

NWX-DOC-NTIA-OTIA (US)

Moderator: Karen Hanson

October 17, 2018

1:00 pm CT

Coordinator: Welcome and thank you for standing by. All participants are in listen-only mode for the duration of today's conference call. This conference is also being recorded. If you have any objections, you may disconnect at this time and I will turn the call over to Karen Hanson. Thank you, you may begin.

Karen Hanson: Thank you so much and thank you to everyone for joining us today for Broadband USA's monthly Webinar on broadband topics of interest to policymakers, decisionmakers, practitioners and consumers.

I'm Karen Hanson, Manager for Partnerships and Interagency Affairs for Broadband USA at the National Telecommunications and Information Administration and I will be moderating the Webinar. Our Webinar topic for today is Federal Broadband Funding: Policies and Programs to Connect America.

Representatives from the U.S. Department of Agriculture, the Federal Communications Commission and the U.S. Department of Commerce's Economic Development Administration will provide an overview of federal funding options to support increasing broadband access in communities across

the United States. This is a topic of great interest as we can see by the large number of folks who have registered so we're really happy to have all of you participating today.

Our presenters today are Barrett Haga, Ph.D., Senior Administrator for Economic Engagement in the Economic Development Administration at the U.S. Department of Commerce; Shawn Arner, Deputy Assistant Administrator in the Loan Origination and Approval Division for the RUS Telecommunications Program at the U.S. Department of Agriculture; and Kate Dumouchel, Special Counsel, Telecommunications Access Policy Division in the Wireline Competition Bureau of the Federal Communications Commission.

I'd like to point-out just a few housekeeping items before we begin. The panelists will answer questions at the end of all of the presentations. Please use the question box on the right-hand side of the screen to submit any questions or comments you may have.

This presentation along with a transcript and recording will be available on the Broadband USA Website within seven days of this Webinar under events/Broadband USA Webinar archives.

Our first presenter is Barrett Haga with EDA. Dr. Haga is responsible for EDA's international portfolio and thought leadership. As a member of EDA's senior staff, he inspires communities to think differently in the new economy to increase the prospect of advancing commerce and trade and to accelerate business opportunities to create jobs.

Dr. Haga holds a Ph.D. from the University of Minnesota Twin Cities in organizational leadership, policy and development, MPA in public

administration and policy from the Askew School at Florida State University and a double BA in political science and Greek and Roman studies from Rhodes College. So with that, Barrett please go ahead and start.

Barrett Haga: Well, thank you, thank you. Good afternoon, everyone and good morning to some for those that are on the West Coast. Let's talk a little bit about EDA and how do we support broadband to make catalytic investments in America's ecosystem. Next slide.

The Economic Development Administration our mission is to lead the federal economic development agenda promoting innovation, competitiveness and preparing America's regions for growth and success.

We really focus-on what's called economic development and to EDA economic development isn't just about building items such as bridges and roads, water sewer lines. It's really about building the capacity for the ecosystem to engage and grow good high-wage jobs for the American public.

We are guided by the principle a community must be empowered to develop and implement their own economic development strategies that we will work with the local officials to build those capacities by leveraging the local assets to assist bottom-up regionally-driven plans to assist distressed regions is to make the right investment at the right time for all those in the region to thrive and survive. Next slide.

We do that through our various programs through our primary is our economic development assistance program which we have nearly a billion dollars this year between disaster supplemental funds and regular appropriations and we target almost anybody in the public sector sphere.

These investments are there to create these catalytic projects such as a targeted road system, targeted water and sewer line and in this case a targeted broadband case of infrastructure that allows the entire ecosystem to leverage that investment to really create a new economy within that area.

A typical eat-out project may be related to broadband was in 2016 EDA invested nearly \$1 million of the York County in Maine to fund a 32-mile fiber optic loop. They went right through the largest mill in town as well as opened-up a 600-acre industrial park to high-speed Internet capabilities that has now attracted multiple companies to York County, Maine.

And if it weren't for that piece of broadband, those companies in that infrastructure park would not have located there. So if we fund this, this occurs. That project is scheduled to create 142 jobs over the next 10 years. Our regional innovation strategies program, think of this as the glue money that leverages all sorts of investments in the ecosystem.

If you already have broadband or you're already at a university, the RIS funds bring those specific partners together to focus-on one or two industry sectors to create revenue-based streams into the ecosystem to create new jobs.

A great example of a RIS program type of investment would be Silicon Valley where it linked-up all the universities there, all the components that focus-on silicon research and over time that capacity has shifted from silicon research to IT and others that the strength of the ecosystem is intact.

