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Broadband Technology Opportunities Program

Guide to the Elements of Successful BTOP Applications

BTOP Round 2
Winter 2010

Made Possible by the Broadband Technology Opportunities Program

Funded by the American Recovery and Reinvestment Act of 2009

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Vision of NTIA Secretary – Round II

- *"The **strongest proposals** are the ones that have taken a truly comprehensive view of the communities to be served and have engaged as many key members of the communities as possible in developing the projects."*

- Assistant Secretary for Communications and Information Lawrence E. Strickling (December 10, 2009)

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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

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BTOP Application Evaluation Process

Announcement of PFSA's

State & Tribal Consultation

- ✓ **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**

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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)**

Gear Effort Here

Macro-Factors

- ❑ Geographic Distribution
- ❑ Range of Technologies and Uses
- ❑ Availability of Funds

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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

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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

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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)

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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!!!

- 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

Link Between Problem and Solution's Benefits

- 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

Strategy to Deliver Benefits

- 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

- Clear-Description of Solution & Link to Benefits
- Details, Details, Details - Solution Components
- Comprehensive & Realistic Project Plan
- Gain Credibility – Avoid Overselling, Identify Risks & Mitigation Approach

High Confidence in Organizational Capability

- Extensive Track Record for Similarly Scoped (Size and Budget) Projects
- Experienced Management Team (or Partnerships to Fill Gaps)
- Favorable Financial Standing and Audit History

Meaningful Community Involvement

- 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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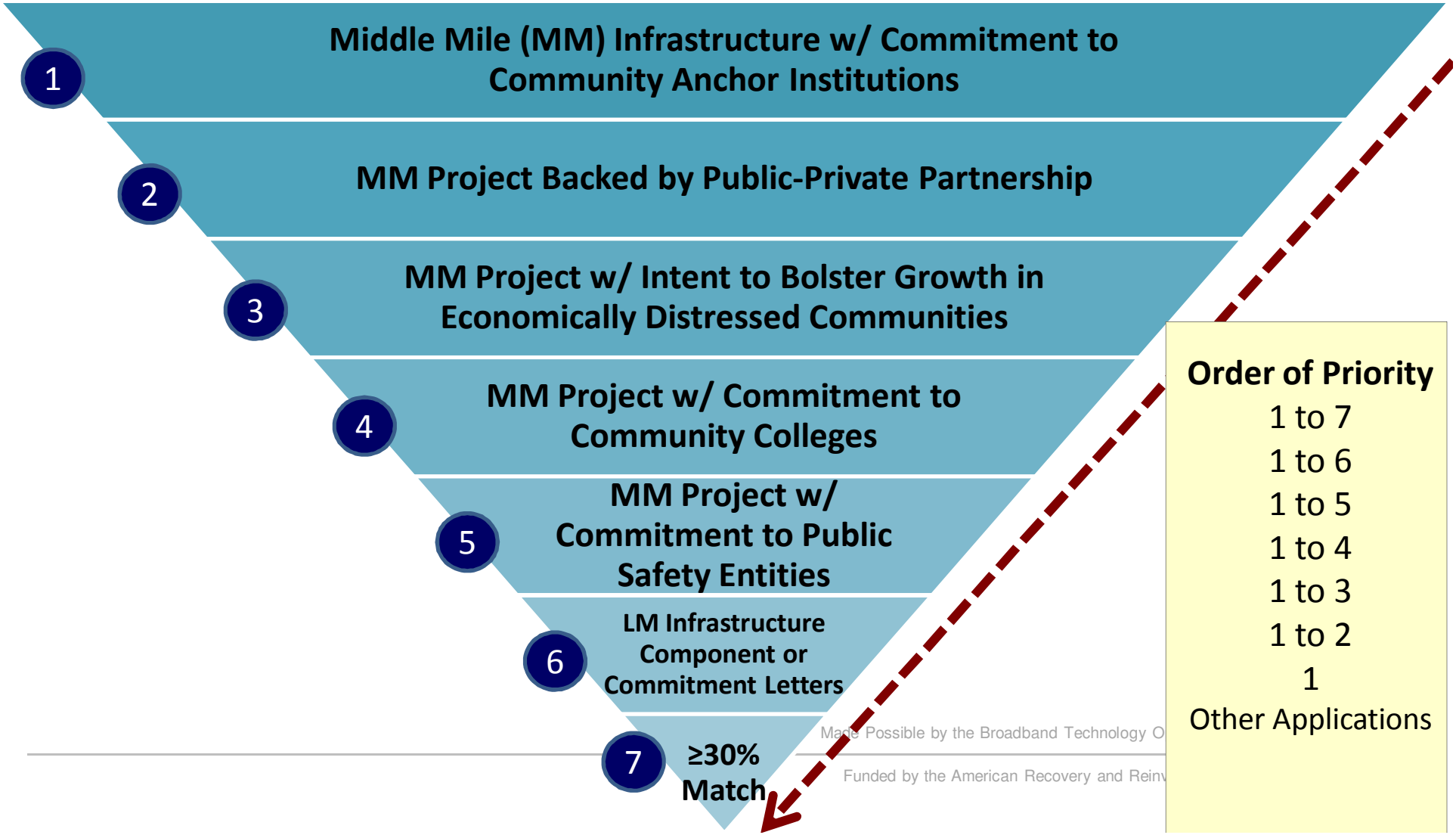
Comprehensive Community Infrastructure

Sequencing Framework for Comprehensive Community Infrastructure Projects



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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

Best Practices for Infrastructure Projects

- Convincing Methodology for Determination of Unserved-Underserved Problem
- Provision of Wholesale 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

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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

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

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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

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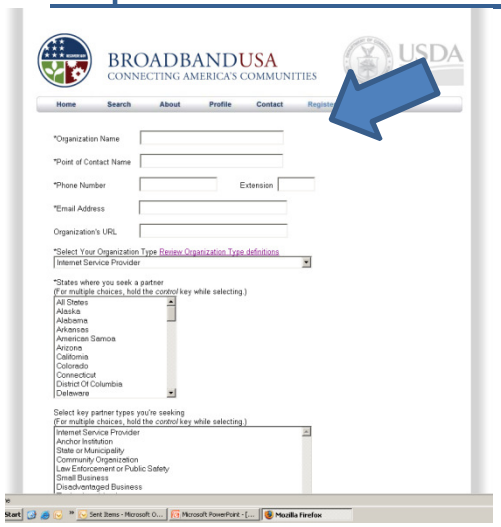
BROADBANDMATCH

- 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



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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

Q/A