

# ARRA – Overall Broadband Stimulus & Arizona

## Overall Federal Dollars & Rules for \$7.2Billion Total.

\$4.7 Billion to NTIA

\$2.5 Billion to USDA – RUS

### ◆ **NTIA portion (\$4.7 Billion)**

\$350 Million available for Broadband Mapping

\$200 Million Public Computer Capacity grants (Comm. Colleges, Libraries)

\$250 Million available for innovative programs, educational, sustainability & Broadband expansion

\$140 Million available for administrative costs

\$ 10 Million available for NTIA audits and oversight

Leaving \$3.75Billion to approved grant processes in the States and Territories (unserved and underserved areas)

### ◆ **From NTIA - Arizona's Opportunity** At least 1 Grant for each State from \$3.75Billion –

*Least* at-risk Estimates (prorated per # of States and Territories)

1/53 of \$350 Million for Mapping (\$6.6Million)

1/53 of \$3.75 Billion (\$70.7 Million) in three distributions of Grants

1/53 of \$140 Million (\$2.64 Million) for Administration

1/53 of \$450 Million (\$8.49 Million) for Public Capacity, Innovation, Broadband Educational and Sustainability

**NTIA Minimum Total at-Risk (Grant Application) to Arizona \$88.43 Million**



# ARRA – Overall Broadband Stimulus & Arizona

## USDA RUS portion (\$2.5 Billion)

75% to Rural America and Tribes (\$1.875Billion)

25% to non- Rural or Special (\$625Million)

of 75%, Likely 50% to Loan Programs (\$935Million) to Providers

Likely 50% to New Grant Programs-Rural (\$935Million)

(Health, Distance Learning, Community Grants)

of 25% Likely 50% to non-Rural Grants (\$312.5 Million)

From USDA Arizona's Opportunities including Management and Decision Making - Least Estimates (pro-rated per # of States and Territories)

1/53 of \$ 935 Million for Rural Grant Projects (\$17.6Million)

1/53 of \$ 312.5 Million non-Rural Grant projects (\$5.89Million)

**RUS Minimum Total at Risk (Grant Application) to Arizona \$23.4 Million**

**Tribes are likely to receive disproportionate greater Share from these grants.  
(Loan Programs are completely separate and are between Providers and USDA)**

TOTAL Minimum Grant Dollars at-Risk for Arizona from Broadband Stimulus

**\$ 111.83 Million**



# Barriers to Broadband

- Broadband not treated as Critical Infrastructure in the law, or policy.
- Lack of Middle Mile Infrastructure and local off-ramps
- Private Sector Providers are concerned about their ROI with infrastructure, and are typically NOT financially involved with the Applications running on the infrastructure, creating a disconnect from the greater benefits and uses of Broadband. Such inclusion is difficult without aggregation between Application providers and Transport providers.
- Right of Way is a major barrier and cost element of Deployment
- Citizens pay for the same Right-of-Way continuously – unlike other Critical Infrastructure.
- Citizens should pay for Broadband Right-of-Way just ONCE
- Federal and State GIFT Clause – Prohibits Public dollars invested or used in the Private Sector – causes separate networks for government and for ordinary citizens (who pay twice)
- Diffused Leadership – Till now, NO collective voice or plan