Double Hills corridor in Saint Louis is a typical regional innovation strategy where we invested money to bring the right players to open-up 600 acres in downtown Saint Louis focusing on biochemistry. Washington University of

Saint Louis, Saint Louis University, and University of Missouri are all focusing on biotech.

Most of our grant programs are considered matching. So we expect to have skin in the game for local participants, 50% local and 50% from EDA is their typical investment amount and we want to make sure that the high-risk innovation piece as shown can be mitigated a little bit that we can do infrastructure, high-risk innovation.

It has a commercialization promise to attract and grow new companies. Next slide. So here's our portfolio of programs. Our primary program is our EDAP which includes our public works and economic assistance programs. Public works is the infrastructure with its broadband and if we can't fund broadband, we may be looking at funding a water/sewer line in your area.

That water/sewer line would open-up that water/sewer line, the trench that we dig for the water/sewer line you need to look at other federal programs that funded broadband in that same conduit saving your community money and time by doing everything in one trench.

A typical water/sewer line investment was to Anderson, South Carolina which did an expanded water main was allowed additional water capacity for first issue and nearly 1000 jobs were created. Our EDAP our economic adjustment assistance fund called EAA is the most flexible fund in the federal family.

If you can think of it, we can fund it out of that fund from broadband all the way to infrastructure to studies to network-building. That fund can fund almost anything. Our technical assistance, let's just say you're looking for a study, is broadband a piece that we're missing in our ecosystem?

That's where our technical assistance funds come into play. Research and evaluation fund can fund what is the best research out there in terms of broadband for related universities? How can universities leverage broadband in their incubator systems with investor research and evaluation funds come into play?

Planning focuses-on funding the economic development organizations of the United States. We fund 385 of them. That's where the conference of economic development strategies are funded and broadband is a key component there and of course the regional innovation strategies that everyone should talk about in the prior slide bringing that glue together, that ecosystem building.

And the only program we had that really doesn't touch broadband as a direct investment but it also touches it as an indirect is our trade adjustment for firms assistance. If you have a firm, you know, IT suppliers, IT providers, it would be an impact due to trade, they can go to our 11 TAC centers throughout the United States and find assistance to restructure their business line and mitigate the impact of trade. Next slide.

So what we invest in is the variety of things that we're looking for. Recovery and resilience, we've been hit by multiple hurricanes, forest fires, flooding. We look at how can we fund investments in communities that have been hit by local, natural and economic disasters to rebuild their economies for the new systems?

Critical infrastructure, this is where you see a lot of our broadband investments particularly right now we're looking at Puerto Rico, how can we bring broadband into play to not only provide communication capabilities but

also high-speed Internet capabilities for IT, for research, for universities to do long commercialization.

How do you put those critical infrastructure components in place to attract and grow firms? Workforce development and manufacturing are two components that we look at when you look at our investment priorities. Let's just say you already have a broadband conduit. How can you create a national cyber education training facility at the community college?

That facility itself may be something we could look at, in fact we funded a training facility in Ranken Technical College just the other day to look at advanced manufacturing. So if you already have broadband there, how do you take it to the next step? By leveraging that in higher in skills and workforce.

Finally, exports in FDI, if you already have broadband or you're looking at broadband as a critical piece of infrastructure, if you build this piece are you able to lure foreign direct investment from overseas? Are you able to expand your export capacity for local firms?

It could be we've dropped a high-speed Internet line into rural Montana and all of a sudden those companies are able to sell their goods and services overseas, doubling the capacity of the jobs at that firm that may be something to look into.

All these things are what we can fund. Our average grant fund's between \$1 and \$3 million. So it's very, very targeted and catalytic in nature. Next slide. Now we're a slightly different agency when it comes to our application process. We really like to hold your hand. If you go to eda.gov/contacts, contact information for the direct individuals in each one of our states is there.

So we're divided into six regional offices. All of our grant programs except for Regional Innovation Strategies are cultivated in the regional offices, cultivated in the states and we have a state representative who can come to you and talk to you and saying this may fit our program, have you thought about this or that?

And we can do that in a very, very short period of time. From application to funding, we can be as quick as 90 days. So, every quarter we're scoring out grants. Now our more successful applicants have worked with our regional offices, have worked with the teams on the ground to really find ways to facilitate that long-term connection.

So if you need anything, we're from the government, we're here to help and we look forward to working with you in the future for broadband needs across America. Thank you. Next slide.

Karen Hanson: Thank you so much, Barrett. That was a really wonderful overview of what EDA can offer as the, I think you said the Swiss Army knife of federal funding so as a quick reminder to everyone who's participating, please put your questions into the question box and we will ask those questions at the end of all the presentations.

But at this point I'd like to introduce our next speaker, Shawn Arner, the Deputy Assistant Administrator in the Loan Origination and Approval Division at the RUS within USDA. Shawn is a graduate of Virginia Tech and he received his bachelors of science in electrical engineering in 1991.

