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## **Long Lines Form As Cash Hand-out Process Starts**

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The farmers down at NTIA and RUS called "Sooney!" last month, and thousands of hungry applicants vied to get their place at the federal trough. There's nothing like the prospect of billions of dollars in "free" money to get folks' juices flowing, and, despite the many strings that will be attached to the grants, there was no shortage of potential takers.

In the first round of funding for broadband packages, 2,200 applicants showed up and asked for \$28 billion dollars. Unfortunately for them, the federal government is doling out only \$4 billion this round. It is now up to government decision makers to give the thumbs-up or thumbs-down on which projects and which citizens will be funded.

Applicants from across the world beat a path to the money as the applications included projects for all U.S. states, districts and territories. More than a dozen applications for projects in Puerto Rico were submitted, and the variations reached across the hemisphere to more than a half-dozen applications for services in the U.S. Territories of Guam and Saipan.

The types of applicants also varied greatly. There were plenty of governments asking for federal money, with state, county, local and tribal governments sending in funding requests. Other government institutions also were not shy about asking for money, with universities, libraries, hospitals and public safety agencies filling out applications. Also holding their hand out (sometimes both hands!) were corporations and non-profit organizations; the ACORN non-profit group asked the administration for \$7 million dollars to fund empowerment initiatives. Seven million dollars will buy you a lot of empowerment.

The types of projects which were proposed included basic infrastructure projects to extend broadband service to areas that are currently unserved or underserved. Projects proposing to build or expand access at public computer centers totalled nearly \$2 billion of the requests. There were also \$2.5 billion in requests for projects that would provide broadband education, awareness, training, access, and equipment to vulnerable

population groups. (This is the type of project for which funding was sought by ACORN.)

Using some creative math, the government declared that there was an extensive interest in expanding broadband across the country. The government accountants started with the applications that totaled \$28 billion in total funding sought. To that they added another \$10.5 billion for what applicants claimed they could produce in matching funding. The government then announced that this indicated more than \$38 billion in proposed broadband projects were ready to stimulate the economy.

The government has provided public access to the application database at [broadbandusa.gov](http://broadbandusa.gov) and has promised to “move quickly but carefully” to distribute the money. Industry speculation is that the funding will begin to flow this November – one year prior to the 2010 federal elections.

After this \$4 billion is exhausted, there will be an additional \$3 billion that will be distributed in the next round of funding. A third round which had originally been projected seems to have been dropped, though nothing is certain at this point. No dates have yet to be announced for the second round of funding. However, in light of the timetable for the initial round, a December or January filing date can be anticipated, with the funds to be issued in the summer or autumn of 2010, prior to the November general elections.