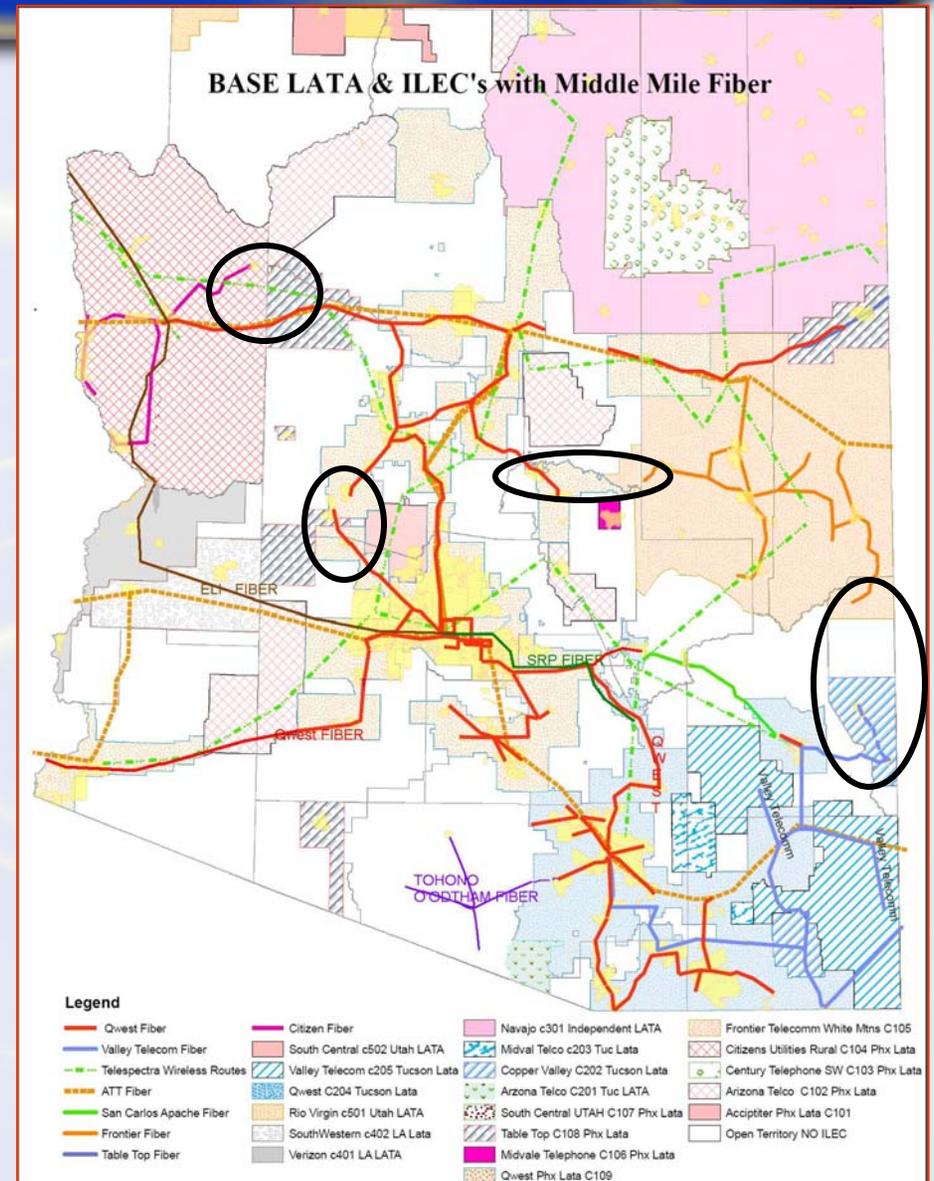
# Infrastructure Barriers in Arizona

Note the Stranded single runs and lack of loops. Lack of redundant paths can devastate whole regions when outages occur.

Note lack of Interconnection between areas of Telco owned Fiber

Law of Supply and Demand is evident in End-user costs for Broadband (2007) for T-1 lines in Arizona:

Urban - \$350  
Rural - \$700 - \$1200 or higher  
(including distance charge)



# Maximizing Broadband Stimulus Receipts

- ◆ Factors in Arizona that Increase both Amount of and Likelihood of Success for Grant applications
  - High percentage of “unserved and underserved” in Rural areas and on Tribal lands (Grants in these areas will receive highest priorities if done well and meet grant criteria.)
  - Arizona is a Rural State (Combined 80% Federal and Tribal Lands)
  - Feds require that projects could not be done “without Federal” stimulus. Arizona has no other mechanism or funding for these projects. Neither do the Providers.
  - Existing plans for Broadband (GITA and Commerce) unfunded
  - Existing plan for Mapping – unfunded
  - Middle-mile (Long Haul fiber) deficits and lack of broadband capacity
  - Distance between communities at risk in Rural areas

## Maximizing Broadband Stimulus Receipts

- ◆ Factors that decrease chances of Broadband Stimulus Grant Application success in Arizona:
  - Grant Writers for small town and communities needed.
  - Providers less likely to go after projects in deficit areas and extreme rural areas unless enticed
  - Currently, no centralized planning or “catcher’s mitt” for non-grant based stimulus dollars or programs.
  - No “third party” certification in Arizona to define “unserved” and “under-served” , the base decision component of an NTIA grant.

## Maximizing Broadband Stimulus Receipts

- ◆ Next Steps:
  - Create an Arizona Broadband Council or Broadband Authority to provide a center of influence for broadband planning and decision making, and to act as “catcher’s mitt” for Stimulus funding.
  - Begin the mapping process outlined in GITA’s GIS study (<http://www.azgita.gov/telecom/gisstudy.htm>)
  - Provide a State of Arizona Broadband Strategy and Plan to guide and prioritize the Stimulus grant application activity per federal guidelines