He has been with the telecommunications program for 26 years and has served in his current capacity since July of 2014. Shawn has held various positions

within the agency including Director of the Southern Division, Deputy Director of the Northern Division, Chief of the Northern Division Engineering Branch as well as Senior Engineer in the outside plant branch of the Telecommunications Standards Division.

So quite a deep well of knowledge for the USDA programs so at this point I'm happy to turn it over to you, Shawn.

Shawn Arner: All right, thank you, Karen so today I'm going to be giving you all a high-level overview of the four major programs that the telecommunications program of the rural utility service has to offer for entities interested in providing broadband service in rural America. Next slide, please so a little bit of information about what the rural utility service is.

Rural utility service is broken into three main program areas. We have our water and environmental program, our electric program, as well as a telecommunications program which is where I fall under. This slide lists some of loan and grant programs that are offered by the three different program areas. I'm going to be concentrating today on the ones highlighted.

The two loan growth programs, the rural broadband, direct lending grant loan guarantee program and then the telecommunications direct loan and loan guarantee program and then I'm going to be covering our two grant programs, the distance learning and telemedicine grant program and the community's next grant program. Next slide, please.

So a little history about Rural Utility Service. Rural Utility Service was originally the Rural Electrification Administration that was formed in 1935 whose main mission was to promote rural electrification across rural America.

Then in 1949 the REA received authority to finance telephone service in rural communities and moving forward in 1995, the Rural Utility Service was formed evolving from the Rural Electrification Administration and with the implementation of the Telecommunications Act of 1996, the RUS required that all financed telecommunication networks have the capacity to deliver broadband service.

And just a little brief thing on what we've done lately 2010 to the present, we provided \$6.2 billion in loans and grants to build-out broadband infrastructure in rural areas. Next slide, please.

So the first two programs we're going to be talking about is our loan program and that's the infrastructure and telecommunications loan program in our farm bill broadband loan program. Next slide, please.

So talking about the telecommunications infrastructure program, this is the Legacy program that was originally created in 1949 to provide telephone service in rural areas, a very successful program over the years, and as I mentioned previously, it morphed really in the mid-'90s to more of a broadband program in that, you know, most people had access to telephone service.

However, our main mission really in that program has really turned into a broadband service provider and the last five to 10 years most of the systems that we finance are fiber to the home systems under that program. The Act under that program really and the statute really restricts us for the entities that apply to really rural local exchange carriers.

We are pretty restricted under the Act to that type of entity applying under that particular program. So rural telecommunications providers essentially are

eligible as we've seen from the statistics we have a pretty good funding availability, number of loans made every year and again the main mission is to serve rural subscribers in rural America.

We do accept applications year-around for online application systems. Applications as they're received we process generally on a first-come, first-served basis and we do process those throughout the year. Next slide, please. So some of the standard loan terms on this program, we offer a loan is made, we offer a two-year principal deferral.

The interest rates on those loans are made at the cost of money, the cost of borrowing from the Treasury. It's a fairly low interest rate. So, for example, a 20-year loan would, the latest interest rate averaging right around 3 point - 3-1/4% - a 10-year loan would be 3.14, that's the latest interest rates that I looked-up on the Treasury site just earlier this week.

The life of the loan, the loan maturity, is the life of the facility is that we would be financing and we'd give an additional three years on top of that. Generally what that means these loans because they are capital-intensive and most of those loans involve putting stringing fiber-optic cable. So they do have a long life and they average generally between 15 and 20 years on those loans.

And we do have staff located all across the United States, field representatives that can assist and help people put those loans together and help review those loans before they're actually submitted to Washington, D.C. for processing. Next slide, please.

So moving on, I wanted to talk a little bit about the farm bill broadband program. This is a little bit different than our infrastructure program in that

it's not restricted to just rural local exchange providers. So the entities that can apply are a lot higher variety.

We can accept applications from cable TV companies, wireless entities as well as other telecommunications providers, CLEC providers. The specifics of this program is specifically for was created for providing broadband service in rural areas.

The definition of broadband is defined every year in our NOFA and as you can see on the slide here, the most recent definition was 25 megabits per second down and 3 megabits per second up.

On at least 15% of the service territory that's proposed to be funded by this application must be unserved, in other words, must not have access to that 25 megabit/3 megabit per second upload speed. So next slide, please.

Similarly to the infrastructure program, the standard loan terms fee or principal deferral, interest rate is the cost of money, loan maturity is the life of the facility plus three years. That is defined with respect to the loan amount that we can accept, it's between \$100,000 and \$25 million. The broadband service is defined every year.

