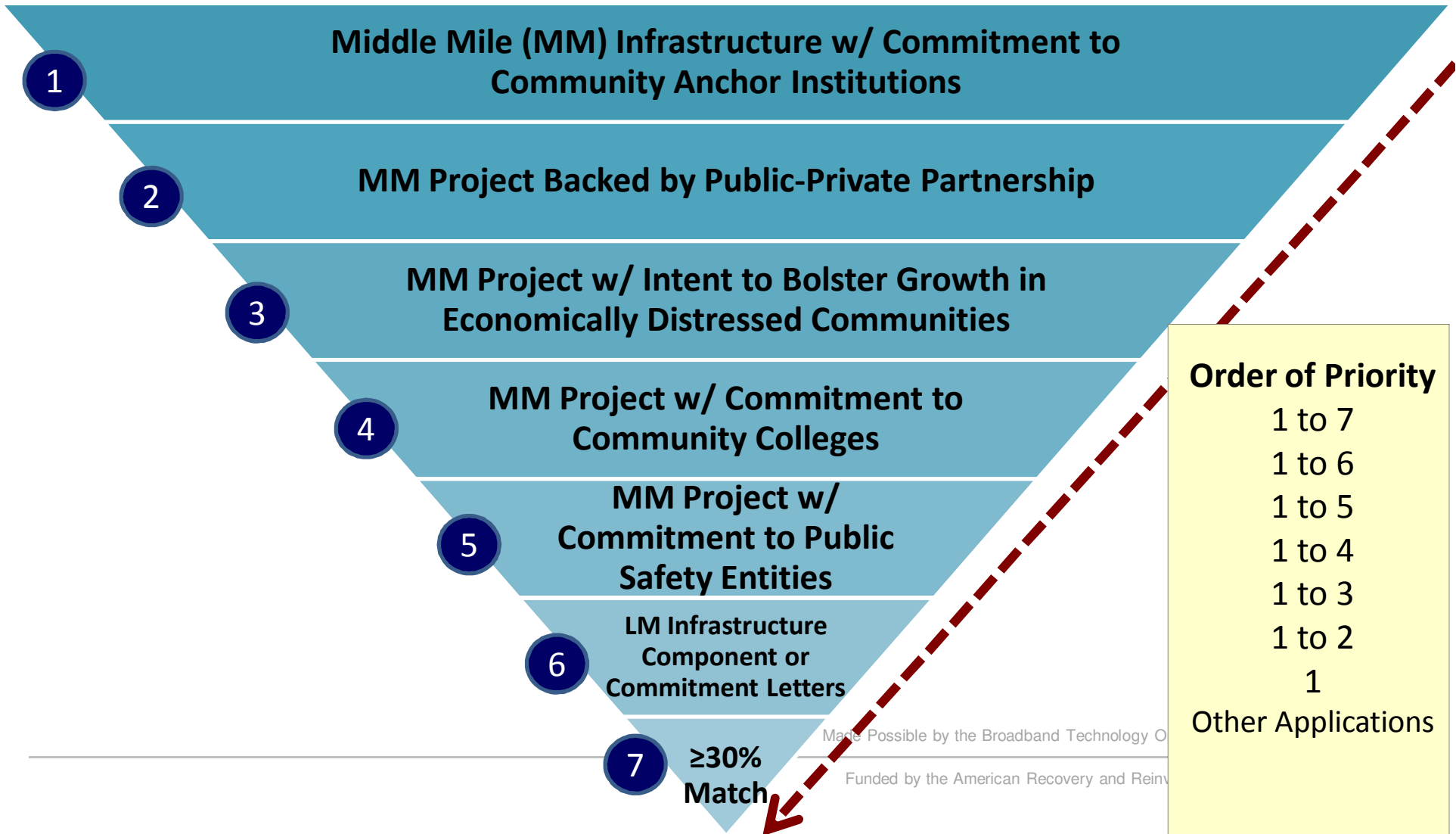
- Clear Evidence of Self-Funding or 3rd Party Commitments

Matching Funds

- Exceed Minimum Match (20% for PCC/SA and 30% for CCI) → Indicates Greater "Skin in the Game" and Sustainability

- Cash Match Removes Valuation Concerns

- Diversified Match from Various Stakeholders

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Sequencing Framework for Comprehensive Community Infrastructure Projects

