

# RURAL ALASKA INTERNET ACCESS GRANT PROGRAM

## Program Description

Recognizing that access to the Internet provides economic, employment, and educational opportunities to isolated, remote, and economically depressed areas of the country, Congress passed legislation authorizing grant funding to establish the *Rural Alaska Broadband Internet Grant Program*. As initially enacted in 2002, this legislation limited grant funding to projects that would expand broadband Internet service into rural communities that lacked local (toll-free) dial-up Internet service. Legislation enacted in 2008 expanded eligibility requirements to allow grant funding for projects benefiting rural communities that lack broadband access to the Internet (including communities that have non-broadband local dial-up Internet access).

## Purpose of the Program

The grant program's goal was to facilitate long-term affordable broadband Internet services in rural Alaska communities that did not currently have access to broadband Internet services. To accomplish this, the United States Department of Agriculture – Rural Development (USDA) provided telecommunication carriers and cable operators (through sub-recipient grants jointly administered by the Alaska Department of Commerce, Community and Economic Development (DCCED) and the Regulatory Commission of Alaska (RCA)) up to 75 percent of the funding required for eligible projects.

## Program Requirements

**Eligible Applicants:** Only telecommunications carriers or cable operators capable of providing broadband Internet service in rural Alaska were eligible to apply for sub-recipient grants.

**Eligible Communities:** Sub-recipient grants were limited to projects that benefit rural Alaskan communities meeting the following qualifications:

- (1) was a rural Alaskan city, town, village, or borough with a population of less than 20,000;
- (2) had a not-employed rate of more than 19.5 percent; and
- (3) community residents did not currently have broadband Internet service.

**Community Support:** Community involvement was essential to the success and sustainability of broadband services in these rural communities. To further this premise, all applicants should document community support and participation in the planning and implementation of the project.

**Eligible Projects:** Projects should be proposed by eligible applicants and should benefit only eligible communities. Additionally, the project should:

- (1) implement broadband Internet service in rural Alaskan communities without broadband access; and
- (2) maintain broadband Internet service at rates comparable to those paid by residents of Anchorage, Fairbanks, and Juneau for at least two years after completion of the grant funded phases of the project.

Grant projects consisted of three distinct phases, consisting of a *Construction Phase*, a *Start-Up Phase*, and a *Maintenance Phase*. The *Construction Phase* started when an applicant and the RCA entered into a grant agreement and should be completed within 18 months, though the Construction Phase could be extended by 6 months at RCA's discretion. Upon completion of this phase, there should be successful activation of broadband Internet service into the agreed-upon rural communities.

The *Start-Up Phase* commenced upon conclusion of the *Construction Phase*, and should last 12 months. During the *Start-Up Phase* the applicant should provide computers and software for free broadband Internet access to community residents in at least one public access facility, and should provide free Internet training and Internet business development courses to community residents.

Grant funding occurred in the *Construction* and *Start-Up Phases* of the grant project. The RCA provided up to 75 percent of the project costs during the *Construction* and *Start-Up Phases*, while the grant applicant provided at least 25 percent of project costs.

The *Maintenance Phase* started upon completion of the *Start-Up Phase*, when the applicant started charging for broadband Internet services. This was a mandatory two-year period in which the applicant should maintain its previously approved rate structure and service levels. The applicant did not receive grant funding during the *Maintenance Phase*.

Grant proposals were evaluated as detailed in the *Grant Application Guide*. The RCA reviewed sub-recipient proposals to determine basic compliance, and proposals that did not meet basic requirements were eliminated. Remaining proposals were forwarded to a grant evaluation committee to individually evaluate the proposals using a numerical scoring system detailed in the *Grant Application Guide*.

### **Program Reporting to the USDA**

**Documentation** reflecting actual expenses should be submitted to the RCA on a quarterly basis.

**Quarterly financial reports** should be submitted to the RCA within 30 days after the end of the reporting period. Additionally, a final financial report was due 90 days after the expiration or termination of the grant. The last quarterly report could serve as the final report.

**Performance reports** should be included with the quarterly financial reports. Performance reports should contain (1) a comparison of actual accomplishments to the objectives established for that period, (2) reasons why established objectives were not met, (3) problems, delays, or adverse conditions which would affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods, along with statement of the action taken or planned to resolve the situation, and (4) objectives and timetables established for the next reporting period.

### **Additional Required Forms and Documentation**

Additional forms and documentation should be submitted with the grant application, as more fully discussed in the *Grant Application Guide*.

### **Compliance with Federal Requirements**

Several federal requirements applied to grantees receiving federal funding through the sub-recipient grants. The requirements are discussed in more detail in the *Grant Application Guide*.

### **Current Status of the Program**

Five rounds of grant funding have been completed, and the RCA have requested USDA to close out the grant program. USDA stated that DCCED and RCA have met all the requirements of the grant program, and will send a Final Close Out subject to final review of a financial audit, which is due March 30, 2017.