One interesting thing here is that the statute and the way the regulations were written is that we give applicants priority to those applicants that are proposing to serve the greatest number of unserved households so if you're going in an area that's 100% unserved, you will have the highest priority in that application and actually will be processed first. Next slide, please.

Just want to have a brief mention here of the latest program that was just signed earlier this year. This is the \$600 million broadband loan and grant

pilot program or what we call the e-Connectivity pilot program under the Rural Electrification Act.

Specific details as I said here are being worked-out in the coming months but it's designed to focus-on those areas where at least 90% of the households we serve in that rural area without sufficient access to broadband and it's a definition for a broadband in this criteria is 10 megabits per second down and 1 megabit per second up.

As I did mention, the criteria's being worked-out now. We may have an actual higher build-out speed required. So we could so while the definition of unserved was 10/1, we could actually have a higher build-out speed. Like I said, those details are going to be worked-out and specifics are going to be mentioned in the coming months.

It is envisioned that this program is going to have a variety of different offerings. So we do envision that there's going to be a 100% grant program, there's going to be a 100% loan program and then we're also going to offer a combination loan and grant program as well so stay tuned for that.

Once we do come out with a funding announcement on that, I'm sure we will be giving a number of webinars on that program, how to apply, what the requirements are, what the criteria are. Webinars as well as possibly workshops as well so stay tuned for that. Next slide, please.

So let's talk about our grant program. Two programs I'm going to be covering today are Broadband Community Connect Grant Program and Distance Learning and Telemedicine Grant Program. You know, loans, you know, low interest rates are wonderful but obviously if you don't have to pay

back the loan, you can get a grant. Obviously that's even more attractive so let's talk about this grant program. Next slide.

So let's talk about the Broadband Community Connect Grant Program, again some specifics here. A very high demand program, we receive between 70 and 100 applications every year. This is a competitive grant program. In other words we announce a funding notice every year. There's scoring criteria that we announce in that funding notice.

People have to address those scoring criteria and as long as it's an eligible project, we rank those from high score to low score and then dole out the money until we do not have any funding left. So as you can see, you know, between you know, \$10 and \$30 million.

It's been very well-supported lately. We've seen increases that, you know, for several years under that program and just this year we have about \$30 million in available that we did have in Fiscal Year 2018, \$30 million available. One note on this program is that it's for areas that do not have any broadband service in the proposed funded service area that the entity is proposing to serve.

So it's a little bit different from our loan program where there can be some existing broadband and only 15% has to be unserved. This program is entirely 100% unserved. Like I said, for Fiscal Year 2018 we've completed all our grant reviews and we're ready to make an award announcement. We're waiting for the department for clearance to do that award announcement.

I would expect that an award announcement is going to come out very, very shortly. Next slide, please. So, finally, let's talk about our Distance Learning and Telemedicine Grant Program, another very popular program. We

generally get between \$25 million and \$30 million in funding available every year.

This program is not specifically a broadband delivery program but you need to utilize broadband to really be able to deliver this program. So what we see is typical distance learning and telemedicine applications, the mission of that program is to provide either distance learning services or telemedicine services in rural areas.

So typically what we see on a distance learning side, we'll see a school district come in for an application whereby they're having specialist teachers in one area providing that distance learning to a remote or rural area. Similarly or colleges would do similar things of that nature, providing the specialized professors to maybe some rural or community colleges.

Similarly on the telemedicine side, having that specialist doctor in maybe an urban area provide that specialty to rural clinics in an area where they wouldn't necessarily have that type of specialist doctor. So it's a fairly popular program.

One thing to mention on this program that there's a high success rate on receiving an award. Generally as you can see on this slide it's usually about you know, usually about a 40 to 50% success rate on the receiving of one of those awards so once again it's a competitive process.

We have several different scoring criteria. People apply. We rank those applications and dole out the money until – dole out the awards - until there is no more funding left. Similarly, we're getting ready to make an award announcement for all the applications that we received in Fiscal Year 2018. Next slide, please.

So finally just as I mentioned \$6.4 billion in funding, this slide breaks out what we've awarded under the different programs that we offer. One thing to mention, the \$2.9 billion of the \$6.4 billion was awarded under the Broadband Initiatives Program several years ago.

That was a one-time program and it was very successful, 258 projects approved for \$2.9 billion and it's having a good impact in rural America today. Next slide, please. Okay, that's it for me today and I thank everyone for attending and listening to this session. Thank you.

Karen Hanson: Thank you so much, Shawn and just before we move-on to the next slide I just want to point-out the link there for you to find where your telecom general field representatives are so thank you so much Shawn and now I'm going to ask that we move-on to our third and final speaker, Kate Dumouchel who serves as Special Counsel in the Telecommunications Access Policy Division.