1 Middle Mile (MM) Infrastructure w/ Commitment to Community Anchor Institutions

2 MM Project Backed by Public-Private Partnership

3 MM Project w/ Intent to Bolster Growth in Economically Distressed Communities

4 MM Project w/ Commitment to Community Colleges

5 MM Project w/ Commitment to Public Safety Entities

6 LM Infrastructure Component or Commitment Letters

7 ≥30% Match

Order of Priority
1 to 7
1 to 6
1 to 5
1 to 4
1 to 3
1 to 2
1
Other Applications

Made Possible by the Broadband Technology O

Funded by the American Recovery and Reinv

Consideration Factors

Category	Pts	Components
Project Purpose	20	✓ Fit with Statutory Purposes ✓ Fit with BTOP Priorities ✓ Potential for Job Creation ✓ Recovery Act and & Other Governmental Collaboration ✓ Indian Tribes and Socially and Economically Disadvantaged Small Businesses
Project Benefits	20	✓ Level of Need in Proposed Funded Area ✓ Impact on the Proposed Funded Service Area(s) ✓ Network Capacity & Performance ✓ Affordability of Services Offered ✓ Nondiscrimination, Interconnection and Choice of Service Provider
Project Viability	30	✓ Technical Feasibility ✓ Organizational Capability ✓ Level of Community Involvement
Project Budget & Sustainability	30	✓ Reasonableness of Budget ✓ Sustainability of the Project ✓ Leverage of Outside Resources

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Best Practices for Infrastructure Projects

- Convincing Methodology for Determination of Unserved-Underserved Problem

- Provision of <u>Wholesale</u> and Retail Service Offerings

- Directly Connecting Anchor Institutions with BTOP Funds

- Service to Small/Medium Businesses

- Strong Track Record in Deploying and Managing Networks

- 30% or Greater Match Funds

- Reasonable Cost per Mile (Middle Mile) or Household (Last Mile)

- Credible Subscriber Forecast Based on Clear, Detailed Methodology

- Leverage Existing Network Assets via Leasing (if possible)

- Composite Set of Revenues for All Project Members

- Financial Need Based on Business Case

Consideration Factors

Category	Pts	Components
Project Purpose	20	✓ Fit with Statutory Purposes ✓ Potential for Job Creation ✓ Recovery Act & Other Governmental Collaboration ✓ Indian Tribes and Socially and Economically Disadvantaged Small Businesses
Project Benefits	20	✓ Availability to the Public ✓ Training and Educational Programs Offered ✓ Availability and Qualifications of Consulting and Teaching Staff ✓ Projects in Community Colleges
Project Viability	30	✓ Technical Feasibility of Proposed Project ✓ Applicant's Organizational Capability ✓ Level of Community Involvement on Project
Project Budget & Sustainability	30	✓ Reasonableness of the Budget ✓ Sustainability of the Project ✓ Leverage of Outside Resources

Public Computer Centers Applications: Five Keys to Success

- Specific Training and Education Programs

- Compelling Outreach Plan

- Evidence of Appeal to Target Populations

- Technical Support Resources

- Explanation of Proposal's Impact on Center's Overall Mission

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Consideration Factors

Category	Pts	Components
Project Purpose	20	✓ Fit with Statutory Purposes ✓ Potential for Job Creation ✓ Recovery Act and Other Governmental Collaboration ✓ Indian Tribes and Socially and Economically Disadvantaged Small Businesses
Project Benefits	20	✓ Number of New Subscribers ✓ Cost Per New User ✓ Innovation ✓ Support for Vulnerable Populations
Project Viability	30	✓ Operational Feasibility of the Proposed Project ✓ Applicant's Organizational Capability ✓ Level of Community Involvement in the Project
Project Budget & Sustainability	30	✓ Reasonableness of the Budget ✓ Sustainability of the Project Impact ✓ Leverage of Outside Resources

Sustainable Broadband Adoption Applications: Five Keys to Success

- Efforts to Educate, Train, Equip and/or Support New Broadband Subscribers

- Plan for Measuring the New Broadband Subscribership

- Evidence that Your Specific Approach Will Be Effective

- Confirm that Broadband Service is Available

- Illustrate On-Going Benefits of Building Capacity Within Existing Community Support Organizations

BROADBANDMATCH

- Online service to help find potential partners with whom to work and/or apply with

- Register your organization type, skills and geographic base

- Search for other organizations

- http://match.broadbandusa.gov

BTOP Resources for Applicants

Main Website	➢ http://www.broadbandusa.gov
Match Website	➢ http://match.broadbandusa.gov
Recovery Act Website	➢ http://www.recovery.gov
Support Line & Email	➢ 1-877-508-8364 ➢ BroadbandUSA@usda.gov

Made Possible by the Broadband Technology Opportunities Program

Funded by the American Recovery and Reinvestment Act of 2009

Q/A