



# The broadband stimulus program

## Are you prepared to explore untapped opportunities?



Telecommunications businesses today are always on the lookout for new markets and new opportunities. Of course, initiating a new venture takes investment. Is your company looking to expand, but is constrained by limited financing? If so, you should be paying attention to the Broadband Stimulus Program that is a component of the American Recovery and Reinvestment Act of 2009.

Universal access to technology is one of the components of the American Recovery and Reinvestment Act of 2009, and among the programs included in this Act is one for broadband stimulus. It is an ambitious plan to expand broadband access to unserved and underserved communities across the U.S., increase jobs, spur investments in technology and infrastructure, and provide long-term economic benefits. The Act provides a total of \$7.2 billion split between the Commerce Department's National Telecommunications and Information Administration (NTIA) and the Department of Agriculture's Rural Utilities Service (RUS).

The NTIA will use \$4.7 billion, primarily to deploy broadband infrastructure in areas that are either unserved or underserved. Their grant program, which is called the "Broadband Technology Opportunities Program," or BTOP, is also interested in enhancing broadband capacity at public computer centers and encouraging the sustainable adoption of broadband service. Details about BTOP can be found at [www.ntia.doc.gov/broadbandgrants/](http://www.ntia.doc.gov/broadbandgrants/).

RUS will invest \$2.5 billion to launch broadband deployment primarily in rural communities through its "Broadband Initiatives Program," or BIP that may extend loans, grants, and loan/grant combinations — with a focus on loans. Half of this funding is reserved for "last-mile" projects that deliver broadband service to the end user, while funds are also designated for "middle-mile" projects and unrestricted purposes, such as infrastructure.

Details about the RUS program can be found at [www.usda.gov/rus/telecom/index.htm](http://www.usda.gov/rus/telecom/index.htm).

### Broadband Stimulus: Where are the opportunities?

The American Recovery and Reinvestment Act of 2009 opens the door to tremendous opportunities for technology, media, and telecommunications (TMT) companies. In communities, cities, and states across the country, broadband projects are being proposed that present potential new business for companies in markets they may not have ever considered before or could not have afforded to approach. These are new customers with previously unmet needs.

The first application period has passed, but future funding rounds are coming up and access to other related funding sources are available. For TMT companies, this is a way to use grant money to explore untapped markets and business models.

These projects could include:

- Deploying a fiber-optic network in a rural area
- Providing last-mile broadband utilizing fiber to the home (FTTH) and fixed wireless to connect unserved and underserved areas
- Adding additional broadband capacity to serve schools, community anchor institutions, public media, and public safety
- Creating middle-mile network infrastructure to expand open access architecture
- Replacing deteriorating legacy copper infrastructure with robust and weather durable fiber-optic networks
- Installing essential middle-mile infrastructure to enable health care interconnectivity among a collection of hospitals
- Providing last-mile broadband connectivity to educational systems from Pre-K to university
- Installing wireless nodes in remote rural areas that connect to a microwave backhaul system
- Providing WiMAX and WiFi service to rural counties

Whether you are interested in pursuing projects like these as a lead contractor and/or partner with a public sector organization, or as a subcontractor in a consortium bid, all companies in the TMT value chain should explore participating in upcoming application rounds.

### Winning strategies with Deloitte

Of course, this business is going to look different from other markets you have been serving. The goal is to provide access to unserved and underserved areas. For a project to achieve desired results, you will need to take a different approach in both the application process and your business model. That means you will need assistance from those who know and understand the mix of private/public sector partnerships. This is where Deloitte can help.

Deloitte can provide guidance that will enable you to:

- Have a clear business case, which conforms to BTOP and BIP objectives, whether it is collecting and analyzing current market intelligence or performing and benefits/impact analysis
- Identify the potential impact on your organization
- Prepare a well-articulated project plan designed to enhance success
- Identify critical resources and partners
- Articulate reasons your organization is a “best fit” by proving the consistency and alignment with your existing corporate strategy, underscoring the strength of your capabilities, and proving how the ecosystem of your partners and joint venture entities will deliver the proposed services
- Accurately analyze the efficiency of the capital requested and evaluate estimated costs and schedules, conduct due diligence, and investigate alternative proposal options
- Establish project and construction oversight procedures and protocol, as well as monitor program compliance and accurately report use of funds

At Deloitte, we have in-depth experience in a wealth of disciplines. Our audit, tax, financial

advisory, and consulting services encompass accounting and controls processing, tax implications, business planning, asset acquisition, valuation, management process, and operational issues. All of our subject matter specialists have deep knowledge of the technology, media, and telecommunications industries. We collaborate as a team to serve TMT companies in depth in all of these disciplines, enabling us to be a comprehensive resource as you move through each step of the application process and onward through the project’s planning and execution.

Plus, we have a long-standing understanding of federal programs and knowledge of the processes around these programs that enables us to guide clients as they first consider what projects would be appropriate to apply for and continue on to identify partners, prepare the application, address the issues around the awarding of funds, and then execute the services for the project.

It is not often that such a broad opportunity presents itself that can both benefit TMT organizations and make a huge difference in the day-to-day lives of Americans across the country who have been left out of the technology revolution. Deloitte can help you make that difference.

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