That's the division of the Wireline Competition Bureau of the FCC that is responsible for developing policies for administration and oversight of the universal service programs. She has also spent time as a detailee for the Senate Commerce Committee and in the Office of General Counsel.

Prior to joining the Commission, Kate worked in the telecommunications, Internet and media practice group at Arnold & Porter LLP and spent three years working on Capitol Hill. Kate graduated from Brown University and Georgetown University's Law Center so Kate, over to you.

Kate Dumouchel: Thanks, Karen. We could move-on to the first slide. I am as Karen mentioned part of the Telecommunications Access Policy Division in the Wireline Competition Bureau at the FCC.

Our primary mission is to advance the goals of universal service to ensuring Americans have access to robust affordable broadband and voice services throughout the nation and that's the fundamental goal of the federal telecom law.

And Section 254 of the Telecom Act there's direction on universal service programs and since 1997 the FCC has been working on universal service programs that subsidize telecom service for low-income consumers, rural healthcare providers, schools and libraries and consumers in high-cost areas.

All telecom service providers must contribute to the Universal Service Fund based on a percentage of their interstate and international end user telecom revenues and those contributions flow from the providers into the Universal Service Fund which is administered by the Universal Services Administrative Company known as USAC under the FCC's direction to the four Universal Service programs. So that's High-Cost, lifeline, E-Rate, and rural healthcare.

Those funds are then distributed to reduce the cost per high cost areas, low-income consumers, schools and libraries and rural healthcare providers and I'll go into a little bit more detail in each of those programs. Next slide, please.

So over the last decade the Commission has been working to reform the Universal Service Fund programs. Our primary objectives are reorienting the fund away from supporting telephone service as far as supporting modern broadband communications, promoting efficiency, accountability and fiscal responsibility, eliminating waste, fraud and abuse, and closing the digital divide between urban and rural America.

Next slide, please. So, the first program that I'm going to talk to you about is the Connect America Fund which is a fund used to design to ensure that consumers in rural high-cost areas have access to the modern communication networks, providing both voice and broadband at rates that are reasonably comparable to those in urban areas.

And it allows eligible carriers to serve those areas to recover some of their costs from the federal Universal Service Fund. The Fund annually the Connect America Fund is approximately \$4.5 billion of funding and so we're always working to eliminate inefficiency and control costs to manage the burdens on repairs.

The overall regulatory goals are not just of subsidized areas served by an unsubsidized competitor so if there's competition in the market, then there's no need for high-cost support.

Dedicated support for the highest cost areas, general efforts to use market forces when possible including competitive bidding, explicit accountable public interest obligations including mandatory build-out obligations for all carriers with below average deployment and a general budget for the Connect America Fund support. Next slide, please.

There are a series of different there have been a series of different phases since an overhaul of the Connect America Fund in 2011 and here I'm going to talk about two of those sort of major options, major pieces that have been implemented recently that are deploying broadband or about to deploy broadband.

First, there was a model support offer which was offered to price cap carriers the sort of largest carriers in referral areas, and 10 carriers accepted \$9 billion

over six years which is I think about a million and a half each year to deploy at least 10 megabits per second downstream and 1 megabit per second upstream broadband to over 3.6 million locations by the end of 2020.

And there was a 40% interim deployment milestone at the end of 2017 and a 20% increase deployment milestone for the next five years. Then this summer the Commission held an auction for the locations, there are about 900,000 locations that where carriers declined the model based support and so those areas were all put up for bid this summer.

It was the first or multiple round reverse auction to allocate high cost support this way and bids were weighted so that slower speeds or higher latency services received less support.

That auction closed in August with 103 winning bidders winning \$1.49 billion in support to build-out broadband to 700,000 locations in 45 states and over 99% of those locations will have broadband deployments of at least 25 megabits per service.

The willing bidders included wireless Internet service providers, satellite, electric coop and price cap and rate-of-return carriers and there are deployment allocations and the because it just closed I think the long form applications are being reviewed at this point but ultimately 40% of the locations that were bid on must be served within three years and then 100% must be served within six years. Next slide, please.

So rate-of-return carriers are some of the smaller rural telcos and there have been a series of reforms over the last three years to work on broadband deployment for these carriers as well.

In 2016 the Commission adopted an order to allow rate-of-return carriers to accept another model-based support and it set the - defined - deployment obligations for carriers that had not deployed to a certain percentage of their study area.

All of the carriers annually report geolocation deployment information and this year the Commission adopted further orders and requested comment on a few additional rulemaking decisions providing over \$500 million in additional funding for these carriers and adopting shorter rule to prevent some abuse of the high-cost program.

