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 is to facilitate long-term affordable broadband Internet services in rural Alaska communities that do not currently have access to broadband Internet services. To accomplish this, the United States Department of Agriculture provides telecommunication carriers and cable operators (through sub-recipient grants jointly administered by the Alaska Department of Commerce, Community and Economic Development and the Regulatory Commission of Alaska (RCA)) up to 75 percent of the funding required for eligible projects.

Current Status of the Program
Three rounds of grant funding have been completed. The RCA released a Round 4 Grant Application Guide on September 19, 2008, with a deadline for grant applications initially stated as October 31, 2008. That deadline has been extended to December 31, 2008. Specific information regarding application requirements can be found in the Grant Application Guide. A brief summary of program requirements follows.

Program Requirements

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

Eligible Communities: Sub-recipient grants are limited to projects that benefit rural Alaskan communities meeting the following qualifications:
(1) is a rural Alaskan city, town, village, or borough with a population of less than 20,000;
(2) has a not-employed rate of more than 19.5 percent; and
(3) community residents do not currently have broadband Internet service.

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

Eligible Projects: Projects must be proposed by eligible applicants and must benefit only eligible communities. Additionally, the project must:
(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.
Projects will consist of three distinct phases, consisting of a Construction Phase, a Start-Up Phase, and a Maintenance Phase. The Construction Phase begins when an applicant and the RCA enter into a grant agreement and should be completed within 18 months, though the Construction Phase may be extended by 6 months at RCA’s discretion. Upon completion of this phase, there must be successful activation of broadband Internet service into the agreed-upon rural communities.

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

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

The Maintenance Phase begins upon completion of the Start-Up Phase, when the applicant begins charging for broadband Internet services. This is a mandatory two-year period in which the applicant must maintain its previously approved rate structure and service levels. The applicant will receive no grant funding during the Maintenance Phase.

Grant proposals will be evaluated as detailed in the Grant Application Guide. The RCA will review sub-recipient proposals to determine basic compliance, and proposals that do not meet basic requirements may be eliminated. Remaining proposals will be 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 shall be submitted to the RCA on a quarterly basis.

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

Performance reports must be included with the quarterly financial reports. Performance reports must 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 will 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 must be submitted with the grant application, as more fully discussed in the Grant Application Guide.

Compliance with Federal Requirements

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