They also, the Commission also sought comment about a budget for rate of return additional model-based support offers and minimum levels of support for rate-of-return carriers that remain on the legacy mechanisms and then a number of the rate-of-return carriers are off of tribal lands so there was an additional order in April of 2008 regarding the operating expenses for these areas that are particularly difficult to reach. Next slide, please.

So I'll now talk about the three other Universal Service programs administered by under the Universal Service Fund. First there's lifeline which is designed to provide affordable assistance because under the 1996 Telecom Act every American should have access to quality services at just reasonable and affordable rates.

And so the over the general idea is that lifeline program subsidizes service up to \$9.25 per month for an eligible household and up to \$34.25 for eligible those on tribal lands and it ensures sort of different standards for mobile and fixed broadband, voice and broadband services and that's designed to sort of bridge the digital divide.

There have been a number of reform efforts related to eliminating waste, fraud and abuse and ensuring that there is a standardized to verify eligibility and we have a rulemaking under that is still under consideration that began in 2017. Next slide, please.

The E-Rate program, I wanted to - I didn't talk about - Lifeline. The Lifeline Program disbursed about \$1.2 billion last year. The E-Rate program is a program designed to provide discounts to schools and libraries in all areas of the country both urban and rural.

Eligible schools and libraries may apply for Universal Service discounts on broadband services to and then also key services that provide Wi-Fi within schools and libraries. The funding cap in 2018 was \$4.06 billion which is adjusted annually for inflation. I think disbursements were about \$2.8, \$2.6 billion in 2017.

And we have an annual application process that basically schools and libraries request funding for the upcoming school year and USAC had insured the applications. Next slide, please.

And, finally, we have the Rural Healthcare Program. Again the Telecom Act commanded that the FTC enhance access to broadband and telecoms for healthcare providers and so there are two programs - the Telecommunications Program - which subsidizes the difference between urban and rural rates for telecom services and Healthcare Connect Fund which provides a flat 65% discount on the cost of broadband services and facilities.

The annual funding cap was just increased recently to \$581 million which is now adjusted annually for inflation, again like E-Rate, there's an application filing window for the funding year which runs from July 1st to June 30th and

there is also an ongoing Notice of Proposed Rulemaking pending for rural healthcare that was adopted in 2017. Next slide, please.

So that's just a brief overview of the Universal Service Fund programs which provide close to \$9 billion in annual support for broadband deployment in the United States. Thank you for listening and I look forward to questions.

Karen Hanson: Thank you so much, Kate. That was a really good overview of some of the most important programs the FCC offers to promote broadband deployment. So now we're going to we have almost exactly 20 minutes for Q&A from that we've received from the audience. So we've got some great questions that have come in.

Please remember for those who haven't already to type in your questions in the question box. I'd also like to point out that on the Broadband USA website we do have a guide to federal funding of broadband projects and we are working closely with the FCC, with EDA, with USDA and with all the other agencies that are part of the Broadband Interagency Working Group to keep that information updated.

So stay tuned for more on that front, but I do have some great questions that came in. I think the first one I'm going to ask Barrett is for you, I think it's a two-part question. The question is so disaster recovery funds could include bringing broadband to unserved areas as part of infrastructure repair?

And then the second part is or at least how could EDA funds be used to promote the concept of dig once and installing conduit at the same time as other projects?

Barrett Haga: So there's actually multiple things we can look at when it comes to this question. The first one can disaster funds be used to stimulate broadband as part of their recovery strategy? Yes. Now we're just not going to build broadband for the sake of building broadband to get Netflix or Hulu to a community.

We're going to build that specific line that amplifies an existing asset. So let's just say the university needs high-speed broadband to do new research to create a new line of textiles. That specific broadband can be tied back to a job creating component to help diversify and recover that area.

Now in terms of the dig once concept, we could use possibly either disaster money or other funds to take a look at how does that plan come together so under the national disaster recovery framework EDA will lead the long-term economic recovery function of the United States government so we work very closely with FEMA and others to create those economic plans post-disaster so that dig once concept should be in those plans that we're helping to build a local community saying okay, you need new your water sewer line and your bridge were torn apart so can we add conduits?

When you put the bridge back, can we add a water/sewer line in the subcomponent on the underside of that bridge to allow more irrigation for our fields and at the same time building broadband in the bridge to allow broadband to the university?

So that's part of that strategy is part of that national disaster recovery framework plan that we worked with FEMA under the economic recovery function.

Karen Hanson: Great, thank you. I think the next question I'll pose to Shawn is how do you ensure that the most needy communities are aware of programs such as the Community Connect Program? Is this task left to state and local leaders or a combination of both?

Shawn Arner: So I would say it's a combination of both. I mean, one thing I want to mention is the rural utility service falls under the rural development mission area within USDA and rural development has state directors throughout the United States who are very in tune with local leaders and what's needed in the local areas.

We have a variety of programs to help you know, economic development in rural areas so they're a great resource and do a great job in helping us to find those needy areas and then through our field representatives they're always since they are stationed in geographic locations across the United States, they're all and are experts on our program.

They're always willing to meet with folks who have interests - entities that have interest - in applying to do these programs.

Karen Hanson: Great, and while I still have you off mute, Barrett mentioned a rough timeframe that EDA considers feasible to award funds. Do you have an estimate of how long it takes to go through the process to receive either a grant or a loan with RUS?

Shawn Arner: Well, let me be blunt. We are a bureaucracy as you know so it can take some time. There's a pretty significant application process especially on the loan. You have to put it together and engineering design and technical design as well as a business plan and feasibility analysis for your particular loan application.

So we'll do a technical analysis and a varying defect a full analysis of the design the entity is proposing to build and then we'll do a feasibility analysis on them so that's typically on the loan program will take anywhere between three to four months to do that analysis and a lot of times it can be shorter if everything is provided in the application.

We do have application guides so people can follow that help them put together those applications as long as everything is addressed and it's a very strong application, that can help us to move more quickly so like I said though on average three or four months into those programs.

Now under the grant program it's a little bit different because they are a competition. We will intake all applications that will have a funding notice and then people will apply under that funding notice. There's usually a window of between 60 and 90 days to apply.

Once we intake all those applications then we'll go through the eligibility and review, go through a scoring review, generally we get 100 to 300 applications on any particular program so it does take a while to go through every single one of those applications, rank them, score them, and then make the award.

But generally for us to go through that process once again it's generally three to four months but like I said earlier, we are done with the Fiscal Year 2018. We just haven't announced those yet.

They should be announced very soon so it can take a little bit of time to get that funding announcement but we're usually done with our work, you know, within four months of the original award notice or closing of that application.

Karen Hanson: Okay, that's helpful caveats and timeframes. Now I'd like to ask some questions of Kate. We got a lot of questions about the CAF funding, and I think I'll start with do you have a sense or how can someone find out what the actual CAF deployment status was by the end of 2017 for the funds that were awarded?

Kate Dumouchel: You know, I think that we just posted a map ...

Karen Hanson: Okay.

Kate Dumouchel: ... of course now I'm going to look it up. So the information that's provided to USAC who compiles it in their mapping. I'm not sure if it has been released but I know that we recently put out a map and I'm looking for the link so I can share it, Connect America Fund, yes so yes so you can find it by going to the FCC's Website and looking for Universal Service for High-Cost Areas Connect America Fund.

And on October 9th we put-out a public notice announcing the availability of a Connect America Fund map on USAC's website. So it's www.usac.org/hc for high cost slash tools and it provides a lot of sort of interesting data. There's a user guide. I don't know exactly what the timeframes are that are reported here but there are you can look-up by the type of funds that it was. You can look-up by state, by speed, by year and ...

Karen Hanson: And actually I saw a demo of that last week so I can vouch that it is quite comprehensive so that's a good place for folks to go is to the USAC Website and look for the new high-cost map. Along the same line - maybe slightly different - are there any public repositories where folks can access the implementation plans for their states for the CAF funds?

Kate Dumouchel: I do not know the answer to that question but I don't know, is there a way for me to post answers ...

((Crosstalk))

Karen Hanson: Yes, yes, I will be able to put you in touch with that person and just as a reminder to folks who ask questions that we may not get to today, all the presenters have agreed to be contacted if your question did not get answered so when these slides are posted, you can get their e-mail addresses and reach-out to them directly.

So I guess back to Barrett, this is a question maybe it's a little more general but what do you think communities could do to be in a better position to receive funds from EDA for broadband purposes?

Barrett Haga: The key thing is to look at and work with your local regional partners whether it's the economic development district, universities, the key economic assets, look in that region that can really drive the next-generation jobs in that area.

So by working with those partners, you can identify not only where the broadband needs to go, what type of broadband maintenance-wide because at the end of the day, you may identify other funders for broadband line itself within EDA but you may be able to use EDA money to build the incubator that leverages that broadband to really create 200 to 300 new companies.

So when you look at it from the ecosystem approach is what does the ecosystem look like? How can broadband be part of the ecosystem whether using our funds or other funds?

What other components in an ecosystem you need to enhance using our money or other folks' money to really grow the highway type well traded sector jobs that can provide long-term catalytic impact in an area?

Karen Hanson: So working on those CEDS plans as well, it's a good strategy for them to do, right?

Barrett Haga: Correct, that'd be one of their regional partners, the EDOs and economic development districts could be a part of that CEDS process.

Karen Hanson: Okay, great.

Barrett Haga: But even if they don't have a CEDS working with the university they're just local economic assets in general to leverage those asset capabilities.

Karen Hanson: Excellent, so we have a lot of questions that came-in for everybody about how your programs what data sources do your programs use to determine whether an area is served or unserved? Shawn do you want to start with that?

Shawn Arner: Sure, so with respect to the infrastructure program infrastructure loan program, that doesn't have an unserved component. This doesn't really apply there but on our two broadband the loan program as well as the Community Connect program, what we do is we use a mapping tool where people have to map their service areas.

So for example on the broadband loan program they map their service territory on this mapping tool and what we are required to do is then as part of the regulation is we then do a public notice whereby people and to other entities have the opportunity to provide comments on if they're providing service in those areas or not.

If we do not receive any comments, what we do then is we do our own research and we use a variety of things to do that research to try and identify entities that may possibly be in that service territory and trying to type them to respond to that public notice on what types of services they are providing in that particular area.

With respect to the grant program, the broadband grant program, again the area that they're proposing to serve must be entirely unserved so but what they do is they draw the service territory.

And once we go through the application review process and go through that the scoring process, it looks like they're in the running to receive a grant, we will then - score high enough to receive a grant - we do a final verification check whereby we send our general field representatives out to that area to talk to the local community to do some testing in that area just to verify do an extra verification check to see if there is actually any broadband service in that particular area that's proposed to be served by that grant award.

So we do some onsite verification. We do use some public notice and response type tools to make that determination.

Karen Hanson: Kate, do you want to take a stab at that?

Kate Dumouchel: I'm sorry, could you repeat?

Karen Hanson: Oh sure, how does what data sources does the MCC use to determine unserved and underserved areas?

Kate Dumouchel: So I'm sorry, I'm having a little issue with my computer right now.

Karen Hanson: Oh no, okay, sorry.

Kate Dumouchel: So yes, I'm sorry, can you come back to me in a little bit?

Karen Hanson: That's okay, yes, we can go to a different question. Actually we have some questions related to what are there any open comment periods now for any of the programs that you mentioned?

Kate Dumouchel: Yes, there are probably a zillion so the biggest items that we have open is we have the rate of return. We're not still accepting comments but people can come-in and file ex partes. The rate-of-return proceeding from March is still pending. The both rural healthcare and lifeline have open notice of proposed rulemakings so and there are sort of a number of follow-on items that are happening in relation to the Connect America fund auction as well.

Karen Hanson: So folks can go to the FCC Website and find those proceedings and comment if they have input they'd like to share?

Kate Dumouchel: Yes.

Karen Hanson: Okay, excellent, we're getting close to the top of the hour so I think I will just ask one more question and it's for Shawn. We have some questions related to and those type of Dig Once question related to how any of the RUS programs can work jointly with the water or wastewater infrastructure program to lay-down conduit or fiber in a joint trench?

Shawn Arner: That's an interesting question and it's difficult to answer, you know, obviously if someone is doing a water infrastructure project and they lay conduit in that trench and then the telecommunications entity or broadband

entity comes, you know, is interested in utilizing that conduit rather than digging their own facilities and then putting another facility down then we're all for it and we can make I believe that you know, that that's an option available to them.

Now of course, you know, if the cost, I mean, if the cost to if the entity originally built that, wants to change them a certain cost, I mean, they probably would expect that to happen but you know, they have to come to kind of an agreement on that so the problem is I think coordination, you know, between entities sometimes and if people are willing to coordinate and are willing to work through that, I think it's something that's great.

I just personally I haven't seen that happen too often but, you know, we're always but the moral of that scene is maybe not in the dig once but I have seen like joint use of you know, pole arrangements whereby maybe an electric utility has some space on the pole that they can that the telecom facility can use or broadband utility can use. I've seen a lot more of that really but so anyway hopefully that answers it somewhat.

Karen Hanson: It does and I think I can speak for the fact that many of your colleagues are working with us and with others on the federal funding workstream to be better at coordinating amongst our programs so I think there may be more to come in the future on that front.

But I want to give a big thank you again to Barrett, Shawn and Kate and to all the participants on the Webinar. We've run out of time for questions but as noted earlier you can get in touch with the presenters directly.

As a reminder the presentation will be available on our Website within seven days. Broadband USA's Webinars are scheduled for the third Wednesday of

each month at 2:00 pm Eastern. Please join us again on November 14th for a Webinar on how broadband connectivity is transforming healthcare.

I'd also like to remind you that Broadband USA is available to assist with technical assistance to help broadband capacity and promote digital inclusion and broadband adoptions. For more information please e-mail us at broadbandusa@ntia.doc.gov or visit our Website for more information and to access our toolkits and publications. Thanks again to everybody and have a wonderful afternoon.

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